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THE WORLD BANK

Washington, D.C.

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UN Fund for Population  
Activities (UNFPA) 1972-74



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649

~~Mr. Stafford Mousky~~  
UNFPA S

November 5, 1974

Mr. Rafael Salas  
Executive Director  
United Nations Fund for  
Population Activities  
485 Lexington Avenue  
New York, N.Y. 10017

Dear Rafael:

In paragraph 3.33 of the Report of the 18th Session of the UNDP Governing Council there appears a statement about UNFPA's coordinating role that we feel is misleading. The statement reads as follows:

"One member requested that the Executive Director prepare an oral statement for the nineteenth session, and a written report for the twentieth session on how UNFPA was carrying out the role assigned to it by the Economic and Social Council to coordinate activities among all the institutions active in the population field." (emphasis added)

Actually the Governing Council Report is not a true reflection of the debate on this point. The summary record presents the matter much more accurately, and as it indicates, the "member" referred to in the report is Mr. Stafford Mousky of the U.S. delegation (DP/SR.436, pp.16-17). The complete text of his remarks on this point read as follows:

"UNFPA should also, in conformity with the instructions of the Economic and Social Council, promote and facilitate cooperation in and the coordination of population activities, particularly in countries where it was undertaking - or intended to undertake - large-scale programmes. In particular, it should more effectively coordinate those large-scale programmes with IBRD programmes, the bilateral programmes of some donor countries, those of WHO and of certain private foundations and, in particular, those of the beneficiary countries, where the latter had themselves taken the initiative at the local level. The Executive Director should make verbal report to the Council at its nineteenth session and a written report at its twentieth session, possibly within the framework of his annual report."

Mr. Rafael Salas

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November 5, 1974

Thus, while Mr. Mousky's actual remarks are consistent with the ECOSOC instruction to UNFPA "to coordinate projects supported by the Fund" you will immediately recognize that the statement on this appearing in the Governing Council report is not.

We bring this to your attention now in the hope that, in preparing your response for the 19th and 20th sessions of the Governing Council, you will be able to move away from the inaccuracies of the report and thus avoid any possible misunderstanding on this point.

With regards,

Sincerely,



K. Kanagaratnam  
Director

Population and Nutrition Projects Department

cc: Mr. Hoffman ✓  
Mr. Riley

VRiley/KK:b11

ROUTING SLIP		DATE August 7, 1974			
NAME		ROOM NO.			
Mr. M.F. Hoffman					
<i>New B.</i>		<i>for our UNFPA file.</i>			
APPROPRIATE DISPOSITION		NOTE AND RETURN			
APPROVAL		NOTE AND SEND ON			
COMMENT		PER OUR CONVERSATION			
FOR ACTION		PER YOUR REQUEST			
INFORMATION		PREPARE REPLY			
INITIAL		RECOMMENDATION			
NOTE AND FILE		SIGNATURE			
REMARKS					
<u>BANK/UNFPA DRAFT AGREEMENT</u>					
For information and hold - Revised draft incorporating your changes. We will withhold further action on this until after the Board discussion.					
FROM	K. Kanagaratnam	ROOM NO.	EXTENSION		
		D928	5431		

JOINT MEMORANDUM

between

THE PRESIDENT OF THE WORLD BANK

and

THE EXECUTIVE DIRECTOR OF THE UNITED NATIONS FUND  
FOR POPULATION ACTIVITIES

ON POPULATION ACTIVITIES

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The following paragraphs are intended to clarify the relationship between the Bank and UNFPA and to guide their staffs in planning and carrying out their respective operations in the population sector.

1. The World Bank and the UNFPA have a common interest in assisting member governments, on request, to develop and carry out effective population programs within the context of their national economic and social development programs. The two institutions also have a common interest in making the system of international assistance work as efficiently and harmoniously as possible in order to economize scarce financial and manpower resources and to minimize inconvenience, and delays for assisted governments. They are agreed that international financial assistance should be extended on as favorable terms as possible and that every effort should be made to provide an adequate flow of funds for population activities and to improve the effectiveness of international assistance to the sector.

2. The Bank's concern with population stems primarily from its interest in reducing the retardation to economic and social progress imposed on developing countries by excessive rates of population growth. The Bank believes that its assistance can most usefully take the form of financing projects forming part of programs that express and provide the means to carry out broad national policies designed to achieve widespread understanding of and

access to fertility control, both as an individual human right and as a means of bringing population growth into a better relationship with each country's economic and social potential for increasing human welfare. The Bank will not, as a general rule, finance activities unrelated to a consistent national program no matter how meritorious they may be. It believes that population programs, if they are to be effective, must be broad and must include many mutually-supporting components. Thus, the Bank has an interest, which it believes is shared by UNFPA and other donors, in the full spectrum of population and related health services, information, research, evaluation, demographic and data collection etc. necessary to the achievement of a maximum feasible impact.

3. The Bank's financial assistance will normally involve substantial hardware components for which grant funds are limited. However, such Bank financing will only be provided as part of a sound project/program. The Bank will want to be satisfied that important project/program components which it may not finance itself are receiving adequate attention from the government and, if necessary, arranging financial support from other sources. To this end, the Bank will want to be assured of government commitment to such components and to be informed of their status.

4. The UNFPA shares many of these concerns and purposes of the Bank. It has, however, the following special interests and responsibilities:

(Draft to be suggested by UNFPA)

5. In view of the above considerations, the World Bank and the UNFPA agree that:

- (1) They will in all cases make special efforts to coordinate their activities in every country where both institutions have, or are

likely to have, major operations. To further this objective, each agency will notify the other of its intentions and ascertain if the other has observations or proposals; where both are agreed that it is mutually beneficial, staff members of one agency may participate in a sector or program review mission for which the other agency has principal responsibility to the government of the country concerned.

- (ii) Whenever one agency is represented on the other's missions as an observer the participating individual will be treated as a member of the team and will be accorded the same opportunity to participate in the writing of and commenting on the draft reports as other mission members enjoy. Such a member would normally be expected to make appropriate technical contribution to the work of the mission based on his background and experience. The final responsibility for the report will of course remain with the institution which has principal responsibility to the government concerned.
- (iii) Each agency will send to the other copies of its draft reports not later than the time at which they are submitted to governments;
- (iv) The Bank and the Fund recognize and respect each other's methodologies and procedures for developing and extending their assistance. Through a timely and full exchange of information both agencies will attempt to take maximum advantage of work done, or planned to be done, by the other in order to minimize inconvenience to governments and unnecessary work for themselves; such exchange of information will normally take place in the context of the reviews referred to in para. (v).



- (iv) The Bank and the UNFPA will, wherever feasible, seek to arrange their financing on a cooperative basis, bearing in mind the ultimate right of governments to choose the sources from which they wish to receive financial or technical assistance. The particular forms that such cooperative financing will take will be worked out on a case-by-case basis. They may include joint, parallel, or completely independent (but coordinated) arrangements. Every effort will be made to achieve coordination through the full exchange of information and the design of projects to avoid overlapping elements;
- (v) The Bank and the UNFPA will at all times seek to keep each other fully informed of their activities in countries in which they have mutual operational interests. Bank population missions visiting countries in which there is a Population Coordinator in the office of the United Nations Resident Representative will be instructed to meet with the Coordinator in the field and to brief him fully on Bank activities, on-going or planned. UNFPA Coordinators will give appropriate information and assistance to Bank missions. At the headquarters level, senior representatives of the two institutions will meet to review their future work plans at least once a year, both in general and on a country-by-country basis, and to discuss and resolve any problems in making this Agreement effective. Other meetings to review specific operations will be held as mutually deemed desirable between the technical staff concerned.

(vi) Within three months of the signature of this document the Bank and UNFPA will arrange for a review of the documents to be exchanged routinely on each other's operations. Such document review will be subject to updating as required.

.....

Signature

\_\_\_\_\_ Date

.....

Signature

\_\_\_\_\_ Date

213-A

Over file  
UNFPA  
~~UNFPA~~

July 25, 1974

Mr. Halvor Gille  
Deputy Executive Director  
United Nations Fund for  
Population Activities  
485 Lexington Avenue  
New York, N.Y. 10017

Dear Halvor:

I have pleasure in sending you the summary of the main points discussed at our meeting on May 1, 1974, here in Washington D.C.

Sincerely,

George B. Baldwin  
Deputy Director  
Population and Nutrition Projects Department

Enclosure (2 copies)

cc: ✓ Mr. Hoffman  
Mr. Zaidan  
Miss Husain/Mr. Jones  
Mrs. Domingo,  
Dept. Files - UNFPA  
Div. Files

LDomingo/jim

UNFPA-IBRD REVIEW MEETING  
MAY 1, 1974, WASHINGTON, D.C.

In attendance for the UNFPA: Mr. H. Gille and Dr. N. Sadik

for the IBRD : Dr. Kanagaratnam, Messrs. Zaidan, Jones and Gould

Summary of the Minutes

1. Indonesia

a) Mr. Jones briefed those present on the latest developments in the Indonesia project. He reported that the Government's recent ban on the importation of sedans and station wagons has caused difficulties in the procurement of vehicles for the population project. There were indications that Bappenas has produced a series of procurement instructions which conflicted with the Bank's procurement policies. A working group within the Bank, which was studying the matter, felt that the Bank could not reimburse the Government for vehicles under broken contracts. For other vehicles for which bids have not yet been invited, the Bank might be prepared to waive its procurement requirements. This recommendation would be submitted to the management for its consideration and as soon as a decision is reached, UNFPA would be informed accordingly.

b) A full supervision mission is scheduled in September 1974 and UNFPA would be invited to participate.

2. Philippines

Previous problems in conjunction with the project have already been satisfactorily resolved and both agencies were generally pleased about the project.

3. Bangladesh

Mr. Zaidan reported that a Bank mission was in the field for discussions with the Government on project composition. At Dr. Sadik's suggestion it was agreed that any discussions on the matter between Miss Epstein, who was also in Bangladesh, and the Bank mission members would form part of UNFPA's comments on the Bank's report.

4. Tunisia

Mr. Zaidan reported that the sector report on Tunisia was expected to be finished within a few weeks. A copy of the report would be sent to UNFPA, for its comments.

5. Malaysia

Dr. Sadik reported that the Government, in view of prevailing conflicting political views on population planning, has decided to adopt a low profile on family planning. Posters on family planning have been banned.

6. Latin America

a) Each organization briefed the other on activities and plans to date. The main operations which the Bank might have in Latin America include a nutrition project in Brazil, a second population/nutrition project in Jamaica and a population/nutrition project in Colombia. No firm plans have yet been crystallized on Ecuador. The Bank is closely liaising with the USAID on the Dominican Republic and an identification mission was scheduled to leave at the end of May.

b) Dr. Sadik reported that the UNFPA has program activities in the Dominican Republic, St. Vincent and Barbados. UNFPA is now funding the Family Planning Association in Mexico and has also received a request for financial assistance to Mexico's national family planning program.

7. General Program/Policy Matters

a) Mr. Gille shared Dr. Kanagaratnam's observation that specific country consultations between the two agencies have been most useful and helpful, and that they be continued whenever the need arises.

b) Mr. Gille noted that the Bank has entered into a memorandum of agreement with WHO and raised the possibility of the UNFPA and the Bank drafting a similar joint agreement to guide the staffs of both agencies in carrying out their respective operations in the population sector. Dr. Kanagaratnam took note of the suggestion for further discussions with the other Bank officials.

c) There was a brief discussion on how to achieve the most efficient way of exchanging documents and improving the existing informal consultation between the two agencies. Mr. Gille suggested that an exchange of roster showing staff members and their country assignments might be helpful in this respect.

d) The next review meeting was scheduled for November 1974.

Dr. K. Kanagaratnam

March 6, 1974

L. Peter Chatenay, IRD

UN Population Commission; Third Special Session; March 4-15, 1974

1. I followed parts of the Commission's meetings on March 5 and 6 in this special session in which the Commission acts as the preparatory body for the World Population Conference.
2. Aside from the item on the World Plan of Action to be discussed later, the Commission is faced essentially with house-keeping subjects, e.g. the rules of procedure and the timetable for the Conference and the allocation of items among the committees of the Conference. In effect, nothing of substance of interest to the Bank.
3. One of the Commission's problems is that it cannot play its essential role--namely to give the "once-over" to the basic documents of the Conference. The reason is simply that these documents are either just issued in a preliminary version in English only or not yet ready in any language. The Director, UN Population Division, pleaded for another 15 to 20 days to produce a clean final draft of all four documents. Thereafter, they must be edited and translated. It is unlikely they will be ready 90 days before the Conference, as was supposed to be the case.
4. The delegate of Sweden pressed very hard on this basic flaw in the workings of the Commission. Her purpose clearly is to get the Commission to meet once more to do the job of reviewing the basic documents. Other delegates--including the US representative--say that the experts who have seen the drafts are satisfied. As I left, the resolution of this problem was unclear.
5. The Commission agreed to the proposal that invitations to the Conference be sent out to various intergovernmental organizations. But formally, these invitations will be issued only after the Economic and Social Council has approved the Commission's decision.

cc: Mr. M. Hoffman, IRD ✓  
Mr. E. Franco-Holguin, IRD

LPChatenay:ec

## OFFICE MEMORANDUM

TO: Files

DATE: January 21, 1974

FROM: W.S. Humphrey *W.S. Humphrey*SUBJECT: PHILIPPINES - Conversations with Dr van Arendonck  
of UNFPA

I spoke to Dr van Arendonck of UNFPA on the telephone twice last week and we discussed a number of issues related to the forthcoming population project.

Information, Education and Communications(IEC) Component

I told Dr van Arendonck that the Government had now agreed to the addition of a committee to advise Popcom on IEC matters. With this addition the proposal for the IEC division of Popcom as presented to UNFPA was acceptable. Dr van Arendonck and I agreed that it would be useful if some of us from here visited New York shortly to discuss the details of the rest of our project in order that UNFPA could be fully informed. Dr van Arendonck said he would telephone about a convenient time once he had consulted Mrs Sadiq who was returning from the Philippines about January 17, 1974.

UNFPA Memorandum of Understanding with the Government

On December 20 we had cabled UNFPA suggesting that the draft memorandum of understanding between UNFPA and the Government should be postponed until complete agreement was reached on the substance of the proposed project, particularly the IEC component to be financed by UNFPA. Dr van Arendonck had told Mr Goodman in the Philippines that after complete agreement on matters of substance was reached it might be possible to amend some parts of the memorandum of understanding which referred to other donors. On January 11, 1974, UNFPA had cabled back that it would not be possible to postpone signing since the Philippine Government wanted UNFPA to continue processing projects. Although this cable implied that the draft memorandum had not yet been signed, Dr van Arendonck told me on the telephone that the memorandum had been signed by the Government in early December sent to UNFPA and signed by them on December 10. He said the Government had put great pressure on UNFPA to do so in order that funding of UNFPA projects would not be held up. He did not accept that there had been any understanding with us that the signing of the memorandum should be delayed substantially. He had merely said that it might be possible to amend the memorandum once agreement had been reached in substance. He added that he could not see anything objectionable about the memorandum as it stood since the conditions were the minimum which UNFPA could accept in any situation. He pointed out that the memorandum did not restrict consultation with other agencies with projects proposed by the Government to UNFPA. It merely said that projects should not be

submitted to any third party for their approval. He could not see how we could object to this, since the only parties who could approve a bilateral agreement were the parties concerned i.e. UNFPA and the Government.

I told him that the main problem foreseen by Mr Goodman and myself had been a proposed understanding with the Government that no subsequent agreement which the Government might enter into with other donors should in any way alter or affect the relationship or conditions spelt out in the draft memorandum of understanding. We had been particularly bothered by the word "affect" in this context. Dr van Arendonck told me that the words "or affect" had been deleted from the final version. Otherwise the memorandum remained as we had seen it in Manila, and is attached to this memorandum.

The memorandum as signed was subsequently reviewed by Mr Tenley Jones of the Legal Department. In his opinion it would not present us with any legal problems in the context of our proposed population project.

cc: Messrs Goodman  
Kanagaratnam  
Zaidan  
Riley  
Tenley Jones  
Hasal

WSHumphrey/dp



UNITED NATIONS DEVELOPMENT PROGRAMME

Office of the Resident Representative  
in the Philippines

MEMORANDUM OF AGREEMENT

This memorandum of agreement has the purpose of clarifying and extending the relationships, undertakings and obligations of the parties signatory to the Project Agreement on Family Planning between the Government of the Republic of the Philippines and the United Nations Fund for Population Activities dated January 14, 1972.

In the course of time since the signing of the said Agreement, the Government has seen the need for further assistance from UNFPA, and UNEPA has agreed in principle, under Article 1.3 of said Agreement and subject to certain conditions, to make available up to one million dollars per annum over the five-year period July 1st 1973 and June 31st [sic] 1973. This amount of five million dollars shall be for projects additional to those specified in Annex I of the Agreement, (with the exception of Project VIII, funds for which have been reallocated for other purposes) and additional to Projects Number 4, 5 and 6 in Annex II of the Agreement (Assistance for Research in Law and Population, Assistance to the Programme of the Responsible Parenthood Council, and Asian Social Institute respectively) as well as for extension of those projects already operational. While the project proposal for assistance to the Commission on Population's Programming, Evaluation and Research Division which was originally submitted for UNFPA approval is included within the commitments already subject to the existing Agreement, the revised

- 2 -

and expanded proposal for this Project (renamed Planning Division) is to be considered as a part of these projects for which additional funding may be made available.

The UNFPA agrees to support additional projects submitted for approval through the normal channels and in general accordance with the Agreement, up to a maximum of five million dollars over the five year period specified above, as agreed upon between the UNFPA and the Government of the Philippines in May 1973, subject to the following conditions:

1. The availability of funds.
2. Approval of each project by UNFPA after technical appraisal by appropriate Executing Agencies as required, and, for those of over one million dollars by the Governing Council of UNDP.
3. The maintenance and safeguarding by the Government of the full and proper viability of the Planning Division of the Commission on Population.
4. The maintenance and safeguarding of the right and freedom of the Government and UNFPA to negotiate bilaterally the terms of assistance and technical and programme details of the proposed project to establish an Information, Education and Communication Division within the Commission on Population, and any other project as the Government may from time to time wish to submit for UNFPA assistance, without any obligation for either of the two parties to submit such proposals to any third party for their approval.
5. The undertaking by the Government that no subsequent agreement which they may enter into with other donors shall in any way alter or affect these relationships and conditions.

In recognition of these conditions, and desirous of continuing and extending the relationship established in the Agreement of 1972, the Government hereby agrees and undertakes:

1. That the Planning Division of the Population Commission will prepare the long term development plans and the annual development programmes of the Population Commission in close consultation with the other divisions of the Population Commission. It will be responsible for the Commission's programme targets and the allocation of resources for the various programme activities. It is also responsible for the strategy of the Population Commission. The Planning Division has the responsibility periodically to evaluate the national programme as well as the individual project components.
2. In order to fulfill and observe the conditions set out in 4 and 5 above, to consult with UNFPA on any proposal for organisational changes which might in any way affect the programme and projects assisted by UNFPA, the organisational arrangements made for their implementation, and agreements signed for this purpose. In particular, any proposal for the establishment of new units within or impinging upon the organisational structure of the Commission on Population, which may be made by other external donors will be referred to UNFPA for consultation, in the interests of maintaining the viability of the joint POFCOM/UNFPA programme and the terms of this and previous agreements signed.

FOR THE GOVERNMENT OF THE PHILIPPINES

FOR THE UNITED NATIONS FUND FOR POPULATION ACTIVITIES:

/s/E. Aldaba-Lim Date \_\_\_\_\_  
 ESTAFANIA ALDABA-LIM  
 Chairman, Commission on Population

\_\_\_\_\_ Date \_\_\_\_\_  
 RAYMUNDO SALAS  
 Executive Director

\_\_\_\_\_ Date \_\_\_\_\_  
 CESAR VERATA  
 Secretary of Finance

\_\_\_\_\_ Date \_\_\_\_\_  
 Director General

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~~Mr. Hoffman~~

UMFPD

January 8, 1974

Mr. Halvor Gille  
Deputy Executive Director  
United Nations Fund for  
Population Activities  
485 Lexington Avenue  
New York, N.Y. 10017

Dear Halvor:

This letter is in response to yours of last December 10th asking us for comments on the first draft of the Fund's WPC paper, "The Role of International Assistance in the Population Fields" (sic). We have read the paper, giving somewhat closer attention to those sections which are of direct interest to Bank activities, and are glad to send along a few comments on matters of substance which we hope will be helpful in preparing a final draft. We have not made any purely editorial comments nor checked any of the figures (indeed, most of the tables referred to in the draft were not included in the preliminary copy you had sent). Although the main thrust of my subsequent comments will be critical, as requested, let me say that in general the paper strikes us as a useful and well-written contribution to the WPC documentation.

Here are a few specific comments for you to consider when redoing the draft:

(I) The terms of reference, or objectives, of the paper could well be brought into sharper focus. One waits until the paragraph at the middle of p. 4 to learn what the scope of the paper is to be -- and then gets a statement that is too vague and general ("The focus ... is on assistance..."). The growth and present volume of assistance? The sources and distribution of assistance? Official plus unofficial assistance? The adequacy or inadequacy of assistance? Problems involved in extending effective assistance? The terms on which assistance is given? Problems of coordinating multiple sources of assistance? A sharper, fuller statement of the paper's scope would tell the reader what lies ahead and would provide the authors and editors with a clearer basis for judging what to include or exclude.

(II) Although the attempt on pp. 1-3 to define the field of "population activities" is quite good, you may want to consider going even farther by giving recognition to activities that are not explicitly "population activities" but which nevertheless have - or may have - demographic impact,

perhaps even stronger than the demographic impact of "direct" population activities. I would myself exclude the "indirect" activities from any definition of "population activities," and would thus not count assistance to other sectors as "population assistance" no matter what its suspected demographic impact may be. But if social research on fertility determinants ever shows us a convincing route to lowering fertility that leads along paths not now covered by "population activities" then I would expect a wholesale switch of the latter into these new fields. Thus our present definition of the field (and of international assistance) is a reflection of our present knowledge (or assumptions) as to what types of activities are effective in achieving our population objectives. This point is related to the point made on p. 57 of the draft where it is suggested that economic and social change may have to occur before family planning programs can have a significant demographic effect. If this hypothesis could be established as a fact, and the specific changes needed could be specified, then the best route to fertility control might be through national development planning and not through the extension of family planning networks. But not enough is yet known about the necessary "beyond-family-planning" measures to provide a new strategy for national population planning or for international assistance.

(III) The paper might make more explicit acknowledgement of the differing motivations underlying population activities, especially the key activity of family planning. This comment applies to donors and recipients alike. Some believe family planning important to prevent world population from getting out of hand; some want it to make possible faster growth in the per capita incomes of certain countries or groups within countries; some are concerned primarily with the health status of women and their offspring; some are almost equally concerned with all these motives. The existence, amount, and kinds of assistance are sometimes affected by differences in donor and recipient motivations or by assumed differences in motivations.

(IV) Although the first sentence in the middle para. on p. 4 makes clear that the paper is concerned with both financial and technical assistance, this distinction does not receive enough attention later on. Section III of the paper, for example, starts with "Sources of funding" without paying any attention to the funding/TA distinction -- and then moves directly into "multilateral organizations" which present a mixture of funding and TA agencies. The distinction seems to us an important one, as it explains many things about how international assistance is organized and about the difficulties of aid coordination. On this latter subject (aid coordination), the discussion at the top of p. 50 could be strengthened by pointing out that it is easier to hope for coordination of the activities of United Nations technical assistance agencies by some designated U.N. authority because of the common source of funds (e.g. UNEPA funds) than for coordination of major financial donors operating out of different authority-structures. We would like to see greater emphasis put on (1) the need to build up common-law traditions of cooperation among donors arising out of close communications and (2) a stronger acknowledgement of the coordinating responsibility of recipient governments. The assumption of this responsibility by Planning

Commissions or Ministries of Finance can make a major contribution to donor coordination; failure to assume this responsibility encourages undesirable forms of competition (and cannot really be replaced from outside).

(V) On p. 45 there is a reference to international assistance on the Indian program as being of the order of 10% (presumably around 1970-71?). To put this isolated figure in perspective, you might want to note that this is probably somewhat higher than the proportion of aid to total resources in most other sectors (i.e., foreign aid rarely provides more than 5-10% of a country's total development resources).

(VI) From page 47 onwards the paper draws rather extensively on the OECD Development Center meeting of December 1972. The number of recipient country representatives and their positions and operational responsibilities in their governments tended to reflect rather "parochial views". We would urge you to use the conclusions of that meeting with some caution.

((VII) The section on World Bank assistance (p.21) does not accurately reflect the objectives and operations of the Bank. I have enclosed an alternative treatment (see Annex 1) which makes the points we feel deserve coverage; feel free to use it or to adapt it as you see fit. Again, on p. 37 the paper makes inaccurate reference to what is financed from Bank or IDA funds. This matter is covered most explicitly in the article on "The Population Work of the World Bank" which appeared in the November, 1973, issue of Studies in Family-Planning (p. 295). Again, an alternative draft text (Annex 2) is enclosed for your consideration.

These are the principal comments we want to submit. We hope you and others will find them helpful.

Sincerely,



K. Kanagaratnam  
Director

Population and Nutrition Projects Department

Attachments

cc: Mr. R. Salas

cleared with and cc: Mr. Hoffman ✓

cc: Mrs. Hughes

Mr. T. King

MR. Baldwin

Mrs. Domingo

Mr. Kang

KK/CBB/is

(To replace para on IBRD - page 21-22)

International Bank for Reconstruction and Development

The decision in 1968 for the World Bank<sup>1/</sup> to enter the field of population assistance was based on the conviction that rapid population growth is a major barrier to the economic and social progress of most of its member countries. The Bank uses a three-step program which begins with an assessment of the implications of population growth on development as part of the Bank's periodic economic reviews; it then undertakes, on request, sectoral analyses; finally, it provides financial assistance to specific projects on conventional Bank terms or, to especially weak economies, on highly subsidized soft-loan terms (no interest, 50-year repayment period). To date Bank or IDA assistance has been extended to Jamaica, Tunisia, Trinidad, Indonesia, Malaysia, India, Egypt and Iran. Some of this Bank/IDA financing has been done in cooperation with other donors. Up to the end of 1973 the Bank has committed \$71 million for population activities.

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<sup>1/</sup> Including its soft-loan affiliate, the International Development Association (IDA).

(To replace paras on Grants/Loans p. 36-37)

(ii) Grants and loans

In the early period population assistance was given in the form of grants. As with other development assistance, it was sometimes given as tied aid, but this practice, never popular with recipient countries, has declined. Nowadays untied aid is the usual form for population assistance.

Since the entry of the World Bank to the community of donors, it has extended its conventional "Bank" and "soft loan" assistance to the population sector as well. Loan assistance from the Bank was \$34.4 million in 1972 and is projected to be \$133 million for the period 1972-75, becoming a substantial component in the total volume of population financial assistance. As in any sector, there would be a preference for outright grants. World Bank projects are required to meet the necessary appraisal criteria applied by the Bank in its project assistance. Population projects designed to achieve a predetermined set of population objectives are usually broader than the components which are financed from Bank funds. Joint or parallel financing, as in other sectors, is undertaken by the Bank where suitable opportunities present themselves. Bank financing is extended to a variety of areas and includes "hardware" elements such as buildings, vehicles, furniture and equipment, machinery for contraceptive manufacture, etc.; and software items which include training, preparation of materials, demographic research, technical assistance or, occasionally, additional operating costs arising from rapid program expansion. From its experience



to date the Bank finds no additional delays in getting projects under way because of credit financing rather than grant aid; it regards a recipient's general administrative capacity and detailed project planning as the critical factors affecting the pace of project implementation.

It is likely that in the future a growing amount of population assistance will combine grant and loan funds in ways that will permit larger, more flexible, and better coordinated programs of external assistance.

*UNFPA*

INCOMING CABLE

DATE AND TIME OF CABLE: **JANUARY 1, 1974**  
LOG NO.: **47 TELEX/1**  
TO: **INTBAFRAD**  
FROM: **NEW YORK**

ROUTING	
MR. ACTION COPY:	MR. KANAGARATNAM
INFORMATION COPY:	MR. HOFFMAN ✓
DECODED BY:	

TEXT:

**82 KANAGARATNAM**

RE OUR 80 PROPOSE SCHEDULING ONE MORE DAY FOR IACC SESSION FROM 27TH FEBRUARY TO FIRST MARCH IN ORDER DISCUSS ON TECHNICAL LEVEL SOME COUNTRY PROGRAMMES AND/OR PROJECTS INDEPTH. TO FINALIZE AGENDA WE INVITE YOUR SUGGESTIONS ON COUNTRIES AND PERSONNEL YOU WISH TO INCLUDE IN YOUR REPRESENTATION AT MEETING.

*is this part of Bank/UNFPA coms review? Smiths mem?*

UNFPA UNATIONS NEW YORK

MPC

## OFFICE MEMORANDUM

*Mr. Hoffman*  
CONFIDENTIAL

DECLASSIFIED

DATE: December 4, 1973

DEC 18 2019

WBG ARCHIVES

455

TO: Dr. K. Kanagaratnam

FROM: G. Zaidan *GZ*

SUBJECT: Reorganization of UNFPA - Conversation with Mr. H. Gille

1. At a social function in Geneva on November 26, 1973 during the meeting on the WHO Expanded Programme of Research, Development and Research Training in Human Reproduction, Halvor Gille took me aside and discussed off the record Mr. Salas' thoughts about possible forthcoming changes in UNFPA's organization. Mr. Salas is thinking of appointing a second Deputy for Program Operations (at present Mr. Gille is the only Deputy). When asked who this person might be, Mr. Gille said that Mr. Salas had not yet identified an individual, but was looking for "someone with UNDP background and experience." It was also Mr. Salas' intention to have this second Deputy do very little travelling and stay in New York most of the time. Mr. Gille said he believed that this would strengthen his hand considerably.

2. Under both Deputies the three present divisions will continue to operate substantially as they now do, but Mr. Gille indicated that there may be changes in the heads of these divisions. He told me that Mr. Salas might try to have someone other than Nafis Sadik be responsible for operations but that this was as yet uncertain. He said that Mr. Salas had told him he would discuss these possibilities with Nafis Sadik after Mr. Gille left New York, and any changes would depend on the outcome of these discussions.

GZaidan/rb

*cc: Mr. Hoffman**h*

ROUTING SLIP		DATE
		December 5, 1973
NAME		ROOM NO.
<del>Mr. Hoffman</del>		
<del>Curtis</del>		
TO HANDLE		NOTE AND FILE
APPROPRIATE DISPOSITION		NOTE AND RETURN
APPROVAL		PREPARE REPLY
COMMENT		PER OUR CONVERSATION
FULL REPORT		RECOMMENDATION
INFORMATION		SIGNATURE
INITIAL		SEND ON
REMARKS		
<p>For information - especially sections sidelined.</p> <p style="text-align: center;">5857</p>		
FROM K. Kanagaratnam		

## OFFICE MEMORANDUM

*Dr. Hoffman*  
*UNFPA*

848

TO: Mr. Zaidan

DATE: December 4, 1973

FROM: M. N. Maraviglia *MM*

SUBJECT: PHILIPPINES - Telephone Call to Mr. van Arendonk, UNFPA, New York

1. Today I called Mr. van Arendonk in New York to get his reaction to the cable dated November 21 sent by Dr. Kanagaratnam to Dr. Aldaba Lim (POPCOM's Chairman) with copy to Mr. Salas. Mr. van Arendonk told me that although only two issues of disagreement between the Bank IEC proposal and the UNFPA version were mentioned in that cable, there were many more. The only specific instance which he mentioned, however, was the financing of 11 mobile vans with communications equipment, in the Bank project. He considered that these vans were not needed since there were already 58 mobile vans owned by the Department of Information, which could also be borrowed for family planning. I explained that mission findings during field visits had been that the family planning staff seldom had access to those vans, since they are multi-purpose and priorities for use by the Government are often in conflict with the needs of the family planning program. At the time of the mission in April, POPCOM, the Department of Public Information, and several agencies doing communications work in family planning, had welcomed this component. However now, according to Mr. van Arendonk, the POPCOM has already signed an agreement with the Japanese to obtain loose communications equipment to form a sort of equipment bank in each POPCOM regional office. This, he said, is another component for which Bank assistance would not be needed by the Filipinos.

*These*  
*off.*

2. I then asked him his views regarding possible changes in the wording of the UNFPA/GOP Memorandum of Agreement. He readily answered that UNFPA had no intention of changing the wording of the Memorandum of Agreement with the Philippines, as long as an understanding was not reached between the Bank and the UNFPA in so-called substantive issues of the IEC component. He went on to say that they (UNFPA) would have to be very clear that the Government does not request assistance (now or in the future) from other sources, in areas where the UNFPA is providing assistance, without previous consultation with the UNFPA. They want to do this to ensure that other external agencies do not impose on the Government obligations to follow approaches that would be in contradiction with the UNFPA financed activities and agreements. This, he said, would hold for the present case and for any future cases. The UNFPA is planning to continue assisting the GOP in the fields of family planning communications on a long-term basis (beyond the next three years now being discussed) and therefore they see this initial project as the foundation for an expanded program in the future, which would have to follow a strategy acceptable to UNFPA, without other external interferences. (He made no mention of which would be the role of the Government of the Philippines in the definition of strategies acceptable to UNFPA.) Evidently, his main concern was the possibility of interference from another source of international assistance in any way in the sectors in which UNFPA would be operating; they are trying to avoid this by special language in their agreements to cover all future agreements in these sectors by agencies other than UNFPA. I gave him no comments on his long lesson on strategy concerning development assistance.

Mr. Zaidan

-2-

December 4, 1973

3. The conversation was cordial. I purposely avoided entering into any argument on the above issues. I informed him that we would call them to set up a meeting to discuss the technical aspects of the communications component soon.

cc: Dr. Kanagaratnam  
Mr. Baldwin  
Dept., Div., Files

MNMaraviglia/mm

## JOINT MEMORANDUM

between

THE DIRECTOR-GENERAL OF THE WORLD HEALTH ORGANIZATION

and

THE PRESIDENT OF THE WORLD BANK

ON POPULATION ACTIVITIES

140 / *F. H. P. / Population & Health*  
*Population & Health*  
 29 NOV. '75

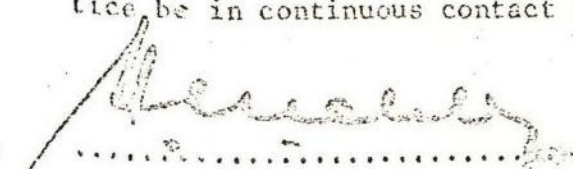
The following paragraphs will guide the staffs of WHO and the World Bank in carrying out their respective operations in the population sector.

1. The World Bank and WHO have a common interest in assisting member governments, on request, to develop and carry out effective population programmes within the context of their national economic and social development policies and plans.
2. From the viewpoint of the World Bank, a population project or programme is only one aspect of the broader range of problems affecting its member countries' economic and social development with which the Bank is concerned. In particular, the Bank has a special interest in all measures that can be undertaken to achieve fertility decline in the quickest and most effective way consistent with the realization of national socio-economic development objectives. Towards this goal the Bank's work in the population field will involve a broad strategy of cross-sectoral activities using both established methodologies and practices and the use of innovative approaches and bold policies beyond family planning. WHO, while it recognizes that a population project or programme generally requires a multi-sectoral approach, is aware that the major responsibility for the planning and delivery of family planning services generally falls on Ministries of Health. WHO considers that family planning projects/programmes are an integral part of existing and future health services; any population sector review undertaken by the Bank, therefore, will necessarily include some examination of aspects of the health sector related to family planning services, and recommendations in the Bank's sector reports could have major implications for the health sector. WHO has a continuing and active concern at the intergovernmental level with all aspects of the development of health.


The staff of each agency, Bank or WHO, will consider population projects or programmes in the context of the respective agency's larger capabilities and responsibilities, but with due respect for the concerns of the other agency and for the policies of member countries.

3. The Bank recognizes that WHO has a constitutional obligation to assist in appraisals of its member countries' overall health structure and needs in the context of total external assistance available. The Bank staff will, therefore, consult with WHO on the planning and preparations for Bank population missions. The staffs of the Bank and WHO will endeavour to reach a common evaluation of the types of expertise required for the health sector appraisal. This will be done in particular within the context of the reviews referred to in paragraph 8.

4. In the light of these consultations, WHO will endeavour to provide, on request, experts in the health field for Bank population sector and project missions, it being understood that any WHO personnel will be part of a team under the direction of the Chief of Mission, and will participate as appropriate in the preparation of the mission's report, drawing on other resources of WHO as needed. The Bank staff will respect WHO's judgements on health structures and needs, and as to the professional qualifications of individual members proposed for Bank missions, but WHO will not assign individual staff members to Bank missions if such individuals are unacceptable to the Bank.
5. WHO will instruct its Regional Offices and country representatives to provide the Chief of Bank Missions with all assistance and information of relevance to the mission's work.
6. The Bank staff will request WHO to review and comment on sector reports and on preparatory or pre-appraisal reports dealing with population projects, whether or not WHO personnel take part in the missions concerned. Such reports will be sent to WHO not later than the time at which they are submitted to governments. WHO will provide its comments promptly under deadlines to be agreed between the two staffs. The final responsibility for the contents of the reports and any recommendations contained therein will rest with the Bank.
7. After a Bank project becomes effective, WHO and the Bank staff will maintain contact and exchange information on the project/programme throughout its implementation phase. This will be done in the context of the regular reviews referred to in paragraph 8.
8. The responsible staff officers of WHO and the Bank will meet regularly, in principle twice a year, to review country by country, the operational programmes of the Bank and of WHO in the population sector in countries in which both agencies have ongoing or planned projects or other operations in, or significantly affecting that sector. It is understood, however, that in addition to holding programme review sessions, the two staffs will in practice be in continuous contact on matters of common interest and concern.

  
.....  
E. Mahler, M.D.  
Director-General  
THE WORLD HEALTH ORGANIZATION

  
.....  
Date

  
.....  
Robert S. McNamara  
President  
THE WORLD BANK

November 29, 1973  
.....  
Date



*Mr Hoffman*  
21123

**OUTGOING WIRE**

TO: VIRATA  
SEC FINANCE  
MANILA

778

DATE: NOVEMBER 21, 1973

CLASS OF  
SERVICE: FULL RATE

COUNTRY: PHILIPPINES

TEXT:  
Cable No.:

AFTER MY TALKS WITH LORENZO AND UNFPA OFFICIALS IN MANILA AND WITH MY COLLEAGUES  
HERE IN WASHINGTON COMMA I BELIEVE THE DIFFERENCE BETWEEN US AND UNFPA AROSE  
LARGELY OWING TO MISUNDERSTANDINGS ON BOTH SIDES AND CAN QUICKLY BE RESOLVED STOP  
WE CABLED LORENZO TODAY AS FOLLOWS AND WILL BE IN TOUCH WITH UNFPA EARLY NEXT  
WEEK

QUOTE ALPHA FOLLOWING YOUR DISCUSSIONS WITH MR GOODMAN IN MANILA AND OUR SUBSEQUENT  
TELEPHONE CONVERSATION WE HAVE REVIEWED THE ISSUES THAT YOU RAISED ABOUT ASPECTS OF  
IEC COMPONENT STOP YOU EXPRESSED PARTICULAR CONCERN ON TWO ISSUES STOP AAA ON SIZE  
COMMA AUTHORITY AND COMPOSITION OF ADVISORY COUNCIL STOP WE AGREE THAT THE ADVISORY  
COUNCIL WOULD PROVIDE SPECIALIZED TECHNICAL ADVICE TO COMMUNICATIONS DIVISION TO  
ENABLE EXECUTIVE DIRECTOR TO IMPLEMENT A SOUND IEC PROGRAM AND WOULD NOT HAVE ANY  
MANAGERIAL RESPONSIBILITIES STOP WE HAVE NO FIXED VIEWS ON THE SIZE AND COMPOSITION  
OF COUNCIL AND CERTAINLY WOULD NOT WANT TO CONTRAVENE PRESIDENTIAL INSTRUCTIONS AS  
TO ITS COMPOSITION STOP BBB ON QUALIFICATIONS AND FUNCTIONS OF COMMUNICATION ADVISOR  
WE AGREE HE WOULD HAVE ONLY ADVISORY RESPONSIBILITIES AND NOT LINE AUTHORITY STOP  
WE ARE PREPARED TO REVIEW NEED FOR A SINGLE ADVISOR BUT IN ANY CASE WOULD ACCEPT

NOT TO BE TRANSMITTED

AUTHORIZED BY:

NAME

DATE

SIGNATURE

EMPLOYER

(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

CLEARANCES AND COPY DISTRIBUTION:

Continued

For Use By Communications Section

ORIGINAL (File Copy)

IMPORTANT: See Secretaries Guide for preparing form

Checked for Dispatch:

OUTGOING WIRE

TO: LORENZO  
POPCOM  
MAKATI

PAGE 2

DATE:

CLASS OF  
SERVICE:

COUNTRY: PHILIPPINES

TEXT:  
Cable No.:

REDEFINITION OF HIS QUALIFICATIONS TO MAKE CLEAR THAT FILIPINOS WOULD BE ELIGIBLE FOR CONSIDERATION STOP AS SOON AS THE GOVERNMENT'S IEC PROPOSAL ENDORSED BY POPCOM IS RECEIVED WE WILL BE ABLE TO GIVE YOU MORE DETAILED REACTIONS STOP BETA REGARDING BANK LOAN AGREEMENT OUR UNDERSTANDING IS THAT NEITHER THE GOVERNMENT NOR UNFPA WOULD OBJECT TO THE INCLUSION OF IEC COMPONENT IN THE BANK PROJECT DESCRIPTION SINCE THE PURPOSE OF INCLUDING THE COMPONENT IN BANK PROJECT DESCRIPTION IS TO ASSURE THAT BANK WILL BE FULLY INFORMED BY GOVERNMENT ON ACTIVITIES WHICH ARE VITAL COMPLEMENTS TO BANK ASSISTED COMPONENTS AND ON PROGRESS OF THEIR IMPLEMENTATION STOP THIS BEING SO WE ASSUME AS DR VAN ARENDONCK INDICATED TO MR GOODMAN THAT UNFPA WILL MODIFY THE DRAFT AGREEMENT STOP WE ARE COPYING THIS CABLE TO UNFPA NEW YORK AND WE PROPOSE TO DISCUSS THIS FURTHER WITH UNFPA TO REACH EARLY UNDERSTANDING ON THIS MATTER UNQUOTE  
BEST REGARDS

GOODMAN

NOT TO BE TRANSMITTED

AUTHORIZED BY:

NAME Raymond J. Goodman

DEPT. East Asia and Pacific

SIGNATURE *Raymond J. Goodman*  
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

REFERENCE:

CLEARANCES AND COPY DISTRIBUTION:

cc: Dr. Kanagaratnam  
Mr. M. Hoffman  
Mr. Cheetham

RJGoodman:mmh

For Use By Communications Section

ORIGINAL (File Copy)

(IMPORTANT: See Secretaries Guide for preparing form)

Checked for Dispatch:

779

SALAS  
MEMBER UNITED NATIONS DEVELOPMENT PROGRAM  
485 LEXINGTON AVENUE  
NEW YORK N.Y.

NOVEMBER 21, 1973

LT

USA

POPULATION

REGARDING PHILIPPINE PROJECT FURTHER TO OUR DISCUSSIONS IN GENEVA AS YOU WILL BE AWARE DISCUSSIONS HAVE OCCURRED IN MANILA AMONG GOVERNMENT COMMA UNFPA AND BANK OFFICIALS STOP AS A RESULT FOLLOWING CABLE WHICH WE HAVE SENT TO DR LORENZO SUMMARIZES OUR UNDERSTANDING OF THESE DISCUSSIONS QUOTE ALPHA FOLLOWING YOUR DISCUSSIONS WITH MR GOODMAN IN MANILA AND OUR SUBSEQUENT TELEPHONE CONVERSATION WE HAVE REVIEWED THE ISSUES THAT YOU RAISED ABOUT ASPECTS OF IEC COMPONENT STOP YOU EXPRESSED PARTICULAR CONCERN ON TWO ISSUES STOP AAA ON SIZE COMMA AUTHORITY AND COMPOSITION OF ADVISORY COUNCIL STOP WE ARE AGREE THAT THE ADVISORY COUNCIL WOULD PROVIDE SPECIALIZED TECHNICAL ADVICE TO COMMUNICATIONS DIVISION TO ENABLE EXECUTIVE DIRECTOR TO IMPLEMENT A SOUND IEC PROGRAM AND WOULD NOT HAVE ANY MANAGERIAL RESPONSIBILITIES STOP WE HAVE NO FIXED VIEWS ON THE SIZE AND COMPOSITION OF COUNCIL AND CERTAINLY WOULD NOT WANT TO CONTRAVENE PRESIDENTIAL INSTRUCTIONS AS TO ITS COMPOSITION STOP BBB ON QUALIFICATIONS AND FUNCTIONS OF COMMUNICATION ADVISOR WE AGREE HE WOULD HAVE ONLY ADVISORY RESPONSIBILITIES AND NOT LINE AUTHORITY STOP WE ARE PREPARED TO REVIEW NEED FOR A SINGLE ADVISOR BUT IN ANY CASE WOULD ACCEPT REDEFINITION OF HIS QUALI-

GBBaldwin/RJChaetham/GZaidan/KKANagaratnam/  
is

K. Kanagaratnam, Director  
Population & Nutrition Projects Dept.

cleared with and cc: Mr. Young  
cc: Mr. Chaetham                    Mr. Humphrey  
     Dr. Kanagaratnam                Central Files  
     Mr. Goodman                     Div. Files  
     Mr. Hoffman ✓                    Dept. Files  
     Mrs. Maraviglia

SALAS  
UNITED NATIONS DEVELOPMENT PROGRAM  
485 LEXINGTON AVENUE  
NEW YORK N Y

NOVEMBER 21, 1973

LT

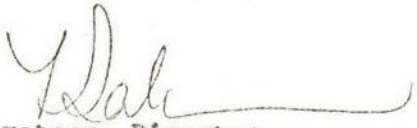
USA

- PAGE TWO -

XXX

FICATIONS TO MAKE CLEAR THAT FILIPINOS WOULD BE ELIGIBLE FOR CONSIDERATION STOP  
AS SOON AS THE GOVERNMENTS IEC PROPOSAL ENDORSED BY POPCOM IS RECEIVED WE WILL  
BE ABLE TO GIVE YOU MORE DETAILED REACTIONS STOP BETA REGARDING BANK LOAN  
AGREEMENT OUR UNDERSTANDING IS THAT NEITHER THE GOVERNMENT NOR UNFPA WOULD  
OBJECT TO THE INCLUSION OF IEC COMPONENT IN THE BANK PROJECT DESCRIPTION SINCE THE  
PURPOSE OF INCLUDING THE COMPONENT IN BANK PROJECT DESCRIPTION IS TO ASSURE THAT  
BANK WILL BE FULLY INFORMED BY GOVERNMENT ON ACTIVITIES WHICH ARE VITAL COMPLEMENTS  
TO BANK ASSISTED COMPONENTS AND ON PROGRESS OF THEIR IMPLEMENTATION STOP THIS BEING  
SO WE ASSUME AS DR VAN ARENDONCK INDICATED TO MR GOODMAN THAT UNFPA WILL MODIFY  
THE DRAFT AGREEMENT STOP WE ARE COPYING THIS CABLE TO UNFPA NEW YORK AND WE  
PROPOSE TO DISCUSS THIS FURTHER WITH UNFPA TO REACH EARLY UNDERSTANDING ON  
THIS MATTER REGARDS Z Aidan UNQUOTE EYE HOPE THAT POSITION SET OUT MEETS WITH  
YOUR ACCEPTANCE AS EYE UNDERSTAND ALL PARTIES WISH TO RESOLVE THIS MATTER  
RAPIDLY REGARDS

KANAGARATNAM

  
K. Kanagaratnam, Director

see page 1

Population & Nutrition Proj. Dept.

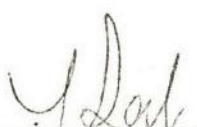
779-a  
LORENZO  
POPCOM  
MAKATI

NOVEMBER 21, 1973

FULL RATE

PHILIPPINES

ALPHA FOLLOWING YOUR DISCUSSION WITH MR GOODMAN IN MANILA AND OUR SUBSEQUENT TELEPHONE CONVERSATION WE HAVE REVIEWED THE ISSUES THAT YOU RAISED ABOUT ASPECTS OF IEC COMPONENT STOP YOU EXPRESSED PARTICULAR CONCERN ON TWO ISSUES STOP AAA ON SIZE COMMA AUTHORITY AND COMPOSITION OF ADVISORY COUNCIL STOP WE AGREE THAT THE ADVISORY COUNCIL WOULD PROVIDE SPECIALIZED TECHNICAL ADVICE TO COMMUNICATIONS DIVISION TO ENABLE EXECUTIVE DIRECTOR TO IMPLEMENT A SOUND IEC PROGRAM AND WOULD NOT HAVE ANY MANAGERIAL RESPONSIBILITIES STOP WE HAVE NO FIXED VIEWS ON THE SIZE AND COMPOSITION OF COUNCIL AND CERTAINLY WOULD NOT WANT TO CONTRAVENE PRESIDENTIAL INSTRUCTIONS AS TO ITS COMPOSITION STOP BBB ON QUALIFICATIONS AND FUNCTIONS OF COMMUNICATION ADVISOR WE AGREE HE WOULD HAVE ONLY ADVISORY RESPONSIBILITIES AND NOT LINE AUTHORITY STOP WE ARE PREPARED TO REVIEW NEED FOR A SINGLE ADVISOR BUT IN ANY CASE WOULD ACCEPT REDEFINITION OF HIS QUALIFICATIONS TO MAKE CLEAR THAT FILIPINOS WOULD BE ELIGIBLE FOR CONSIDERATION STOP AS SOON AS THE GOVERNMENTS IEC PROPOSAL ENDORSED BY POPCOM IS RECEIVED WE WILL BE ABLE TO GIVE YOU MORE DETAILED REACTIONS STOP BETA REGARDING BANK LOAN AGREEMENT OUR UNDERSTANDING IS THAT NEITHER THE GOVERNMENT NOR UNFPA WOULD OBJECT TO THE INCLUSION OF IEC COMPONENT

  
K. Kanagaratnam, Director

Population and Nutrition Projects Dept.

GBBaldwin/RJCheetham/GZaidan/is  
cleared with and cc: Mr. Cheetham  
cc: Dr. Kanagaratnam

Mr. Goodman  
Mr. Hoffman ✓  
Mrs. Maraviglia  
Mr. Humphrey

Central Files  
Div. Files  
Dept. Files

LORENZO  
POPCOM  
MAKATI

NOVEMBER 21, 1973

FULL RATE

PHILIPPINES

- PAGE TWO -

IN THE BANK PROJECT DESCRIPTION SINCE THE PURPOSE OF INCLUDING THE COMPONENT  
IN BANK PROJECT DESCRIPTION IS TO ASSURE THAT BANK WILL BE FULLY INFORMED BY  
GOVERNMENT ON ACTIVITIES WHICH ARE VITAL COMPLEMENTS TO BANK ASSISTED COMPONENTS  
AND ON PROGRESS OF THEIR IMPLEMENTATION STOP THIS BEING SO WE ASSUME AS DR VAN  
ARENONCK INDICATED TO MR GOODMAN THAT UNFPA WILL MODIFY THE DRAFT AGREEMENT STOP  
WE ARE COPYING THIS CABLE TO HNZ UNFPA NEW YORK AND WE PROPOSE TO DISCUSS  
THIS FURTHER WITH UNFPA TO REACH EARLY UNDERSTANDING ON THIS MATTER REGARDS

ZAIDAN



K. Kanagaratnam, Director

Population & Nutrition Projects Dept.

see page 1

779

ESTEFANIA ALDABA-LIM  
POPCOM  
MAKATI

NOVEMBER 21, 1973

FULL RATE

PHILIPPINES

PRIMO FOLLOWING CABLE SENT TO LORENZO TODAY QUOTE ALPHA FOLLOWING YOUR DISCUSSION WITH MR. GOODMAN IN MANILA AND OUR SUBSEQUENT TELEPHONE CONVERSATION WE HAVE REVIEWED THE ISSUES THAT YOU RAISED ABOUT ASPECTS OF IEC COMPONENT STOP YOU EXPRESSED PARTICULAR CONCERN ON TWO ISSUES STOP AAA ON SIZE COMMA AUTHORITY AND COMPOSITION OF ADVISORY COUNCIL STOP WE AGREE THAT THE ADVISORY COUNCIL WOULD PROVIDE SPECIALIZED TECHNICAL ADVICE TO COMMUNICATIONS DIVISION TO ENABLE EXECUTIVE DIRECTOR TO IMPLEMENT A SOUND IEC PROGRAM AND WOULD NOT HAVE ANY MANAGERIAL RESPONSIBILITIES STOP WE HAVE NO FIXED VIEWS ON THE SIZE AND COMPOSITION OF COUNCIL AND CERTAINLY WOULD NOT WANT TO CONTRAVENE PRESIDENTIAL INSTRUCTIONS AS TO ITS COMPOSITION STOP BBB ON QUALIFICATIONS AND FUNCTIONS OF COMMUNICATION ADVISOR WE AGREE HE WOULD HAVE ONLY ADVISORY RESPONSIBILITIES AND NOT LINE AUTHORITY STOP WE ARE PREPARED TO REVIEW NEED FOR A SINGLE ADVISOR BUT IN ANY CASE WOULD ACCEPT REDEFINITION OF HIS QUALIFICATIONS TO MAKE CLEAR THAT FILIPINOS WOULD BE ELIGIBLE FOR CONSIDERATION STOP AS SOON AS THE GOVERNMENT'S IEC PROPOSAL IS RECEIVED WE WILL BE ABLE TO GIVE YOU MORE DETAILED REACTIONS STOP BETA REGARDING BANK LOAN AGREEMENT OUR UNDERSTANDING IS THAT NEITHER THE GOVERNMENT NOR UNFPA

ENDORSED

ENDORSED BY POPCOM  
XXXXXXXX

CBBaldwin/RJCheatham/GZaiden/ls

K. Kanagaratnam, Director  
Population & Nutrition Projects Dept.

cleared with and cc: Mr. Cheatham  
cc: Dr. Kanagaratnam  
Mr. Goodman  
Mr. Hoffman ✓ Central Files  
Mrs. Maraviglia Div. Files  
Mr. Humphrey Dept. Files

ALDABA  
ESTEFANIA ~~ALDABA~~-LIM  
POPCOM  
MAKATI

NOVEMBER 21, 1973


RI FULL RATE

PHILIPPINES

- PAGE TWO -

WOULD OBJECT TO THE INCLUSION OF IEC COMPONENT IN THE BANK PROJECT DESCRIPTION SINCE THE PURPOSE OF INCLUDING THE COMPONENT IN BANK PROJECT DESCRIPTION IS TO ASSURE THAT BANK WILL BE FULLY INFORMED BY GOVERNMENT ON ACTIVITIES WHICH ARE VITAL COMPLEMENTS TO BANK ASSISTED COMPONENTS AND ON PROGRESS OF THEIR IMPLEMENTATION STOP THIS BEING SO WE ASSUME AS DR VAN ARENDONCK INDICATED TO MR GOODMAN THAT UNFPA WILL MODIFY THE DRAFT AGREEMENT STOP WE ARE COPYING THIS CABLE TO UNFPA NEW YORK AND WE PROPOSE TO DISCUSS THIS FURTHER WITH UNFPA TO REACH EARLY UNDERSTANDING ON THIS MATTER <sup>REGARDS ZAIDAN</sup> UNQUOTE I PERSONALLY HOPE THIS WILL RESOLVE THIS MATTER SO THAT IMPLEMENTATION CAN QUICKLY START STOP SECUNDO HAVE RECEIVED LETTER FROM MEDICAL WOMENS INTERNATIONAL ASSOCIATION ABOUT JANUARY MEETING TWO DAYS AGO AND HAVE ACCEPTED BY CABLE STOP THANKS FOR LOOKING INTO DELAY REGARDS

KANAGARATNAM



K. Kanagaratnam, Director

Population & Nutrition Projects Dept.

see page 1



## OFFICE MEMORANDUM

TO: Files

DATE: November 20, 1973

FROM: George C. Zaidan, Pop. &amp; Nutr. Proj.

SUBJECT: PHILIPPINES: Population Project - Telephone Conversation  
with Dr. Lorenzo

1. Following the meeting we had with Mr. Goodman on November 19 (attended by Messrs. Street, Cheetham, Young, Kanagaratnam, Baldwin, Zaidan and Mrs. Maraviglia), I telephoned Dr. Lorenzo, Executive Director of the Population Commission, to discuss the technical aspects and next steps on the Information-Education-Communication (IEC) component of the population project. I asked him his reactions to Shanmugam's draft and he raised the points he had earlier discussed with Mr. Goodman in Manila, in particular (a) the size, composition and functions of the proposed Advisory Council and (b) the responsibilities and qualifications of the communications adviser. At several points in the conversation I emphasized that the Shanmugam proposal was only forwarded to the Government as a basis for discussion and not as a final "Bank position".
2. With respect to the Advisory Council, I emphasized that its objective was to provide advisory technical support to the communications division and the Executive Director and that it would have no managerial responsibilities. I said we welcomed his views on the size, composition and advisory responsibilities of the Council. On the question of the communication adviser, I emphasized that he would have only advisory responsibilities and would not have line authority; also that the qualifications we suggested were guidelines (subject to discussion) to insure that he was suitably qualified; the important thing was his qualification, not his nationality. Generally, I emphasized our view that we should be able to reach a quick understanding on the technical aspects of the IEC component.
3. At that point, Dr. Lorenzo asked me for our reaction to the Government proposal; I indicated to him that we had not seen that document and that the only document in our possession was the draft Helms proposal that was sent to us by Mr. Harding on August 17. Dr. Lorenzo emphasized that the Population Commission had endorsed the Government proposal which differed from the Helms proposal and that he felt this should be the basis for our comments. I agreed and asked him to mail a copy of that proposal as quickly as possible; he said he would put a copy in the mail for us today. We would respond promptly to both the Government and UNFPA.
4. After our discussion on the technical aspects of the IEC component, I reiterated to Dr. Lorenzo our view that the Bank would include in its project description the IEC component agreed to by all parties; he had agreed to this during his visit to Washington in May and had subsequently confirmed this in a cable to us dated June 13, 1973. He said that this was perfectly acceptable to the Government and asked to have our comments on the substance of the Government proposal quickly. He told me that UNFPA was

November 20, 1973

applying considerable pressure on him by making the funding of other UNFPA programs contingent upon reaching agreement on the IEC component as spelt out in the draft GOP-UNFPA agreement. I indicated to him that, in response to the Government request, we were reviewing the language of the draft GOP-UNFPA agreement; I said we had had some difficulty with some of the legal language which seemed to restrict the flexibility of the Government with respect to agreements it could subsequently enter on with the Bank or any other donor. I emphasized that this should be a matter for both UNFPA and the Bank to resolve among themselves in the first instance and hoped that we would be able to do so quickly; We fully appreciated and shared his concern for moving rapidly and we would try and respond quickly to both the technical and procedural aspects.

cc: Dr. Kanagaratnam, Director, PNP  
Mr. Goodman, Director, East Asia and Pacific  
Mr. Hoffman, Director, International Relations ✓  
Mr. Street, Program Coordinator, Asia  
Mr. Cheetham, East Asia and Pacific  
Mr. Young, East Asia and Pacific  
Mrs. Maraviglia, PNP

GCZaidan:om  
Philippines/PNP

INCOMING CABLE

Log.88

*Mr. Humphrey*  
RECEIVED

751

Nov 20 9 14 AM 1973

COMMUNICATIONS SECTION

ZCZC 248423 RC099 PDC0392 RMF6885 PMU607 BRM379/MAF5/19

URWT CO BMRN 029

RANGOON 29 19 2000

Distribution: Mr. Hoffman

November 19, 1973

INTBAFRAD WASHINGTON DC

*These papers were given me  
by Siem Aldewerelde who  
having heard my story has  
now washed his*

FOR HOFFMAN YOUR MESSAGE ONLY RECEIVED EVENING  
NINETEENTH STOP I DID NOT PARTICIPATE IN DISCUSSION  
MANILA ON THIS MATTER BUT YOUR PROPOSE LETTER  
LOOKS OKAY REGARDS KNAPP

*hands of the  
affair.*

*df*

COLL BRM379

COMMUNICATIONS NOTE: MESSAGE NOVEMBER 16 DESPATCHED TELEX  
VIA UNDP RANGOON 2100 EST NOVEMBER 16.

*3*

KNAPP  
INYALAKERO  
RANGOON

NOVEMBER 16, 1973

FULL RATE

BURMA

AS YOU MAY KNOW, WE RECEIVED CABLE FROM GOODMAN IN MANILA REPORTING ON DIFFICULTIES WITH UNFPA ON POPULATION PROJECT. GOODMAN ALSO TRANSMITTED TEXT OF CLAUSES FROM A DRAFT GENERAL MEMORANDUM OF UNDERSTANDING WHICH UNFPA PROPOSED TO SIGN WITH GOVERNMENT. WE THINK PROJECT ISSUES WILL BE QUICKLY RESOLVED. PROPOSED MEMO HOWEVER RAISES SERIOUS GENERAL ISSUE AFFECTING BANK/UNFPA COLLABORATION IN PHILIPPINES OR ANY OTHER COUNTRY WITH WHICH UNFPA SIGNS SUCH UNDERSTANDING. WE THEREFORE FEEL IT URGENT TO TRY TO PERSUADE UNFPA NOT TO MAKE ~~THE~~ MOVE THAT WE FEEL SURE WILL DAMAGE THEM IN THE END MORE THAN BANK. BELIEVE ISSUE AND OUR POSITION DEFINED IN LETTER TEXT OF WHICH GIVEN BELOW. INFORMATIVELY WE HAVE EXPLAINED REPEATEDLY TO UNFPA THAT WHEN THE BANK OR ANY OTHER AGENCY ASKS RIGHT TO REVIEW ALL COMPONENTS OF INTEGRATED PROJECTS INCLUDING THOSE FINANCED BY OTHERS NO INFRINGEMENT ON AGENCY "SOVEREIGNTY" IS INVOLVED BUT WE OBVIOUSLY HAVE NOT GOTTEN MESSAGE ACROSS AND BELIEVE IT NECESSARY TO EXPLAIN TO UNFPA IN ABC TERMS HOW

DEVELOPMENT FINANCING WORKS. WE DRAFTED FOLLOWING LETTER FOR ALDEWERELD'S SIGNATURE BUT HE ASKED ME TO SEND FULL TEXT TO YOU IN THOUGHT YOU MAY HAVE DISCUSSED ISSUES COVERED WITH PHILIPPINE GOVERNMENT AND IN ANY EVENT FOR YOUR VIEWS AS TO WHETHER LETTER SHOULD GO FORWARD. KANAGARATHAM, BAUM, CARGILL AND I ALL FEEL LETTER SHOULD GO NOW TO PREVENT WORSENING OF SITUATION WHICH PROBABLY DUE SIMPLY TO UNFPA'S INEXPERIENCE AND EXTREME SENSITIVITY. TEXT OF LETTER FOLLOWS. SALAS, EXECUTIVE DIRECTOR, UNFPA. WE ARE SERIOUSLY CONCERNED ABOUT THE IMPLICATIONS FOR FUTURE COLLABORATION BETWEEN THE WORLD BANK GROUP AND THE UNFPA OF CERTAIN CLAUSES IN THE DRAFT MEMORANDUM OF UNDERSTANDING WHICH YOUR REPRESENTATIVE IN THE PHILIPPINES HAS PROPOSED TO BE SIGNED BY THE UNFPA AND THE GOVERNMENT OF THE PHILIPPINES. MR. CARGILL ENDEAVORED TO REACH YOU BY TELEPHONE ON NOVEMBER 15 AND AGAIN TODAY TO ADVISE YOU OF THIS SITUATION AND ALSO TO SAY THAT WE HAVE INFORMED THE GOVERNMENT OF THE PHILIPPINES, WHICH REQUESTED OUR VIEWS, OF THE GENERAL NATURE OF OUR CONCERN.

PARAGRAPH AS A MATTER OF RECORD, THE TEXTS OF THE PROPOSED CLAUSES WERE HANDED TO MR. RAYMOND GOODMAN WHEN HE WAS IN MANILA PARTICIPATING IN GENERAL DISCUSSIONS BETWEEN THE GOVERNMENT OF THE PHILIPPINES AND MR. J. BURKE KNAPP, SENIOR VICE PRESIDENT OF THE WORLD BANK. MR. GOODMAN INFORMED US BY CABLE DATED NOVEMBER 13TH OF THE PROPOSED TEXT AND OF THE GOVERNMENT OF THE PHILIPPINE'S REQUEST FOR OUR VIEWS.

PARAGRAPH THE RELEVANT TEXT OF THE CLAUSES IN THE PROPOSED MEMORANDUM OF UNDERSTANDING, AS TRANSMITTED TO THE BANK, WERE AS FOLLOWS:

QUOTE MEMORANDUM INCLUDES INTER ALIA FOLLOWING TWO CONDITIONS QUOTE  
THE MAINTENANCE AND SAFEGUARDING OF THE RIGHT AND FREEDOM OF THE GOVERNMENT AND UNFPA TO NEGOTIATE BILATERALLY THE TERMS OF ASSISTANCE AND TECHNICAL AND PROGRAMME DETAILS OF THE PROPOSED PROJECT TO ESTABLISH AN INFORMATION, EDUCATION AND COMMUNICATION DIVISION WITHIN THE COMMISSION ON POPULATION, AND ANY OTHER PROJECT AS THE GOVERNMENT MAY FROM TIME TO TIME WISH TO SUBMIT FOR UNFPA ASSISTANCE, WITHOUT ANY OBLIGATION

XXXXXXXXXXXXXXXXXX

FOR EITHER OF THE TWO PARTIES TO SUBMIT SUCH PROPOSALS TO ANY THIRD PARTY FOR THEIR APPROVAL. UNQUOTE AND QUOTE THE UNDERTAKING BY THE GOVERNMENT THAT NO SUBSEQUENT AGREEMENT WHICH THEY MAY ENTER INTO WITH OTHER DONORS SHALL IN ANY WAY ALTER OR AFFECT THESE RELATIONSHIPS AND CONDITIONS. MEMORANDUM ALSO REQUIRES GOVERNMENT TO AGREE CEMMA IN ORDER TO FULFILL

AND OBSERVE THESE CONDITIONS COMMA QUOTE TO CONSULT WITH UNFPA ON ANY PROPOSAL FOR ORGANISATIONAL CHANGES WHICH MIGHT IN ANY WAY AFFECT THE PROGRAMME AND PROJECTS ASSISTED BY UNFPA, THE ORGANISATIONAL ARRANGEMENTS MADE FOR THEIR IMPLEMENTATION, AND AGREEMENTS SIGNED FOR THIS PURPOSE. IN PARTICULAR, ANY PROPOSAL FOR THE ESTABLISHMENT OF NEW UNITS WITHIN OR IMPINGING UPON THE ORGANISATIONAL STRUCTURE OF THE COMMISSION ON POPULATION, WHICH MAY BE MADE BY OTHER EXTERNAL DONORS WILL BE REFERRED TO UNFPA FOR CONSULTATION, IN THE INTERESTS OF MAINTAINING THE VIABILITY OF THE JOINT POPCOM/UNFPA PROGRAMME AND THE TERMS OF THIS AND PROVISION AGREEMENTS SIGNED UNQUOTE"

PARAGRAPH LET ME SAY AT ONCE THAT THE LANGUAGE IN THE THIRD QUOTED CLAUSE BEGINNING QUOTE TO CONSULT WITH UNFPA ON ANY PROPOSAL FOR ORGANISATIONAL CHANGES, ETC UNQUOTE PRESENTS NO PROBLEM AT ALL FOR US STOP IT IS SIMILAR TO CLAUSES THAT ARE FREQUENTLY INCLUDED IN OUR LOAN AND CREDIT AGREEMENTS WITH BORROWERS COVERING PROJECTS OR



PROGRAMS WHICH ARE ALSO RECEIVING FINANCIAL OR TECHNICAL SUPPORT FROM OTHER SOURCES STOP I WOULD SAY COMMA BASED ON OUR EXPERIENCE COMMA THAT ANY FINANCING AGENCY CONCERNED ABOUT THE EFFECTIVENESS WITH WHICH ITS RESOURCES ARE USED COMMA WHETHER MULTILATERAL OR BILATERAL COMMA WOULD NORMALLY REQUIRE ITS BORROWER TO AGREE TO SUCH CONSULTATIONS STOP INDEED COMMA THE NORMAL PRACTICE WITH RESPECT TO PROJECTS OR PROGRAMS THAT ARE FINANCED JOINTLY COMMA OR THROUGH PARALLEL FINANCING BY SEVERAL MULTILATERAL OR BILATERAL DEVELOPMENT FINANCE AGENCIES IS THAT ALL PARTICIPATING AGENCIES SHOULD HAVE THE RIGHT TO BE CONSULTED ON PROPOSED ORGANIZATIONAL OR OTHER CHANGES THAT MIGHT AFFECT THE IMPLEMENTATION OF THE PROJECT OR PROGRAM COMMA IRRESPECTIVE OF WHETHER SUCH CHANGES WOULD DIRECTLY CONCERN THE PARTICULAR SEGMENT OF THE PROJECT OR PROGRAM BEING FINANCED BY A PARTICULAR AGENCY STOP PARAGRAPH THE LANGUAGE IN THE FIRST TWO OF THE QUOTED CLAUSES OF THE PROPOSED MEMORANDUM OF UNDERSTANDING AS TRANSMITTED TO H US COMMA HOWEVER COMMA SEEMS TO INDICATE THAT THE UNEPA HAS ADOPTED A RADICALLY DIFFERENT POSITION FROM THAT HITHERTO ADOPTED IN THE UN SYSTEM AND BY BILATERAL DEVELOPMENT FINANCING AGENCIES STOP AS WE

READ THESE CLAUSES COMMA YOU WOULD ASK THE GOVERNMENT OF THE PHILIPPINES TO RENOUNCE ITS RIGHT TO SUBMIT TO THE WORLD BANK (OR ANY OTHER AGENCY CONTRIBUTING TO ITS POPULATION PROGRAM) FOR REVIEW ANY PART OF A PROJECT OR PROGRAM WHICH THE UNFPA WAS FINANCING STOP WE DOUBT WHETHER ANY OTHER MULTILATERAL OR BILATERAL FINANCIAL AGENCY WOULD BE PREPARED TO SUPPORT POPULATION PROJECTS OR PROGRAMS IN A COUNTRY THAT HAD SUCH AN AGREEMENT WITH THE UNFPA STOP CERTAINLY THE WORLD BANK COULD NOT STOP PARAGRAPH AS INDICATED ABOVE COMMA THE NORMAL PRACTICE IN INTERNATIONAL DEVELOPMENT ASSISTANCE IS THAT ANY AGENCY FINANCING PART OF A PROJECT OR PROGRAM HAS A RIGHT TO BE CONSULTED ABOUT CHANGES IN ANY SEGMENT OF THE PROJECT OR PROGRAM THAT MIGHT AFFECT THE IMPLEMENTATION OR EFFECTIVENESS OF THE PROJECT OR PROGRAM AS A WHOLE. STOP THIS APPLIES COMMA IPSO FACTO COMMA TO THE QUOTE TERMS OF ASSISTANCE AND TECHNICAL AND PROGRAMME DETAILS UNQUOTE OF PARTS OF PROJECTS OR PROGRAMS SUBMITTED FOR FINANCING STOP FOR EXAMPLE COMMA IF WE PRESENT TO THE EXECUTIVE DIRECTORS OF THE BANK OR IDA A PROPOSAL TO FINANCE ALL OR PART OF A PROJECT FOR WHICH ESSENTIAL TECHNICAL ASSISTANCE INPUTS ARE TO BE FINANCED BY THE UNDP AND EXECUTED COMMA SAY COMMA BY UNESCO COMMA THE PRESIDENT MUST BE ABLE TO ASSURE THE EXECUTIVE DIRECTORS THAT THE TECHNICAL ASSISTANCE COMPONENT OF THE

KNLER  
KNAPP

PAGE 8

PROJECT IS WELL DESIGNED COMMA APPROPRIATE TO THE NEEDS OF THE COUNTRY AND THE PROJECT  
COMMA AND COMMA IN SHORT COMMA IS LIKELY TO ENSURE THAT THE PROJECT WILL BE IMPLEMENTED  
EFFECTIVELY STOP CONVERSELY COMMA IF THE BANK OR IDA IS (AS IS FREQUENTLY THE CASE)  
FINANCING A PROJECT ANOTHER PART OF WHICH (OR EVEN A SEPARATE QUOTE PROJECT UNQUOTE WHOSE  
IMPLEMENTATION AND EFFECTIVENESS WOULD BE SIGNIFICANTLY AFFECTED BY THE SUCCESS OR  
FAILURE OF THE PROJECT FINANCED BY THE BANK OR IDA) IS TO BE FINANCED BY COMMA SAY COMMA  
THE EUROPEAN DEVELOPMENT FUND COMMA WE WOULD EXPECT THE EUROPEAN DEVELOPMENT FUND TO  
SATISFY ITS AUTHORITIES THAT THE BANK/IDA PROJECT WAS SOUNDLY CONCEIVED AND LIKELY TO BE  
EFFECTIVELY IMPLEMENTED BEFORE COMMITTING ITS OWN RESOURCES TO THE BORROWER STOP I AM SURE  
YOU WILL UNDERSTAND THAT WE COULD NOT FOLLOW A RADICALLY DIFFERENT PRACTICE WITH RESPECT  
TO POPULATION PROJECTS OR PROGRAMS WHOSE SUCCESSFUL IMPLEMENTATION WAS HEAVILY DEPENDENT  
ON SOME COMPONENT COMMA EVEN IF CONCEIVED AND ORGANIZED BY THE BORROWER AS A SEPARATE  
QUOTE PROJECT UNQUOTE COMMA THAT WAS TO BE FINANCED BY THE UNFPA STOP  
PARAGRAPH IT MAY BE THAT WE HAVE MISINTERPRETED THE PURPORT OF THE LANGUAGE IN THE  
CLAUSES OF THE PROPOSED MEMORANDUM OF UNDERSTANDING BETWEEN THE UNFPA AND THE GOVERNMENT  
OF THE PHILIPPINES CONCERNING WHICH THAT GOVERNMENT ASKED FOR THE BANK'S VIEWS STOP

ON THE OTHER HAND COMMA THE DRAFTERS OF THE MEMORANDUM MAY NOT HAVE BEEN FULLY COGNIZANT OF THE FACT THAT THE PROPOSED UNDERTAKINGS ON THE PART OF THE GOVERNMENT OF THE PHILIPPINES WOULD REPRESENT A RADICAL DEPARTURE FROM NORMAL PRACTICES AMONG DEVELOPMENT FINANCE AGENCIES AND AS BETWEEN SUCH AGENCIES AND BORROWERS OR RECIPIENTS OF GRANT ASSISTANCE STOP IN ANY CASE COMMA I FEEL BOUND TO ADVISE YOU COMMA IN A SPIRIT OF COOPERATION COMMA THAT THE CLAUSES IN QUESTION COMMA AS THEY STAND COMMA IN AN AGREEMENT BETWEEN A GOVERNMENT AND THE UNFPA WOULD MAKE IT EXCEEDINGLY DIFFICULT COMMA IF NOT IMPOSSIBLE COMMA FOR THE BANK GROUP TO FINANCE POPULATION PROJECTS OR PROGRAMS IN ANY SUCH COUNTRY THAT INCLUDE SUPPORTING OR IMPLEMENTING FEATURES FINANCED BY THE UNFPA STOP IT SEEMS TO ME THAT THIS WOULD BE A MOST UNFORTUNATE DEVELOPMENT FOR THE WHOLE UN SYSTEM STOP

PARAGRAPH AS YOU KNOW COMMA SINCE THE BEGINNING OF THE BANK GROUP'S INVOLVEMENT IN THE POPULATION SECTOR COMMA AND SINCE THE ESTABLISHMENT OF THE UNFPA COMMA IT HAS BEEN OUR DESIRE THAT THE RESOURCES OF THE TWO INSTITUTIONS SHOULD BE DIRECTED IN A COMPLEMENTARY MANNER TO ENHANCE THE AMOUNT AND EFFECTIVENESS OF ASSISTANCE TO OUR COMMON MEMBER

KNAPP

PAGE 10

GOVERNMENTS IN DEALING WITH THEIR POPULATION PROBLEMS STOP AFTER ALL COMMA THE PROJECTS  
AND PROGRAMS WE ARE ASSISTING ARE THEIRS COMMA NOT OURS STOP THIS CONTINUES TO BE OUR  
DESIRE STOP IN THE ABSENCE OF MR MCNAMARA COMMA AND ON HIS BEHALF COMMA MAY I EXPRESS  
THE HOPE THAT YOU WILL GIVE THE SITUATION THAT NOW SEEMS TO HAVE ARISEN YOUR EARLY  
ATTENTION IN THE LIGHT OF THE IMPLICATIONS FOR FUTURE COLLABORATION BETWEEN THE BANK  
GROUP AND THE UNFFA THAT I HAVE REFERRED TO ABOVE STOP  
PARAGRAPH BECAUSE THESE MATTERS CLEARLY HAVE IMPORTANT IMPLICATIONS FOR THE WHOLE UN  
SYSTEM COMMA I AM SENDING A COPY OF THIS LETTER TO MR RUDOLPH PETERSON COMMA ADMINISTRATOR  
OF THE UNDP STOP END OF TEXT OF LETTER REGARDS

HOFFMAN

MICHAEL L. HOFFMAN/pnu/nacd

INTERNATIONAL RELATIONS

## OFFICE MEMORANDUM

TO: Mr. Aldewereld, Vice President, Finance  
(through Mr. <sup>W.B.</sup>Baum, Vice President, Projects)  
FROM: Michael L. Hoffman, Director, IRD <sup>MLH</sup>  
SUBJECT: Bank/UNFPA Issues

DATE: November 16, 1973

I attach for your signature a letter to Mr. Rafael Salas, Executive Director of the United Nations Fund for Population Activities. This is a fairly tough letter. We think it should be sent, and quickly, to prevent deterioration in the situation in a very sensitive field that could occur unless some basic issues are settled at a high level.

The UNFPA is a young financing agency, with all sorts of mandates from U.N. bodies to become the "lead" agency in the population field. It does not know much about how things are actually done in development finance; and it has a thin headquarters staff.

We have close and frequent contacts with UNFPA, and, as you know, have several project in which they are participants in joint or parallel financing arrangements. Relations at the operational level are friendly and, on the whole, good, though sometimes rather frustrating. But the UNFPA has this thing about not having projects, or pieces of projects, that it finances "approved" or "supervised" by the Bank or any other development finance agency. We have had numerous discussions with the staff and the Executive Director attempting to explain how things really work in joint or parallel financed projects but we obviously have not succeeded in getting our message across. The situation in the Philippines has brought matters to the point at which it is clearly necessary that we should spell out for UNFPA some of the ABCs of development finance. Thus the attached letter.

*letter was not  
signed*

---

**ROUTING SLIP**

Date

Nov. 16, 1973

**NAME**

**ROOM NO.**

Mr. M. Hoffman

To Handle

Note and File

Appropriate Disposition

Note and Return

Approval

Prepare Reply

Comment

Per Our Conversation

Full Report

Recommendation

Information

Signature

Initial

Send On

REMARKS

From K. Kanagaratnam

248423 1BRD URH

INCOMING TELEX

RECEIVED

*Dr. R* Log.66

Nov 16 10 04 AM 1973

Distribution:

MANILA TELEX NOV 16/73 COMMUNICATIONS SECTION

Mr. Street  
Mr. Goodman's  
Office

FOR STREET. WE MET LORENZO BEFORE RECEIVING SOMEWHAT GARBLED  
 CABLE ONE STOP HE HAS MAJOR PROBLEMS OF SUBSTANCE WITH IEC  
 PROPOSAL SET OUT DRAFT ANNEX 4 STOP CHIEF PROBLEMS CONCERN  
 ADVISORY COUNCIL FOR COMMUNICATIONS AND SENIOR COMMUNICATIONS  
 ADVISOR STOP HE FEELS ADVISORY COUNCIL AS PROPOSED WOULD DILUTE  
 AUTHORITY AND CONTROL BY COMMISSION AND EXECUTIVE DIRECTOR OVER  
 IEC DIVISION STOP FURTHERMORE HE FEELS PROPOSED COUNCIL TOO  
 LARGE AND CONTAINS REPRESENTATIVES OF AGENCIES FUNDED BY POPCOM  
 WHICH DIRECTLY CONTRAVENES PRESIDENTIAL INSTRUCTIONS STOP  
 LORENZO SAYS QUALIFICATIONS AND EXPERIENCE PROPOSED SENIOR  
 COMMUNICATIONS ADVISER PRECLUDE ALL FILIPINOS WHICH WOULD BE  
 CONTRARY COMMISSION POLICY STOP HE IS NOT CONVINCED ADVISOR  
 NEEDED STOP IF HE IS NEEDED QUALIFICATIONS SHOULD BE SCALED  
 DOWN SO FILIPINOS QUALIFY STOP IN ADDITION ADVISOR APPEARS TO  
~~WANT~~ HAVE TOO MUCH LINE RESPONSIBILITY INCLUDING PLANNING WHICH IS  
 FUNCTION OF PER DIVISION STOP POPCOM HAD ALREADY APPROVED  
 PROPOSAL SUBMITTED UNFPA FOR IEC AND ALSO SENT US IN DRAFT  
 FOUR MONTHS AGO STOP LORENZO ADVISED US THAT COMMISSION WOULD  
 ALMOST CERTAINLY REJECT BANK PROPOSAL STOP EYE THEREFORE WITHDREW  
 BANK PROPOSAL AND PROMISED CABLED COMMENTS ON GOVERNMENT PROPOSAL  
 AS SOON AS FEASIBLE STOP LATER WE MET VAN ARENDONK AND EASTWOOD  
 AND EXPLAINED POSITION STOP WE UNDERTOOK DISCUSS OUR COMMENTS  
 GOVERNMENT PROPOSAL WITH UNFPA STOP LORENZO CLEARLY ANXIOUS  
 BANK/UNFPA DIFFERENCES BE RESOLVED QUICKLY SO APPROPRIATE  
 MEMORANDUM CAN BE SIGNED AND FUNDING OF NEW UNFPA PROJECTS RESUMED  
 STOP PLEASE ARRANGE MEETING MONDAY MORNING FOR ME DISCUSS WHOLE  
 MATTER WITH KANAGARATNAM AND OTHERS CONCERNED REGARDS

GOODMAN



## ROUTING SLIP

DATE

November 15, 1973

NAME

ROOM NO.

Mr. Hoffman

TO HANDLE

NOTE AND FILE

APPROPRIATE DISPOSITION

NOTE AND RETURN

APPROVAL

PREPARE REPLY

COMMENT

PER OUR CONVERSATION

FULL REPORT

RECOMMENDATION

INFORMATION

SIGNATURE

INITIAL

SEND ON

## REMARKS

This was drafted before we received Mr. Goodman's cable, and will be useful to keep on record as an outline of the sequence of events. We do not propose taking any further action on this letter.

FROM

K. Kanagaratnam

DRAFT  
GZaidan/rb  
November 15, 1973

UNFPA

Mr. Rafael Salas  
Executive Director  
United Nations Fund for  
Population Activities  
485 Lexington Ave.  
New York, N.Y. 10017

Re.: Philippine Population Project

Dear Rafael:

It was good we were able to meet for some time once again in Geneva and discuss at some length and off the record the UNFPA and Bank activities of mutual interest and concern. Since we discussed at some length the Philippine situation on which we agreed there should be official follow-up action I am summarizing my understanding of our discussion and will give you some more background about the evolution of the Philippine project activities at the Bank end; such a brief review may be helpful in coordinating our activities more effectively in future.

The issues that the Government of the Philippines raised with the Bank recently -- parallel vs. joint financing and Bank "supervision" of UNFPA components -- took us somewhat by surprise in view of the history of this project. The Information, Education and Communication Component was developed by a UNESCO consultant (UNFPA financed project man - Mr. Shanmugam based in Manila) as a member of the Bank appraisal mission which visited the Philippines in March, 1973. While in Manila, this mission met with the UNDP Mission and the UNFPA Coordinator (Mr. Eastwood) and briefed them on the content of its findings and recommendations. It was our understanding at the time that the Bank would finance this component (and this had the agreement of the Government). Subsequently, when Dr. Lorenzo, the chairman of the Population Commission, visited us in Washington on May 11, 1973;; Dr. Sadik, Mr. Eastwood and Mr. van Arendonck of UNFPA were also present in Washington and participated in some of the meetings

with Dr. Lorenzo and also in direct discussions with Bank staff on this project. Dr. Lorenzo indicated during those meetings that the UNFPA had expressed strong interest in financing the Bank proposed IEC Division at the Population Commission under the reasoning that this Agency would be also financing several other IEC programs in the Philippines. The Bank staff's response was that if the GOP decided to request financing of that component from another source the Bank would readily agree; however, it was made clear at the meetings that the component would still be included as a component in the Bank project, independent of the source of financing. Dr. Lorenzo agreed with the contents of the IEC package which had been developed by the UNESCO consultant as appropriate. We emphasized to the Government that the Bank's concern to the particular component was critical to the total program activities as well as to what the Bank was financing; we would welcome other financing so long as commitment was given by the Government that the activities intended would in fact be financed and undertaken satisfactorily. To this end, the project would be financed in parallel with this other donor (i.e. UNFPA) and be included in the project description of the Bank. Concurrence to this was given by Mr. Gille and Dr. Sadik in a meeting in Washington in July 1973. This would be done by including these components in the agreement between the Government and the Bank in order to commit the Government to their implementation. Following these discussions with Dr. Lorenzo, cables were exchanged last summer between the Bank and the Government in which agreement on this approach was reached (copies of the relevant cables are attached).

This is where matters stood when Mr. G. Zaidan visited Manila in July, 1973. To our surprise, we found that, as a result of a UNFPA initiative, a Mr. Herm from DSCS was in Manila in the Philippines developing an Information, Education and Communication component. This came as a surprise to us because it was our understanding that the Information, Education and Communication component, which

UNFPA would finance, had already been developed and accepted, in broad outline, by the Government. That a consultant with similar terms of reference should be developing a similar component seemed at best confusing and at worst counter-productive. In the discussions which Mr. Zaidan had with Mr. Harding and Mr. Eastwood in Manila the point was made to him that "UNFPA could not finance a project which it did not itself prepare", but even at that stage Mr. Harding explicitly said that UNDP and UNFPA would agree to include this component in the Bank's project description as already accepted by the Government of the Philippines; hence our surprise when we received the attached cable from Secretary Virata raising this issue once again with us. We were also concerned at the broad reference from the Government to "bad experiences working with <sup>UNFPA'S</sup> the Bank."

As I told you during our discussions, we do not feel that there are any substantive disagreements on the activities which need to be carried out; the first draft of the proposal prepared by Mr. Herm is in fact very similar to the project prepared by Mr. Shanmugam. Furthermore, a draft description of the IEC component as it will appear in the Bank appraisal report was sent by our Department to Mr. van Arendonck (by hand through Mrs. Aurelius) on October 18, requesting comments. No reply has been received so far, so we assume that there are no objections on UNFPA's part. In view of the complementarity of the various inputs we feel it important to seek Government commitment to undertake these activities and we believe that this is to the mutual benefit of the Government, UNFPA and the Bank since all three parties agree on the content of the IEC activities. There is no question of the Bank "supervising" UNFPA's performance; we do feel it important, however, to obtain information from the Government on the progress of these activities as agreed to between UNFPA and the Government in view of their complementarity. Financing would be on a parallel basis and so any analogies with the joint financing experience

in Indonesia with which we know UNFPA is not happy does not arise. Quite frankly, we are surprised that this approach should have caused such difficulties within UNFPA; the arrangement would be no different than the arrangement of the Bank and UNFPA in Malaysia or of the arrangements agreed to by the Government of the Philippines with the Bank in other sectors.

Be that as it may, I am glad that I can assume that as a result of our talks there are no basic differences of approach. Since my return I have met with Mr. A. Locsin, Deputy Director from the National Economic Development Authority who was here in Washington last week, and have conveyed to him my understanding of the lines on which a resolution of this can be effected. Mr. Humphrey from the Bank is now in Manila and is conveying the substance of this understanding to both Secretary Virata and Dr. Lorenzo. I am convinced that any problems that have arisen between our respective agencies are now behind us but I nevertheless thought it useful to go into some of the background in the hope that we can work more harmoniously in the future in coordinating our activities; in the final analysis this will benefit the Governments concerned which we all agree are our primary and ultimate concern.

With best personal regards.

Yours sincerely,

K. Kanagaratnam  
Director  
Population and Nutrition Projects Department

Attachments

cc: Mr. Hoffman  
Mr. Baldwin  
Mr. Zaidan  
Mrs. Maraviglia .  
Mr. Humphrey, Mr. Young  
Div. Files

722

OUTGOING WIRE

Mr Hoffman

TO: GOODMAN  
HYATT HOTEL  
MANILA

DATE: NOVEMBER 14, 1973  
D 123

CLASS OF  
SERVICE: FULL RATE

COUNTRY: PHILIPPINES

TEXT:  
Cable No.: 1

REURCAB TO STREET NOVEMBER THIRTEEN  
HAD  
PRIMO PRIOR TO YOUR CABLE WE ~~WXX~~ BEEN IN TOUCH WITH UNFPA IN NEW YORK TO DISCUSS  
TECHNICAL PROJECT ISSUES REGARDING THE RESPECTIVE BANK AND UNFPA PROPOSALS FOR THE  
IEC COMPONENT STOP WE BELIEVE SUCH DIFFERENCES ARE NOT SUBSTANTIAL AND CONCERN THE  
RESPECTIVE FUNCTIONS OF THE PER AND IEC DIVISIONS STOP HOWEVER COMMA UNFPA NEWYORK'S  
FEEDBACK FROM MANILA IS THAT DIFFERENCES BETWEEN BOTH PROPOSALS ARE MAJOR STOP THEY  
SUGGESTED AND WE AGREED TO DISCUSS FURTHER WITH THEM THE ~~RESUBSTANTIVE~~ <sup>TECHNICAL</sup> ISSUE ON RETURN  
OF VAN ARENDORCK TO NEW YORK STOP IN THE FINAL ANALYSIS GOP HAS TO DECIDE THIS  
ISSUE AND WE EXPECT THAT ANY SUBSTANTIVE DIFFERENCE ON THE IEC COMPONENT CAN BE  
QUICKLY RESOLVED

SECUNDO HOWEVER WE ARE SERIOUSLY CONCERNED ABOUT THE MUCH BROADER ISSUES RAISED BY  
THE WORDING OF THE PROPOSED UNFPA/GOVERNMENT AGREEMENT STOP IT APPEARS TO US FROM  
THIS WORDING THAT UNFPA WISHES TO BIND THE GOVERNMENT TO SEEKING CONSULTATION WITH  
UNFPA ON ALL GOVERNMENT POPULATION PROGRAMS SPONSORED BY OTHER DONORS AND AT THE  
SAME TIME REFUSING THAT GOVERNMENT CONSULT OTHER DONORS ON PARTS OF PRESENT AND  
FUTURE PROGRAMS THAT HAPPEN TO BE FINANCED BY UNFPA STOP WE BELIEVE THAT SUCH A

NOT TO BE TRANSMITTED

AUTHORIZED BY:  
NAME  
DEPT.  
SIGNATURE  
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)  
REFERENCE:

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(IMPORTANT: See Secretaries Guide for preparing form)

Checked for Dispatch: \_\_\_\_\_

**OUTGOING WIRE**

TO: GOODMAN  
HYATT HOTEL --- CONTINUED --- PAGE TWO

DATE:

CLASS OF  
SERVICE:

COUNTRY:

TEXT:  
Cable No.:

RELATIONSHIP OF EXCLUSIVITY WOULD SERIOUSLY HAMPER GOP'S FLEXIBILITY IN DEALING WITH ALL DONORS FINANCING PARTS OF THEIR PROGRAM  
TERTIO FOR BOTH FOREGOING REASONS WE FEEL IT INADVISABLE FOR VIRATA TO SIGN DRAFT AGREEMENT UNTIL WE HAVE HAD CHANCE TO IRON OUT ABOVE DIFFICULTIES WITH UNFPA WHICH WE HOPE VIRATA WILL UNDERSTAND CAN HAVE FAR RANGING WORLDWIDE IMPLICATIONS IN TERMS OF GENERAL BANK-UNFPA RELATIONSHIPS STOP WE ARE CONTACTING UNFPA NEW YORK TO DISCUSS THESE ISSUES PROMPTLY REGARDS

STREET

**NOT TO BE TRANSMITTED**

AUTHORIZED BY:

NAME Gordon M. Street, Acting Director

DEPT. East Asia and Pacific

SIGNATURE *Gordon M. Street*  
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

REFERENCE:

CLEARANCES AND COPY DISTRIBUTION  
Cleared with and cc: Mr. Cargill ✓  
Mr. Hoffman ✓  
Dr. Kanagaratnam  
cc: Messrs Cheetham  
Cabezas  
KYoung/GStreet:mmh

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(IMPORTANT: See Secretaries Guide for preparing form)

Checked for Dispatch: \_\_\_\_\_

ROUTING SLIP		DATE November 13, 1973	
NAME		ROOM NO.	
Mr. Hoffman		D-1123	
TO HANDLE		NOTE AND FILE	
APPROPRIATE DISPOSITION		NOTE AND RETURN	
APPROVAL		PREPARE REPLY	
COMMENT		PER OUR CONVERSATION	
FULL REPORT		RECOMMENDATION	
INFORMATION		SIGNATURE	
INITIAL		SEND ON	
REMARKS			
<p>Cable we received from Mr. Goodman in Manila-- can we discuss?</p> <p style="text-align: right;"><i>R 73-259</i> <i>Also Fed.</i></p>			
FROM		K. Kanagaratnam	



INTFRAD04145

INCOMING TELETYPE

*Mr. Street* Log 5

INTFRAD04145

Distribution to:

Mr. Street  
Mr. Goodman's Office

MANILA TELEX NOV 13/739

FOR STREET PRIMO VAN ARENDONCK OF UNFPA HAS NEGOTIATED MEMORANDUM OF UNDERSTANDING BETWEEN UNFPA AND GOVERNMENT COVERING UNFPA PROGRAM OF DOLLARS ONE MILLION A YEAR OVER NEXT FIVE YEARS STOP BEFORE SIGNING IT CESAR VIRATA WANTS OUR VIEWS ON PROVISIONS OF MEMORANDUM RELATING TO OTHER DONORS

WHICH COULD CREATE PROBLEMS DEPENDING ON HOW THESE PROVISIONS INTERPRETED STOP MEMORAPDUM INCLUDES INTER ALIA FOLLOWING TWO CONDITIONS

QUOTE

*A* THE MAINTENANCE AND SAFEGUARDING OF THE RIGHT AND FREEDOM OF THE GOVERNMENT AND UNFPA TO NEGOTIATE BILATERALLY THE TERMS OF ASSISTANCE AND TECHNICAL AND PROGRAMME DETAILS OF THE PROPOSED PROJECT TO ESTABLISH AN INFORMATION, EDUCATION AND COMMUNIATION DIVISION WITHIN THE COMMISSION ON POPULATION, AND ANY OTHER PROJECT AS THE GOVERNMENT MAY FROM TIME TO TIME WISH TO SUBMIT FOR UNFPA ASSISTANCE, WITHOUT ANY OBLIGATION FOR EITHER OF THE TWO PARTIES TO SUBMIT SUCH PROPOSALS TO ANY THIRD PARTY FOR THEIR APPROVAL. UNQUOTE AND

QUOTE

THE UNDERTAKING BY THE GOVERNMENT THAT NO SUBSEQUENT AGREEMENT WHICH THEY MAY ENTER INTO WITH OTHER DONORS SHALL IN ANY WAY ALTER OR AFFECT THESE RELATIONSHIPS AND CONDITIONS.

MEMORANDUM ALSO REQUIRES GOVERNMENT TO AGREE COMRA IN ORDER TO FULFILL AND OBSERVE THESE CONDITIONS COMRA

QUOTE

TO CONSULT WITH UNFPA ON ANY PROPOSAL FOR ORGANISATIONAL CHANGES WHICH MIGHT IN ANY WAY AFFECT THE PROGRAMME AND PROJECTS ASSISTED BY UNFPA, THE ORGANISATIONAL ARRANGEMENTS MADE FOR THEIR IMPLEMENTATION, AND AGREEMENTS SIGNED FOR THIS PURPOSE. IN PARTICULAR, ANY PROPOSAL FOR THE ESTABLISHMENT OF NEW UNITS WITHIN OR IMPINGING UPON THE ORGANISATIONAL STRUCTURE OF THE COMMISSION ON POPULATION, WHICH MAY BE MADE BY OTHER EXTERNAL DONORS WILL BE REFERRED TO UNFPA FOR CONSULTATION, IN THE INTERESTS OF MAINTAINING THE VIABILITY OF THE JOINT POPCOM/UNFPA PROGRAMME AND THE TERMS OF THIS AND PROVISION AGREEMENTS SIGNED.

UNQUOTE

PLEASE CONSIDER WITH KANAGARATNAM AND LEGAL DEPARTMENT WHETHER THESE PROVISIONS LIKELY CAUSE US PROBLEMS STOP IF SO SUGGEST MATTER BE RAISED WITH UNFPA NEW YORK SO THEY CAN IF NECESSARY CABLE INSTRUCTIONS THEIR REPRESENTATIVE MANILA STOP SECUNDO ON HUMPHREYS ARRIVAL LORENZO DISCLAIMED KNOWLEDGE SUBSTANCE IEC PROPOSAL STOP WE ARE MEETING HIM FRIDAY MORNING FOR GENERAL DISCUSSION BY WHICH TIME HE WILL HAVE READ DETAILS IEC PROPOSAL AS CONTAINED DRAFT ANNEX APPRAISAL REPORT STOP GRATEFUL YOU CABLE ANY PRELIMINARY REACTION TO PRIMO BEFORE OUR FRIDAY MEETING STOP PLEASE ALSO CABLE HUMPHREY ANY FURTHER DETAILS OUR VIEWS AND ACTIONS TAKEN WITH UNFPA NEW YORK REGARDS



# UNITED NATIONS DEVELOPMENT PROGRAMME

OFFICE OF THE RESIDENT REPRESENTATIVE  
IN THE PHILIPPINES

METROPOLITAN BANK BUILDING  
ST. ADDRESS: 6813 AYALA AVE., MAKATI RIZAL  
TELEPHONE: 86-40-11 TO 25

POSTAL ADDRESS:  
P. O. BOX 1864 MANILA  
CABLE ADDRESS: UNDEVPRO \* MANILA  
TELEX - RCA 722250  
EASTERN 3557

REFERENCE:

12 November 1973

Dear Dr. Lorenzo:

On the basis of the discussions which Dr. van Arendonk and I have had with yourself and other officials in the government and after reading the draft of Annex IV of the appraisal report of the IBRD on communications, I am afraid that we will not be able to recommend to the Executive Director of the UNFPA to continue appraising requests which the government might like to send to the Fund in those areas which one way or the other might be affected by the future IBRD project. This recommendation is based on the fact that the past policy of the Population Commission and UNFPA has been to build up over a period of time competence and capability in the field of population activities through providing assistance in specific areas at the time when the government felt that it was ready to undertake such activity. The draft proposal which is now being suggested by the World Bank wants to establish a highly centralized 5-year National Family Planning Plan. As the IEC Unit of the Population Commission will be seriously affected, by this proposal, it would be in my opinion unwise for the Fund to commit itself to funding this activity without having a full understanding as to the policies which the government wants to pursue in the future in regard to the National Family Planning Program. I therefore feel obliged to recommend that UNFPA continue programming of further assistance to the Philippines only after the government has taken a decision on the World Bank's project proposal and the policies which such would entail. In order not to jeopardize the activity of the Population Commission, Dr. van Arendonk is willing to approve an additional six months salary payments of these staff of the Population Commission's PER Unit for which we have taken responsibility under the PER project, assuming that this period will give the Government of the Philippines sufficient time to decide on the questions mentioned above.

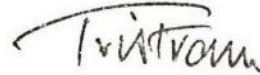
I would like to point out that the terms of the draft

Dr. Conrado Ll. Lorenzo, Jr.  
Executive Director  
Commission on Population

.... /

Memorandum of Agreement which we have given to you for consideration are the minimum conditions under which I could recommend to the Executive Director to continue programming of new activities.

Yours sincerely,



Tristram Eastwood  
UNFPA Coordinator

TE/alj

~~C O P Y~~  
UNFPA

UNITED NATIONS DEVELOPMENT PROGRAMME  
Office of the Resident Representative  
in the Philippines

MEMORANDUM OF AGREEMENT

This memorandum of agreement has the purpose of clarifying and extending the relationships, undertakings and obligations of the parties signatory to the Project Agreement on Family Planning between the Government of the Republic of the Philippines and the United Nations Fund for Population Activities dated January 14, 1972.

In the course of time since the signing of the said Agreement, the Government has seen the need for further assistance from UNFPA, and UNFPA has agreed in principle, under Article 1.3 of said Agreement and subject to certain conditions, to make available up to one million dollars per annum over the five-year period July 1st 1973 and June 31st [sic] 1973. This amount of five million dollars shall be for projects additional to those specified in Annex I of the Agreement, (with the exception of Project VIII, funds for which have been reallocated for other purposes) and additional to Projects Number 4, 5 and 6 in Annex II of the Agreement (Assistance for Research in Law and Population, Assistance to the Programme of the Responsible Parenthood Council, and Asian Social Institute respectively) as well as for extension of those projects already operational. While the project proposal for assistance to the Commission on Population's Programming, Evaluation and Research Division which was originally submitted for UNFPA approval is included within the commitments already subject to the existing Agreement, the revised

and expanded proposal for this Project (renamed Planning Division) is to be considered as a part of these projects for which additional funding may be made available.

The UNFPA agrees to support additional projects submitted for approval through the normal channels and in general accordance with the Agreement, up to a maximum of five million dollars over the five year period specified above, as agreed upon between the UNFPA and the Government of the Philippines in May 1973, subject to the following conditions:

1. The availability of funds.
2. Approval of each project by UNFPA after technical appraisal by appropriate Executing Agencies as required, and, for those of over one million dollars by the Governing Council of UNDP.
3. The maintenance and safeguarding by the Government of the full and proper viability of the Planning Division of the Commission on Population.
4. The maintenance and safeguarding of the right and freedom of the Government and UNFPA to negotiate bilaterally the terms of assistance and technical and programme details of the proposed project to establish an Information, Education and Communication Division within the Commission on Population, and any other project as the Government may from time to time wish to submit for UNFPA assistance, without any obligation for either of the two parties to submit such proposals to any third party for their approval.
5. The undertaking by the Government that no subsequent agreement which they may enter into with other donors shall in any way alter or affect these relationships and conditions.

In recognition of these conditions, and desirous of continuing and extending the relationship established in the Agreement of 1972, the Government hereby agrees and undertakes:

1. That the Planning Division of the Population Commission will prepare the long term development plans and the annual development programmes of the Population Commission in close consultation with the other divisions of the Population Commission. It will be responsible for the Commission's programme targets and the allocation of resources for the various programme activities. It is also responsible for the strategy of the Population Commission. The Planning Division has the responsibility periodically to evaluate the national programme as well as the individual project components.
2. In order to fulfill and observe the conditions set out in 4 and 5 above, to consult with UNFPA on any proposal for organisational changes which might in any way affect the programme and projects assisted by UNFPA, the organisational arrangements made for their implementation, and agreements signed for this purpose. In particular, any proposal for the establishment of new units within or impinging upon the organisational structure of the Commission on Population, which may be made by other external donors will be referred to UNFPA for consultation, in the interests of maintaining the viability of the joint POPCOM/UNFPA programme and the terms of this and previous agreements signed.

FOR THE GOVERNMENT OF THE PHILIPPINES

/s/E. Aldaba-Lim Date \_\_\_\_\_

ESTAFANIA ALDABA-LIM

Chairman, Commission on Population

\_\_\_\_\_  
Date \_\_\_\_\_

CESAR VIRATA

Secretary of Finance

\_\_\_\_\_  
Date \_\_\_\_\_

GERARDO P. SICAT  
Director General, National  
Economic and Development Authority

FOR THE UNITED NATIONS FUND FOR  
POPULATION ACTIVITIES:

\_\_\_\_\_  
Date \_\_\_\_\_

RAFAEL SALAS

Executive Director

*Am. Hoffman*  
CONFIDENTIAL

## OFFICE MEMORANDUM

DECLASSIFIED

DEC 18 2019

WBG ARCHIVES

DATE: November 12, 1973

*Das Pop. file.*

710

TO: Departmental Files

FROM: K. Kanagaratnam *Kal*SUBJECT: Conversation with Dr. R. Ravenholt - Brighton, England - October 26, 1973

1. I had a 45-minute discussion with Dr. Ravenholt in Brighton on the afternoon of October 26. The discussion ranged around a number of old issues related to Bank operations; substantive points were with reference to Kenya, Indonesia and Tunisia. In each case Ravenholt took the position that the Bank was responsible for implementation delays of US AID and other donors and he cannot allow this to occur. I attempted to put across to him the sequence of events in the development of each of these projects. Much old ground was covered, including the fact that US AID tied themselves into the Tunisia project long after Bank approval of the credit - he still insists that the Bank sent the Tunisians to US AID for counterpart funds and that as a result of this they had tied up about \$3 million in "PL 480 dinars" in that country which was therefore not being expended rapidly enough. He also stated that he understood from Jarret Clinton, and from figures he had seen some time back, that the Indonesian project was progressing badly mainly because of the Bank's complicated procedures and there were no disbursements on the Indonesian project. Finally, the Bank should not have attempted to coordinate all the donors in Kenya since he understood from Mr. G. Owuor that it had, together with the Ministry of Finance, made very strenuous efforts to do so.
2. In each case I made a recapitulation of the events as we saw them occur but this was useless as it made no impact on his views. I added that in Tunisia and Kenya, US AID already had their own arrangements with the Government long before any Bank involvement and there was no reason why he should not have done what he wanted before or after the Bank started working in those countries. In any case, at no time had the Bank suggested that arrangements with any other donors should be delayed and this applied especially with regard to actions that did not need over-all Government planning. I emphasized to him that program managers with whom his own field staff dealt, and finance ministries, may not look at the development of long-term plans in the same light; finance ministries may well want to see an over-all plan together with specific financial arrangements and the implications before undertaking commitments, while operational managers may well accept short-term projects.
3. He was particularly emphatic that he did not wish to be "coordinated by the Bank." He followed this with a sweeping statement that neither did UNFPA or SIDA wish to be coordinated by the Bank. I replied that aid coordination was a role the Bank played for governments in many sectors on request of governments, and in association with donors who wished to participate. In the specific cases of Kenya and Indonesia, the actions were taken at the specific request of the Governments, and in Kenya both he and Dr. Sadik participated in a lunch with us at the Bank and urged jointly working with the Bank in early



## WBG ARCHIVES

1972 aimed at giving Kenya a health delivery network that would also serve as a family planning network. He complained about our slow rate of disbursements and I had to remind him that the long-term sectoral association and strategy planning for the Government was in our view an important part of the Bank's contribution - and as important as our fiscal contribution. Moreover, we recognized that we were dealing with new entities of the borrowing governments that were not used to project methodologies and operational procedures of the Bank, and time is needed to build and develop the relationship. Moreover, disbursement patterns that substantially involve the provision of physical facilities would be expected to be slow compared to disbursement of funds used for commodities etc., which would be quick-disbursing.

4. He emphasized that in his view the Bank's work in population would be judged by the extend of resources transferred, not by the amount committed. In jest, but with some feeling, he said "Why does the Bank want to get into countries where we work and complicate things for us? Could it not go to Chad and develop a project and leave us where we are?" He said he regarded the Bank's entry into a country always slowed down things for him and UNFPA.

5. In the course of my discussions with Mr. Salas (October 28 -Geneva) I raised the question of Ravenholt's pressures on UNFPA and made reference to the Indonesian project. He said he had heard "rumors" of Ravenholt's complaints that the Indonesian program was not moving; he had called in Wagener, the UNFPA man in Indonesia when he was in New York in early October for the coordinators' meeting, to get the facts; he was satisfied that there were no major problems in the project and that it was moving as planned. I met General Draper at the opening session of the Population Commission on October 29 - he had just come back from the Far East after travelling with some Japanese parliamentarians - and his first remarks to me were "Things are going well in Indonesia." I also took the opportunity of checking with Dr. Soewarjono, the Director of the Indonesian program, at the ICOMP meeting in London a few days later as to whether he felt there were delays or hold-ups in the Project that could be expedited and particularly if there were any for which the Bank was responsible. He said there were none and he was satisfied with the progress. He said some of the earlier difficulties were caused by learning new procedures but that this had largely been overcome.

6. When I returned to Washington I discovered that Dr. Kieffer, Ravenholt's superior in US AID had received a report of the discussion with Ravenholt directly from someone there. He called to assure me that despite what Ravenholt may or may not have said, US AID wishes to work with the Bank and to examine case-by-case those areas where we can profitably cooperate, and also determine those areas where US AID can move independently of the Bank. He said he recognized that the Bank takes time in planning its operational strategy and, given the nature of Bank investments, he accepted this as proper. He emphasized that he hastened to call me because he did not want to leave any wrong impression about US AID's official position following any

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Departmental Files

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November 12, 1973

## WBG ARCHIVES

remarks to the contrary that Ravenholt may have made. (Off the record, he made some observations which clearly indicated he disapproved of Ravenholt's actions!) Dr. Sodhy (who formerly worked for the Department and is now in Malaysia) also mentioned in Brighton that he heard from a group that the Bank project in Indonesia was not moving, but said that as far as he knew when he was at the Bank he knew all was well. While he did not or was not able to identify who were in the group, it was clear that Ravenholt's unsubstantiated statements are being spread around freely. Mr. Gille, UNFPA Deputy Executive Director, told me so and said the Bank should take appropriate steps to counter these wrong impressions - e.g. giving out the correct picture, more aggressive posture when these allegations are made. This view was reinforced by Rafael Salas, who described Ravenholt as a "Bank-hater" and said in his view he is doing damage to the Bank's work by his loose statements, and also suggested we seek to correct these impressions. He confirmed that Ravenholt has distributed privately a chart showing UNFPA, US AID and Bank disbursements in population activities, backed up by his famous statement "There is no evidence that loans for population can achieve results."

cc: Messrs. Warren C. Baum  
M. L. Hoffman ✓  
Baldwin/Zaidan

Kkanagaratnam:bli

707  
OFFICE MEMORANDUM

TO: Dr. K. Kanagaretnam

FROM: Huw M. Jones

SUBJECT: Visit to UNFPA: Addendum to Back-to-Office Report

DATE: November 12, 1973

During lunch, Dr. Sadik remarked in the course of a general conversation that she could not have UNFPA funded projects supervised by the Bank or any other agency. Dr. Sadik said that the Bank and UNFPA are cooperating very well in Indonesia and that in Malaysia satisfactory arrangements had been worked out for the parallel project; only in Kenya and the Philippines had this question of supervision arisen.

HJones/dlf

cc: Messrs. Hoffman, International Relations ✓  
Riley, International Relations  
Lee, V.P. Ofc., Projects  
Burney, V.P. Ofc., Projects  
Armstrong, V.P. Ofc., Projects  
Ebstein, Information & Public Affairs  
Gould, East Asia & Pacific  
Bennett, Controller's  
Baldwin, PNP  
Kang, PNP  
Zaidan, PNP

701  
OFFICE MEMORANDUM~~Mr. Doffman~~  
UNFPA

TO: Dr. K. Kanagaratnam  
DATE: November 9, 1973

FROM: Huw M. Jones

SUBJECT: Visit to UNFPA, New York, November 7, 1973 - Back-to-Office Report

1. In accordance with terms of reference dated 6 November, 1973, I visited the UNFPA in New York to discuss the last supervision mission report of the Joint IDA/UNFPA population project in Indonesia. The meeting was informal and cordial and attended by Mr. Paul Micou, Acting Chief of the Implementation Division, Mr. S. Tomita of that Division, and Dr. Nafis Sadik, Acting Chief of the Program Division.
2. The UNFPA staff members welcomed the report as an objective statement of project progress. Mr. Tomita's report was not complete but a copy would be sent to the Bank once it was ready. Mr. Micou noted that the next supervision mission was tentatively scheduled for January 1974; he thought that the UNFPA coordinator in Jakarta, Mr. Wagener, would be the UNFPA staff member associated with the mission. I heard subsequently from Dr. Sadik that she will be in the Philippines in January and proposes to visit Indonesia as well.
3. The discussion turned to reporting requirements and the recent reporting proposals made by UNFPA for its projects. The Bank supervision report was described as a good example of the type of report that UNFPA wanted. UNFPA did not want to receive additional reports, unless there was a difference of say two to three months between Bank reports and the end of June and December each year when UNFPA reports were required to be submitted. In such cases, UNFPA would only want updating information in respect of disbursements and financial projections.
4. The question of a successor to Dr. Lyle Saunders was mentioned. I said that Dr. Soewardjono had indicated that he wanted an effective program administrator to help him and had asked for possible nominations. The Bank was considering candidates and would welcome suggestions from UNFPA. Mr. Micou promised to forward the names of candidates.
5. The question of international reaction to the Indonesia project was raised by the UNFPA. UNFPA shared the Bank's concern that rumours were circulating of slow project progress but which were not based on facts. Dr. Sadik said that at a meeting of UNFPA donors on 6 November she had had to refute sharp criticism from the German delegate about slow disbursements. Mr. Lubin of the IPPF had asserted, somewhat vigorously apparently, that Dr. Ranganathan's departure from Jakarta would slow down project implementation. Dr. Sadik said that she had explained that Dr. Ranganathan was on the Bank's resident staff and not a project staff member. The UNFPA officials said that they were satisfied with the project's progress and would take steps to rebut rumours.
6. Referring to the suggestion (para 3.09 of the report) which had been mooted of making available UNFPA funds as advances, Mr. Micou agreed with the Bank's position that such a course would only be a palliative and not solve the fundamental problem of ineffective Government financial procedures.

7. Mr. Micou said that reports on specific projects were not circulated to donors and the possibility of a joint report for this purpose, mentioned in our letter of October 10 to Mr. Salas, did not arise. A summary might be prepared for use within UNFPA by Mr. Salas and others in their efforts to counter the rumours mentioned in paragraph 5 above.

8. I heard from different sources that there are plans to re-organize the UNFPA in January. The final organizational form has not been determined but the objective appears to be the elimination of the somewhat fuzzy distribution of responsibilities between the program and implementation divisions. ))

HJones/df

Cleared with and cc: Mr. Zaidan, PNPD  
cc: Messrs. Hoffman, International Relations ✓  
Riley, International Relations  
Lee, V.P. Ofc., Projects  
Burney, V.P. Ofc., Projects  
Armstrong, V.P. Ofc., Projects  
Ebstein, Information & Public Affairs  
Gould, East Asia & Pacific  
Bennett, Controller's  
Baldwin, PNPD  
Kang, PNPD

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OFFICE MEMORANDUM

D#23

TO: Files

DATE: November 7, 1973

FROM: K. Kanagaratnam SUBJECT: PHILIPPINES - My memorandum on UNFPA Financing for Communication Component,  
dated November 2, 1973-----ADDENDUM

1. Subsequent to my meeting with Mr. Salas in Geneva, I met briefly with Mrs. E. Aldaba Lim, Secretary of Social Welfare and also Chairman of the Philippine Population Commission, in London on October 30. I explained our position on the project and the Information, Education and Communication component as set out in the notes of discussion with Mr. Salas. Mrs. Lim was relieved and said that she considered that the position taken by the Bank could provide a basis for reconciling UNFPA's present position and will enable the Government to process its request to UNFPA without in any way embarrassing the Bank project. I assured Mrs. Lim that we were as anxious as the Government not only to get the project moving but also to ensure that actions needed for the overall success of the program should be proceeded with without delay.

2. If there are still any difficulties we would hope to iron them out either before or, at the latest, during negotiations with both the Government and with UNFPA.

cc: Messrs. Hoffman ✓  
Goodman  
Humphrey  
Zaidan  
Mrs. Maraviglia

KK:bli

~~CONFIDENTIAL~~  
UNFPA

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## OFFICE MEMORANDUM

TO: Files

DATE:

November 2, 1973

FROM: K. Kanagaratnam

SUBJECT: PHILIPPINES - UNFPA Financing for Communication Component

1. During a meeting which I had with Mr. Rafael Salas in Geneva on October 28, 1973, we discussed matters related to the problems of the financing of a communications component in the Philippines, which had initially been proposed for Bank financing in its project.

2. I reviewed the history of the proposal; that such a component had been developed as part of the Bank's preparation mission, by a UNESCO consultant (Mr. Shanmugam) who is working for the GOP in a UNFPA-financed project in the country. Technically, the component has been agreed upon by the GOP (POPCOM), UNESCO, the Bank, and in substance by an independent consultant sent by the UNFPA. The GOP, it would appear, at the insistence of the UNFPA coordinator stationed in Manila and subsequently escalated to UNFPA Headquarters, had requested financial assistance for this component from the UNFPA. The Bank had agreed to this arrangement with all parties concerned, indicating that the usual procedure, namely including such component in the project description and excluding it from the financing table, would be followed. (It should be added that the GOP had accepted the Bank financing of this component in April, 1973, but changed their mind after a visit by Dr. Lorenzo to New York in May, 1973, when he was told that UNFPA would restrict future financing to the Philippines if they did not accept UNFPA financing of the component (see attachment 1). However, subsequently, the GOP had been told that UNFPA did not want to have a program financed by them being "supervised" by the Bank and they had stated to the GOP that they would condition all other present and future UNFPA assistance to the GOP to the satisfactory solution of the mentioned problem.

3. I explained to Mr. Salas that the Bank's position was that the component was considered essential to the overall success of the Bank project and therefore it would need to be included in some way in Bank covenants such as in the project description or other appropriate means. We would not, I made it clear, try in any way to "supervise" UNFPA work, but rather would want to get the Government's commitment that this critical component would be properly executed. This, in substance, was agreed to in July, 1973 by Mr. Gille and Dr. Sadik of UNFPA at a meeting in the Bank. In the course of the discussion it was apparent to me that Mr. Salas was uneasy because he was informed by his staff that the Bank was attempting to work out an "Indonesia-type" joint financing arrangement taking responsibility away from UNFPA for the component and indirectly getting in the way of their relations with the Population Commission of the GOP. He saw no difficulty in working out a suitable formula for parallel financing of this component.

Dr. Kanagaratnam

November 2, 1973

4. Mr. Salas and I agreed on the following points:
- a. The Bank would inform the GOP that they should seek UNFPA financing for the component, and that the component would be financed in parallel by UNFPA. The Bank regards this component as complementary to the items financed by the Bank in its project and essential for overall results.
  - b. The GOP would be expected to keep the Bank informed about the details of this component as agreed with UNFPA; the language that would be used in the loan documents would in no way indicate any "supervision functions" for the Bank as regards UNFPA's work, but assurances and arrangements for satisfactory execution of the component.
  - c. The GOP would be assured that any further clarification or discussions to resolve this matter will be taken either before or during negotiations and in discussions between the Bank and UNFPA Headquarters. The GOP will be assured that as long as the Bank was assured this component is viable in its final form and appropriate financing obtained and the job is done, it would be satisfied.

5. On November 2, 1973, Mr. Antonio Locsin, Assistant Director, NEDA, visited my office and we discussed the above points with him. It was agreed Mr. Humphrey will further assure Mr. Virata, Secretary of Finance, about the position we have arrived at on these issues, during his visit to Manila next week. (It has to be emphasized that Mr. Salas was speaking without prior briefing and without papers and did not wish to be committed finally until he had a chance to discuss the matter with his staff.) It is likely that some confusion may still exist as Mr. van Arendonck of UNFPA who was visiting Manila at the time of my discussions with Mr. Salas was acting on prior instructions from his Headquarters, but Mr. Salas felt this could be worked out. At the same time he will carry a copy of the communications component, as prepared by the UNESCO consultant, to give it to POPCOM, so that it may be used as a basis by the GOP for submitting the request for assistance to UNFPA. The Bank will be prepared to discuss this and other components with the GOP at the moment of negotiations.

Attachment

cc: Mr. Hoffman ✓  
Mr. Goodman  
Mr. Humphrey  
Mr. Zaidan  
Mrs. Maraviglia

MNMaraviglia/KKanagaratnam/rb

PHIL/PNP



## OFFICE MEMORANDUM

TO: Files

DATE: May 11, 1973

FROM: M. N. Maraviglia *MM*SUBJECT: PHILIPPINES - Meeting with POPCOM Executive Director and UNFPA  
Representatives - May 7, 1973

1. A meeting was held at the PNPDP attended by Dr. Conrado Lorenzo, Executive Director of the Commission on Population (POPCOM), Government of the Philippines, Mrs. N. Sadik, Mr. T. Eastwood and Mr. van Arendonk from UNFPA. Bank staff present were Mr. Humphrey and Mr. Young from the Asia Department, Mrs. Foulon from International Relations Department and Dr. L. S. Sodhy, Mr. J. Burfield, Mr. J. de Vries and myself from the PNPDP.

2. The purpose of the meeting was to exchange information on inputs that will be provided by the Bank and the UNFPA to the population program in the Philippines. Mr. Eastwood informed us that the UNFPA was prepared to extend assistance in this field beyond the US\$ 3.3 million agreement signed in 1972. Although no accurate figures were yet available, it was estimated that projects adding up to a total of US\$7 - 8 million for the next five years (including the earlier agreement) would be financed through a UNFPA grant to be signed probably within this calendar year. Among the projects to be added to those included in the existing agreement he mentioned assistance to the WHO maternity centered hospital program to increase it to over 100 hospitals, a Taylor-Berelson scheme project in Bohol province (amounting to US\$ 1.5 million), block allocation of US\$ 140,000 for fellowships, assistance to the Bureau of Census and Statistics to analyze the 1970 census; a study, with WHO as implementing agency, to assess present status of midwifery and nursing training and necessary changes to make that training more relevant to family planning work; assistance to increase the capacity for production of the National Media Production Center at Regional levels; and population-related projects with the Bureau of Agricultural Extension, the Law Center of the University of the Philippines, the Responsible Parenthood Council, the Asian Social Institute and the Department of Social Welfare.

3. The discussion, however, centered around an issue brought up by the UNFPA group, concerning the Bank's proposed financing of operations within POPCOM. The UNFPA group was particularly concerned by the fact that a new Communications Division would be financed by the Bank. The initial argument was that the UNFPA is now financing a communications project in the University of the Philippines and planning to extend the financing in this field with several other projects (USAID and GOP are at this point funding most of the communications activities). They therefore argued that it would be more appropriate for UNFPA to finance that division since it would be coordinating and providing guidelines for all activities in the field, of which that agency would be eventually financing a large proportion.

The Bank's position was that the inclusion of recurrent expenditure financing of some POPCOM activities at the central level had been requested by the GOP as part of the definition of a project package; this had been discussed with the GOP and agreement had been reached as a basis for a project. The Bank's proposed financing of some new POPCOM activities had been based on the need to strengthen its role as a coordinating agency for the population program in the country, along the lines recommended in the Bank's Sector Review Report. We felt that any changes about financing of components could not be decided upon at this meeting; such decision should rather be left to the Government.

4. The UNFPA group explained further the nature of their concern for the Bank's involvement in the Communications Division of POPCOM. They considered it unacceptable that a division which would coordinate programs financed by UNFPA, would be created, financed (initially) and supervised by the Bank. I indicated that the Bank would bear in mind this point which appeared unusual. However, we did not share their concept that financing of an element implied control of that particular element of the program by the sponsoring agency. It was our interpretation that financial assistance would be given to the GOP to strengthen and improve their activities in the population field and that control of decisions on policy and strategy should remain a responsibility of GOP, in communications as well as in other fields.

5. Neither could we agree with the UNFPA group's interpretation that consultants rendering technical assistance in the communications field, who might be assigned to the new division, would in fact be directly connected with the Bank and would dictate policy and strategy which UNFPA programs would then have to accept. This concept was at variance with the actual role of consultants paid through Bank loans or credits, who solely report to the Government that hires them.

6. A second session was held with Dr. Lorenzo following the meeting with the UNFPA group. Dr. Lorenzo said that he had nothing further to add to his letter of April 25, 1973. His Government concurred on all points concerning the project as discussed during the mission's visit to Manila. His main concern was that he understood from UNFPA officials that they would condition the \$5 million he had just successfully negotiated with UNFPA to assurances from the Government that no activities financed by UNFPA would be supervised or subordinated to the program of another international agency. We told Dr. Lorenzo that the Bank would develop a population project structured in such a way as to be fully compatible with the operations of other UN and bilateral agencies on the basis of the existing operational rules and procedures. The condition mentioned above and attributed to UNFPA, was however, unprecedented to our knowledge and would require further clarification.

May 11, 1973

7. Dr. Lorenzo was informed that the Bank was in the process of hiring consultants for the preparatory work concerning the physical facilities of the project. It was explained at the meeting that local professional manpower would be required to work with the consultants, mainly from the Department of Health (both at Central and Regional offices) and the Department of Works and Communications. This work would probably start in mid-July, for a period of approximately three months. Dr. Lorenzo requested that the PNPD correspond directly with the Secretary of Health, Dr. Gatmaitan, on these issues. The participation of POPCOM in this preparatory work will be mostly on decision-making matters to be handled by a Project Committee that NEDA has undertaken to appoint, in which POPCOM will be represented. A letter will be sent to Dr. Lorenzo, with copies for information to NEDA, Ministry of Health, Ministry of Social Welfare and Ministry of Finance, summarizing the above conclusions and confirming the project composition and next steps.

Cleared with and cc: Mr. Zaidan, PNPD  
Mr. Humphrey, Asia, Country Prog. I

cc: Dr. Kanagaratnam, PNPD  
Mr. Baldwin, PNPD  
Mr. Burfield, PNPD  
Dr. Sodhy, PNPD  
Mr. de Vries, PNPD  
Mr. Cuca, Dev. Economics  
Mr. Young, Asia, Country Prog. I  
Mrs. Foulon, International Relations  
Dept. File  
Central Files

MNMaraviglia/nm

*Mr. Hoffmann**Over file*

## OFFICE MEMORANDUM

TO: Dr. K. Kanagaratnam, Director, PNPD

DATE: October 29, 1973

FROM: M. N. Maraviglia and I. H. Kang, PNPD

SUBJECT: NEW YORK: Ninth Session, Inter-Agency Consultative Committee of the UNFPA  
October 8 - 9, 1973  
Back-to-Office Report

1. In accordance with our terms of reference dated October 2, 1973, we participated in the Ninth Session of the IACC on behalf of the Bank. A copy of the Agenda and a list of participants are attached as Annexes 1 and 2. In addition to the participants listed in Annex 2, about 20 field coordinators of the UNFPA also attended the meetings.
2. The Session was opened by Mr. Salas with the announcement that the UNFPA does not seek any more "jurisdictional power", nor does it want to take over functions of any agency -- it has more than enough authority and jurisdiction to execute its responsibilities. What the UNFPA, as well as the U.N. System as a whole, needs now is to improve its aid-giving capacity, particularly its capacity to deliver assistance. As a step to achieve this, the UNFPA is employing a "comprehensive programming technique". No agencies objected to the introduction of the "comprehensive program" approach of the UNFPA. Only one agency (ILO) asked some flexibility in carrying out the approach. Because this approach is time-consuming ILO believes that if some good sub-projects come around which would not upset the comprehensive program, then these sub-projects should be executed without waiting for the development of a comprehensive program.
3. The UNFPA is also adopting "country-oriented" projects/programs at the direction of its governing bodies. Both the Governing Council of UNDP and the ECOSOC (which are empowered to oversee UNFPA activities) in their recent meetings directed the UNFPA to extend assistance "in forms and by means requested by the recipient countries and best suited to meet the individual country's needs". They specifically instructed the UNFPA to "invite countries to utilize the most appropriate implementing agents for their programmes." This means that the UNFPA and the agencies who had been executing UNFPA funded projects have to overcome a "period of adjustment". The UNFPA would, for example, fund directly to the recipient countries if so requested by any of these countries. It also would let the recipient countries decide on the most appropriate executing agent which might not be one of the U.N. agencies. This does not necessarily mean that the agencies would be deprived of their opportunities to participate in this field. They will continue to serve as executing agencies in countries where the governments choose them; they will continue to play an active role in those countries and regions which are still in the "promotional phase". They will continue to execute regional, inter-regional and global projects. With understanding and cooperation of each agency involved, the U.N. System as a whole would be able to meet the new challenges. Most agencies expressed reservations, in one form or another, about the "country-oriented" approach, as it would undoubtedly lessen not

only their roles but also their share of UNFPA funds. WHO was most vocal in this respect, as WHO has much at stake in this shift of the UNFPA approach.

4. In his closing comments Mr. Salas noted that in May 1973 the ECOSOC (U.N.) adopted the aims and purposes of the UNFPA. These goals are not much different from the earlier version except that the UNFPA is asked to promote awareness of the population problem not only in developing countries but also in developed countries. The ECOSOC further mandated the UNFPA to play a leading role -- not just a coordinating role -- within the U. N. System as well as outside the system.

5. Following the opening statement, Mr. Gille mentioned that the Executive Director, in consultation with the UNDP administrator, can approve project funds except for the following categories for which approval must be gained from the Governing Council:

- (a) Comprehensive Programs;
- (b) Projects/programs costing over \$1 million;
- (c) Innovative programs which require new policy direction; and
- (d) Any project/program the Executive Director may wish to submit.

6. Mr. Gille also mentioned the possibility of reconstituting the Program Consultation Committee which had been abolished as a result of the Michanek Review Committee's recommendation. The UNFPA has arranged an informal meeting with former members on November 6 in New York to discuss the subject.

7. Among the agencies there was widespread agreement that the population sector should be "integrated" into their special fields at the international level. The agencies reported their activities in this respect. For example, UNESCO's Board, for the first time, expressed active interest in integrating population work into its other interests. FAO has been integrating the population sector with its other programs for quite some time.

8. One agency raised the question as to whether the IACC was the proper body to effect inter-agency coordination of regional projects. After some discussion, it was agreed that such coordination should be left to the Subcommittee of ACC which is examining the same problem.

9. The agencies also discussed documentation requirements for the UNFPA funding and timetables for submission to the UNFPA. UNFPA support for agency infrastructure and overhead cost for population activities was also discussed, and agreement was reached that the UNFPA will finance the agencies for the current year, but agencies should negotiate bilaterally with the UNFPA for future years.

10. In connection with the World Population Year, Mr. Vittachi (UNFPA) said that the English version of "Aims and Purposes of World Population Year" -- a series of pamphlets for WPY -- is now published and that the pamphlets are being translated into other languages for production and distribution around the world. He requested suggestions and assistance from the agencies for effective distribution of these pamphlets and added that each agency could complement the effort by producing and distributing its own materials. He welcomed any suggestions on ways to launch WPY programs so that these programs would be carried effectively throughout the year.

11. Special sessions were held to review 17 country programs. Except for one or two programs, the UNDP coordinators briefed the participants on the current status of the country program for which they are responsible. Of the 17 country programs, 7 were in the following countries where the Bank is either already involved or likely to be involved shortly.

- (a) Bangladesh: The UNFPA is planning to send a pre-negotiation mission composed of two staff members in late October. Project components and inputs would be determined after this mission.
- (b) Kenya: The UNFPA attended the donors' meeting in Nairobi in early October. For its Five-Year Program the Government requested \$3.3 million assistance based on the Bank-assisted "financing plan". However, the UNFPA would be likely to scale down this request to \$1.47 million, as the original request contains support for health, and the UNFPA is mandated to support only components that have direct bearing on family planning. The UNFPA will give their comments to the Government shortly.
- (c) Malaysia: The UNFPA is planning to send a mission to Malaysia shortly to review the progress of the project co-financed by the Bank and the UNFPA on a parallel basis.
- (d) India: At present the UNFPA is negotiating informally a country agreement with the Government. The Government requested \$10 million for the first year of a 3-year project, but only indicated broad areas of family planning related programs, including pregnancy terminations. The Government has given indications that it would be prepared to use U.N. agencies, although none of them as "executing agency". Without some U.N. agency participation, agreement to this request is unlikely.
- (e) Indonesia: Dr. Sadik mentioned that the UNFPA was not receiving any regular information of the progress of this project from the Bank. We pointed out that the technical staff of both agencies were often in touch concerning this project, that the Bank's first supervision mission last June was joined by a representative of the UNFPA, and that the Bank's supervision report was now on its

October 29, 1973

way to the UNFPA. At the same time we requested a copy of the report prepared by the UNFPA representative to the supervision mission. The UNFPA responded that it would be sent to the Bank as soon as it was ready.

- (f) Tunisia: The UNFPA has received a request from the Government to strengthen major training facilities of paramedical personnel. It was said that the Bank and the USAID assistance was directed towards the construction of these facilities and not sufficiently towards the non-construction aspects. In any case, additional information and clarification would be required before the request could be processed for approval. The UNFPA coordinator, on his return to Tunisia, would discuss the request with the Government further. Since the Bank is planning a mission to Tunisia next month to assist the Government in the preparation of a 5-year population program, it was agreed that the UNFPA coordinator to be stationed in Tunisia would visit the Bank within the next few days.
- (g) Egypt: The situation is disconcerting because of "unsettled" agreements on sub-components between the UNFPA and the Government. Before the UNFPA could discuss the original request, several revisions were received, resulting in considerable confusion.

12. The next meeting would be held in New York during the first week of February. The UNFPA will inform agencies as soon as the final date is worked out.

#### Attachments

cc: Mr. M. Hoffman, Director, International Relations ✓  
Mr. Baldwin, PNP  
Mr. Zaidan, PNP  
Mrs. Domingo, PNP  
All PNP staff  
Div. Files  
Dept. Files  
Central Files

IHK/MNM/is

UNFPA/IACC/IX/1/Rev.1  
9 October 1973

UNITED NATIONS FUND FOR POPULATION ACTIVITIES  
INTER-AGENCY CONSULTATIVE COMMITTEE  
NINTH SESSION  
8 - 9 OCTOBER 1973

AGENDA

General Sessions

1. Opening statement by the Executive Director.
2. Adoption of the agenda.
3. Developments at ECOSOC and UNDP Governing Council.
4. General remarks by agencies.
5. Time schedule and requirements for 1974 agency programming.
6. Programme documents (project requests, project documents and plans of operation, progress reports, delivery reports).
7. Work Plan.
8. Agency infrastructure and overheads.
9. World Population Year.
10. Inter-agency co-ordination in regional programmes.
11. Relationship with UNFPA Co-ordinators.
12. Time and place of next meeting.



Special Sessions

1. Status of major country programmes, including:
  - (a) Chile  
Egypt, Arab Republic of  
Indonesia  
Malaysia  
Mauritius  
Sri Lanka
  - (b) Singapore Training Centre.
  - (c) Prospective Country Programmes:
    - (i) Bangladesh  
India  
Kenya  
Morocco  
Nepal  
Nigeria  
Tunisia
  - (d) Other items.

UNFPA/IACC/IX/2  
5 October 1973

UNITED NATIONS FUND FOR POPULATION ACTIVITIES

Inter-Agency Consultative Committee  
Ninth Session 8 - 9 October 1973  
UNFPA Headquarters - New York

List of Participants

UNITED NATIONS

Mr. Bahgat A. El-Tawil  
Acting Director  
Office of Technical Co-operation

Mr. Octavio Cabello  
Associate Director-in-Charge  
Population Programmes and Projects Office  
Population Division

Mr. Akira Kusukawa  
Population Affairs Officer  
Population Division

Mr. P. S. Menon  
Senior Population Affairs Officer  
Population Division

Mrs. S. Pearson  
Programme Co-ordinator  
Office of Technical Co-operation

UNDP

Mr. Frederick Woodrow  
Chief, Financial Analysis Section  
Division of Finance

Miss Ulla Olin  
Senior Programme Development Officer  
Programme Policy Division

UNICEF

Mr. G. F. Hamilton  
Senior Programme Officer  
Programme Division

ILO Mr. Kailas Doctor  
Population Focal Point Unit  
Technical Co-operation Department

FAO Dr. W. Schulte  
Population Programme Officer  
Economic and Social Policy Department

WHO Dr. R. H. Strudwick  
Medical Officer  
Division of Family Health

Dr. P. L. Fazzi  
WHO Chief Medical Adviser to UNICEF

IBRD Mrs. Nydia Maraviglia  
Programme Officer  
Population and Nutrition Projects Department

Mr. Il Hi Kang  
Programme Officer  
Population and Nutrition Projects Department

UNIDO Mr. V. Karataev  
Industrial Development Officer  
Liaison Office

UNESCO Mr. Alexander Graham  
Chief,  
Population and Family Planning Education Section

UNFPA Mr. Rafael M. Salas, Executive Director  
Mr. Halvor Gille, Deputy Executive Director  
Mr. John Keppel, Assistant Director  
Dr. Nafis Sadik, Acting Chief, Programme Division  
Dr. C. Chandrasekaran, Senior Adviser on  
Policy and Planning  
Mr. Tarzie V. Vittachi, Executive Secretary  
WPY 1974  
Mr. Paul Micou, Deputy Chief, Implementation  
and Evaluation Division  
Mr. Edward Gregory, Chief, Administrative Section  
Mr. S. L. Tan, Special Assistant to the  
Executive Director

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OFFICE MEMORANDUM

TO: Files

DATE: October 11, 1973

FROM: K. Kanagaratnam *Y. Gille*

SUBJECT: UNFPA/IBRD Review Meeting

UNFPA

In a telephone conversation on October 3 with Mr. Halvor Gille, we agreed that it would not be practical to hold a full UNFPA/IBRD review at this time and the next full UNFPA/IBRD review will be scheduled for sometime in January 1974.

Copy to : Mr. Halvor Gille, UNFPA, New York

cc: Messrs. M.L. Hoffman  
Baldwin  
Zaidan  
L. Domingo

KK:bli



DEPARTMENT OF STATE

Washington, D.C. 20520

October 30, 1973

*Cent. Files*

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*12/*  
*cc: Mr. Hoffmann*

Dr. Kandiah Kanagaratnam  
Population and Nutrition Projects  
Department  
International Bank for Reconstruction  
and Development  
1818 H Street, N.W.  
Washington, D.C. 20433

Dear Dr. Kanagaratnam:

Just before he left last week to attend the IPPF and Population Commission meetings in Europe, Phil Claxton asked me to acknowledge your kind letter of October 8 transmitting to him a copy of the final "Technical Assistance Report Reviewing the Population Program of Singapore" and to convey his sincere thanks to you for remembering his continuing interest in this program, as well as in your other important activities in the population field. I do so now, adding my own appreciation for being able to examine this report.

I know, of course, of your own special interest in the Singapore population program, as its former Chairman, and I think you might like to know that I stopped in Singapore last July to have a brief look at the situation there during an orientational tour through Southeast Asia. I was received cordially by Dr. Wan Fook Kee and given an excellent briefing on the experience, present status and future plans of the SFPPB program.

While I was very favorably impressed with this presentation, and recognize the remarkable progress which this program has made since 1966, I have to agree with the summary and main conclusions of the Technical Assistance Report. I especially agree with the finding that "the Singapore

program will have to respond to the problem of not only improving the quality of family planning services but more so of creating and maintaining the demand for these services."

We note that the report is a restricted Bank document and will treat it as such. Thanks, again.

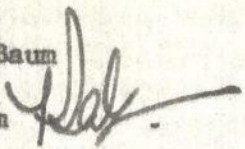
Sincerely,

*William F. Spengler*

William F. Spengler  
Acting Special Assistant to the  
Secretary for Population Matters

Mr. Warren C. Baum

October 1, 1973

K. Kanagaratnam 

Attached Note of Discussion with Mr. Claxton, State Department

1. I would like your advice on how we should proceed on this.
2. As a possibility, I would envisage arranging a working lunch with both yourself and Mr. Hoffman taking part, and having Claxton (State), Kieffer (USAID), and McDonald (State-Int.Organization) attending. We could then probe their thinking further and on the basis of that put the results of the discussion to Mr. McNamara with any observations of our own.

Attachment

cc: M.L.Hoffman  
G.B.Baldwin  
L.Domingo

KK:b11

October 1, 1973

K. Kanagaratnam 

Telephone Conversation with Philander P. Claxton - Special Assistant to the Secretary for Population Matters - U.S. State Department - September 25, 1973

1. Mr. Claxton called today to discuss two specific matters. The first of these referred to the proposal he had made at a lunch in the Bank in June about establishing an "international consortium to finance delivery of low-cost health services (including family planning) in developing countries." He reiterated that what he had in mind was a major new financial effort to bring some elementary and basic health services to the large number of poor developing countries which do not have the resources to develop more than an extremely limited infrastructure or the financial resources to provide services to more than a small fraction of their people. He said that USAID had started in a very small way - the DEIDS Program (Development and Evaluation of Integrated Delivery Systems) which was being planned over a 7-10 year period in three phases:

- Phase 1 - screening and selection of countries;
- Phase 2 - development of methodology and modus operandi with the country;
- Phase 3 - implementation.

He felt, however, that this was a very slow and limited effort and that there were good grounds for the international donor community, working with the specialized agencies of the United Nations, to provide this service.

2. I explained to Mr. Claxton that, as he was probably aware, the Bank had no policy which allowed it to finance health facilities although in a number of areas of Bank operations, e.g. education, agriculture, and especially population projects, health components form a significant part of Bank operations. A paper reviewing Bank policy on lending for health was being prepared which would go to Management for consideration early in the new year, and eventually would be presented to the Board. One of the important considerations in any health policy was that the needs for health services were so large and varied that clear-cut priorities had to be deferred if both external and national resources were to be well-used. I then asked him whether he had since our previous discussion thought through any more of the specifics of his proposal; he said that he felt that at this stage he was promoting the concept to obtain a consensus of interest and had not gone to the stage of trying to draw up a feasibility proposal.

3. In this connection, he added he had discussed the matter with several people. Mr. Labouisse, Executive Director of UNICEF, had recently expressed UNICEF's interest and emphasized UNICEF's long-term programming of efforts in this field and of their interest in being associated with any such new effort. He added, of course, that UNICEF did not have funds at any adequate level for this work. He had also discussed this with Rafael Salas, UNFPA,



October 1, 1973

who felt that he would have to think more about it but he saw no difficulty for UNFPA supporting the family planning/population component of this work. Mr. Claxton had also discussed the matter with the population man in the U.K. mission in New York and hoped to raise it with people in the UK Government (I believe ODA) later in the fall. He got the impression from his discussion that the U.K. Government would be interested in being involved in such a consortium. WHO would, of course, have a central role in such a plan, as would in fact FAO in the area of nutrition.

4. He concluded by suggesting that he would very much like to know Mr. McNamara's reaction to these proposals. Mr. Claxton would like to have a meeting with Mr. McNamara, and would like Mr. Jerold Kieffer, Assistant Administrator for Population and Humanitarian Affairs in AID, to accompany him. I undertook to raise the matter with the Bank and get back to him.

5. The second point, which Mr. Hoffman had made, was to schedule a senior staff discussion of operational questions between USAID and the Bank - similar to one which we held with him, John McDonald and Ravenholt. I said I would speak with Mr. Hoffman and arrange for such a meeting sometime in October.

cc: Messrs. Warren C. Baum  
M. L. Hoffman  
G.B. Baldwin

KKanagaratnam:bli

UNFPA

Mr. George Zaidan, Div. Chief, Pop. Proj.

July 31, 1973

Michael L. Hoffman, Dir., IRD

I read with interest your note to K.K. summarizing our current difficulties with UNFPA and WHO.

On one small point, I do think we ought to insist that UNFPA send us their comments on our reports and not undertake to collect the comments of the whole system. If we want comments from other agencies we will ask for them. I think this should be made very clear to UNFPA in writing, if necessary.

MLHoffman:ml

*Dubler*  
*Pop file*

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## OFFICE MEMORANDUM

TO: Dr. K. Kanagaratnam

DATE: July 11, 1973

FROM: G. Zaidan

SUBJECT: Our Experience in Working with UNFPA and WHO

From our general discussions over the last two days I draw the following general points regarding our relationship with both UNFPA and WHO.

A. UNFPA

1. The basic problem there is the importance attached within UNFPA to undertake the leadership in the population field. This is partly a result of the fact that they are expected to do so by their donors, in particular USAID and the Nordic Group. Also, there is little or no control of the UN Executing Agencies, who do not recognize UNFPA's leadership in this area, as we heard from the Population Panel Review (from both the country level and a representative of the UN system). Finally, UNFPA has not developed technical capability among its staff (they have never commented usefully on our reports, and the first mission they attempted in Bangladesh to review the whole sector did not produce a viable report). The quest for leadership shown by UNFPA is illustrated by the fact that every time the Bank proposes to do something UNFPA wants to do the same. After Indonesia, UNFPA was dissatisfied with the Bank being the executing agency, and asked that during the next project the roles be reversed. In Kenya, when the Bank in response to a Government request, acted as a coordinating agency for foreign assistance developing a financing plan in which all donors could participate, UNFPA wanted to do a similar exercise in Bangladesh, where they fielded a mission with a Bank staff member on it in early 1973. Unfortunately, the quality of the report was such that UNFPA only sent excerpts of it to the Government, and this report is not suitable to serve as a basis for a financing plan. When, in the Malaysia project which was a parallel project with UNFPA, we defined a project in terms which included the UNFPA components, UNFPA subsequently objected to the Bank reviewing UNFPA's inputs, and in another context in the Philippines attempted to do the same where they are now trying to review the suitability of Bank components, and include them in their project before developing the UNFPA project. This desire for leadership without adequate technical base and without recognition of such leadership from the UN system has resulted in an unhappy, inconsistent and unconstant relationship between the Bank and UNFPA. UNFPA has not developed a coherent policy of its own, and we never can tell their reaction to our proposals. This situation has been typical of a certain level

Dr. K. Kanagaratnam

July 11, 1973

with UNFPA, since at the project officer level with UNFPA in New York as well as UNDP staff in the field and UNFPA coordinators we have managed on the whole to work reasonably well together, but once operational issues have been raised to management level in UNFPA we have invariably encountered difficulties.

2. The substantive difference which we have had with UNFPA regarding financing plans have usually resulted from UNFPA's desire to limit the Bank to finance hardware. They have always insisted on financing management related activities (advisors, studies and operational costs of such activities) as a symbol of influence over a country's program. Their desire to finance such activities have been made in the context of the Indonesia, Malaysia, Kenya and Iran projects. Also, UNFPA has often argued that evaluation activities are the responsibility of the UN Population Division, and the Bank should not finance or be the executing agency for such activities. All these positions result from UNFPA's picture of the Bank as one of the UN Executing Agencies financing hardware, while the UN Population Division would do evaluation, UNESCO education, WHO family planning services, UNICEF would supply vehicles and UNFPA as the center of the whole exercise would finance management related activities. Needless to say this picture is not shared by anyone in the UN system, except UNFPA itself.

3. Regarding comments on our reports we have either had no response to our request for comments (e.g. Malaysia, no response yet on Kenya although our report was sent on April 4) or there have been delays of usually 2-3 months. Part of the reason is that UNFPA feels that they are under an obligation to consult with the relevant UN Specialized Agencies on certain portions of the report, and it therefore circulates our reports to the UN Population Division for comments on demographic aspects, to WHO for health aspects, to UNESCO for educational aspects, etc. As long as they continue to do this, it is unrealistic for us to think that we can receive comments in less than 2-3 months.

B. WHO

1. The source of our difficulty with WHO is that they view a family planning program as being exclusively part of the health sector whereas to us this is only one side of a population project, namely the delivery of family planning services. Our different focus and objectives in developing population projects has led to some unhappiness within WHO and has meant that many of the comments which they sent us regarding our reports take as a basis this difference of institutional point of view and is not related to the situation at the field level in a particular country. In so far as

Dr. K. Kanagaratnam

July 11, 1973

WHO's comments have been of a purely technical character, they have been of some help to us, although almost all their comments are of an institutional kind (e.g. objecting to any family planning activity being undertaken outside the Ministry of Health, objecting to social workers being responsible for motivation in family planning). Similarly, as far as the staff they have assigned to our missions is concerned, once this work has not been purely technical, it has been useful, e.g. in Iran, sometimes not so useful, e.g. in the Philippines where the individual in question was not familiar with the country and learnt more from the mission than vice versa, but when the WHO member regarded himself a representative of WHO as has often been our experience (e.g. Malaysia, Bangladesh, etc.) this has led to difficulties, since the arguments are no longer technical. But although we have had our differences in point of view with WHO, their views have been consistent and constant over the past 3-4 years, and do represent to some extent the viewpoint of many medical people.

2. As regards the time WHO takes to comment on our reports it is usually two months and sometimes three months because WHO, Geneva passes on the request for comments to their regional office, who in turn consults persons familiar with the local country situation. Again, as long as this procedure continues, I think it would be unrealistic to expect that we can receive comments in less than two months; perhaps if we sent our reports directly to the region we may be able to save some time.

GZaidan/rb

cc: Mrs. Domingo

SUMMARY OF BANK/UNFPA CONTACTS ON BANGLADESH POPULATION PROGRAM/PROJECT

October 6, 1972 - July 10, 1973

- Oct. 6, 1972 During Annual Meeting discussions, Dr. N. Islam, Deputy Chairman of the Bangladesh Planning Commission, informed Mr. M. Wiehen, IBRD, of his Government's preparedness to become active in family planning and sought Bank's assistance for this sector. Dr. Kanagaratnam suggested J. Ratcliffe to establish initial contacts between the Bank and the Government, to be followed by his visit in Jan.-Feb. 1973. Mr. Ratcliffe visited Dacca in Nov. 1972.
- Dec. 11 UNFPA scheduled a program mission to Bangladesh for Jan. 29 - Feb. 9 and requested briefing from the Bank on country situation.
- Dec. 27 Dr. Kanagaratnam in a letter to Mr. Salas welcomed mission members for briefing, asked if J. Ratcliffe could participate in UNFPA mission to assist the process of coordination, and informed of Bank's reconnaissance mission in January, 1973.
- 1st week of Jan., 1973 Government specifically requested IBRD participation in UNFPA mission and association with mission, specifically J. Ratcliffe. UNFPA agreed to Ratcliffe's participation.
- Jan. 22 Briefing of UNFPA mission by Bank staff. They agreed on coordination of Bank and UNFPA efforts in project development and financing.
- Feb. 12 Dr. Kanagaratnam attended debriefing by UNFPA mission on Bangkok Bangladesh. Outlined possible Bank action to Mission.
- Feb. 13-17 Reconnaissance mission to Bangladesh by Dr. Kanagaratnam and J. Ratcliffe.
- March 2 Telephone conversation between Dr. Kanagaratnam and Mr. H. Gille on Dr. Kanagaratnam's general impressions of situation in Bangladesh, the state of the program, and his assessment of project possibilities. They also discussed modalities of future cooperation in Bangladesh.
- March 7 Discussions between Bank and UNFPA staff on conclusions of UNFPA mission, proposed plan of action and mechanism of donor coordination.

March 12  
New York Dr. Kanagaratnam had lunch with Mr. Salas, and discussed further Bank/UNFPA cooperation in the country.

April 4 -  
(2 weeks) Miss Husain and Mr. Ratcliffe visited Bangladesh and assisted in the formulation and further development of the 5-year Family Planning Plan and laid the groundwork for the forthcoming sector/appraisal mission.

April 6 IBRD/UNFPA meeting in Washington, where it was agreed that:

- 1) UNFPA would have one of its staff participate in the Bank sector/appraisal mission, and
- 2) UNFPA would proceed in interim financing and transmit their report separately but would move in concert with the Bank in programming major long-term activities in Bangladesh.

May 13-  
June 13 Bank sector/appraisal mission in field.

July 5 Report writing in Washington.

July 10 Meeting in Washington to discuss next step in Bangladesh schedule.

LVDomingo/es  
July 6, 1973

SUMMARY OF BANK/UNDP-UNFPA CONTACTS ON KENYA  
POPULATION PROGRAM/PROJECT - MAY 1972-JUNE 1973

<u>DATE</u>	<u>NATURE OF CONSULTATION</u>
May 1972	The Bank's Reconnaissance Mission met and consulted with the UNDP Resident Representative (Mr. B. Stedman) in the field several times and briefed him on purpose of mission, consulted with him on project development and informed him of mission's interim findings.
June 5	In a letter to the UNFPA, the Bank's PNP department enclosed a copy of the draft 5-year National Family Planning Program of Kenya and suggested a meeting for an overall review on the question of evaluating and testing a health delivery system suitable for replication in other LDCs. Such a meeting, however, was not held.
July 17	Dr. Kanagaratnam summarized the mission's findings in a letter to the UNDP Resident Representative.
August 2	Dr. R. Rao, UNFPA, accompanied by Mr. van Gent, UNDP, called on Mr. Brakel, IBRD, in Nairobi, to discuss generally the Kenya Population Planning Program and the assistance which Kenya would require in this field from UNFPA and other sources.
November-December	Mr. Bantegui, UNFPA, was associated with the Bank's Sector/Appraisal mission. UNDP Resident Representative was informed of nature of mission.
January 18 1973	At the second IBRD-UNFPA Semi-annual review in New York, the UNFPA staff (Mr. Gille and Dr. Sadik) were orally briefed on purpose of the Bank's Sector/Appraisal mission, its interim findings and steps contemplated to be taken on aid-coordination. It was agreed to make report in draft stage available to UNFPA.
March 14	In a letter to Mr. Salas, Executive Director of UNFPA, Dr. Kanagaratnam reviewed the status of the Kenya population program and relayed the views of the GOK on how donor coordination was to be achieved.
March 30	Messrs. Hall and Mistry, IBRD, reviewed with UNFPA staff (Messrs. El Heneidi and Witham) the mission's summary report and discussed aid coordination and likely areas of UNFPA interest (Washington).
April 3	Several PNP staff members discussed with Mr. Gille and Dr. Sadik in Washington, aid coordination in Kenya. UNFPA proposed that aid coordination should be done by the GOK instead of by the Bank and/or the UNFPA (see note on March 14/73).



DATE

NATURE OF CONSULTATION

- April 4  
1973  
The UNFPA was sent copy of the draft summary report of the Bank's Sector/Appraisal mission. UNDP Resident Representative was also furnished a copy on April 6.
- April/May  
The Bank's Technical Review Mission met with the local representative of UNDP-UNFPA (Miss Drouilh and Mr. Bantegui) and elicited their views on the report and likely areas of UNFPA interest.
- May 21  
Messrs. Riley, Zaidan, Mistry and Hall of the Bank discussed with Mr. Gille and Dr. Sadik, UNFPA, in New York, UNFPA contribution to the project. The Bank staff also briefly summarized discussions the mission had with GOK and with other donors who had expressed interest to the Bank's Regional Office.
- May 30  
Mr. Hall, Bank, reviewed the Kenya draft summary report with Dr. Sadik, UNFPA, and received preliminary comments. UNFPA's official comments are still being awaited.

International Bank for Reconstruction  
and Development  
Population and Nutrition Projects Department  
June 26, 1973

Transcribed on June 25, 1973, from handwritten letter  
mailed from Geneva to Dr. Kanagaratnam from Michael L. Hoffman

18 June 1973

Dear K.K.:

I managed to have a quiet talk with Salas this evening. He has been heavily engaged, as you can imagine.

There is a consensus on the Pop. Fund and he says he is happy with it. He will get authority for annual programming based on expected resources -- like UNDP. He will have to submit to the G.C. any program or project over \$1 million. He says this will mean 10 or 12 per year. The first one will be India. He says he welcomes this as he wouldn't want responsibility alone for these large programs. He expects more of UNFPA financing will be for "country programs" and less for agency projects. All in line with the Michanek report.

I quizzed him a bit about his staff, delegation of authority, inadequate homework on country programs, etc. He said from now on he would have more time to devote to getting the Hq. staff functioning properly, etc. As usual, very optimistic about the prospects. I told him about King's appointment and tried (not too successfully, I fear) to explain the relation between OPS and FIED, if that is the right term for you. He has 28 posts for UNFPA country representatives but only 13 filled. He has about 6 out of 45 Hq. posts unfilled. He doesn't intend to enlarge the Hq. staff. He thinks that he gets a lot of credit from the donors for keeping administrative costs down to 4.5-5% of commitments -- and he is right about this. Obviously (although I did not say this to Salas) such a staff will not enable UNFPA to exercise any real "leadership role" on substantive matters in the population field.

Salas spoke very highly of the new French head of the UN Population Division - Tabat? He said he wants to do a job and is not interested in the old jurisdictional squabbles. I hope he is right. I told Salas that we think the UN Pop. Div. has an enormous job to do in improving demographic data and that anything he could do to push them in that direction would be welcome to the Bank.

I said that I understood we had been having some difficulties lately with UNFPA, but that I thought our regular reviews, country by country, would resolve them. He said there may be difficulties at "lower levels," but K.K. and I have lunch together and we resolve them all. I suppose this is what is called "the Asian method." You will know better than I.

Regards,

MLH

## OFFICE MEMORANDUM

TO: Division Files

DATE: June 7, 1973

FROM: Peter Hall, PNP

SUBJECT: Meeting with AID to Discuss Kenya Population Project

1. On Wednesday, May 30th, a meeting was held at the USAID with the Assistant Administrator for Population and Humanitarian Assistance for AID, Mr. Jarold Kieffer. Present at the meeting were: Dr. K. Kanagaratnam and Messrs. V. Riley, P. Hall, P. Mistry and J. Bloom from the Bank; Mr. H. Gille and Dr. N. Sadik from UNFPA; and Dr. Ravenholt, Ms. Fowler, and Messrs. J. Knoll, T. O'Keefe, A. Lackey, C. Miracle from USAID and Mr. P. Claxton from the State Department.
2. Mr. Kieffer opened the meeting with a suggestion that the Bank and UNFPA briefly outline their respective roles in developing the population project in Kenya and in drawing together the contributions of other bilateral donors. He set the tone for the meeting by stating that he felt all parties concerned could maximize the opportunities to work together since there appeared to be more than enough room for all interested donors in Kenya to participate fully in the project.
3. On behalf of the Bank, Dr. Kanagaratnam briefly traced the Bank's role in assisting the Government of Kenya to develop a Five Year Population Plan. He described the activities of the various missions which visited Kenya from May 1972 through May 1973, and emphasized that as a result of continuing dialogue, the Government of Kenya (GOK) had requested the Bank to develop a financing plan for the program which reflected the interests and priorities of various donors and enabled their inputs to be properly phased and coordinated over the Plan period.
4. Hence as far as "aid-co-ordination" was concerned the Bank's role was to recommend a detailed five year financing plan which took account of donor's views and their indications of likely areas they would support. Upon submission of such a financing plan the GOK planned to approach the various donors individually to work out details of the particular financing arrangements. This approach had been successfully adopted for several previous projects and GOK seemed inclined to adopt it again in this instance. Both Dr. Kanagaratnam and Mr. Mistry emphasized that the Bank, therefore, was not pre-empting the prerogatives of the various donors but responding to a request to provide technical advice.
5. Mr. Kieffer asked for an outline of the various components of the project and the recurrent expenditures the GOK would have to bear at the end of the Five Year Plan period. Mr. Hall reviewed the capital, technical

assistance, and recurrent cost components of the proposed Five Year Plan. In response to a query relating to expressed concern about GOK's capacity to carry on with the program, he indicated that recurrent costs during the fifth year of the project would amount to around US\$ 3 million and the GOK would be asked to finance as a share of the 5 Year Plan, approximately US\$ 9 million of the total project costs of US\$ 32 million. Since both USAID and UNFPA expressed strong reservations about GOK's ability and willingness to meet the short-term and long-run recurrent expenditures involved in the project during and after the Plan period, Mr. Mistry pointed out that as far as the Plan period was concerned while GOK had not formally committed itself to a definite figure until it had determined what was available externally, it appeared to him that the GOK would meet a sizeable portion of the costs involved. In view of GOK's performance record there seemed to be no ground for doubting that it would bear the recurrent costs of the program over the long-run although it may continue to seek external assistance to finance incremental costs if the program was expanded.

6. Both Dr. Sadik and Dr. Ravenholt expressed their concern that this was a health program under the guise of population program and that both the UNFPA and AID were only interested in financing those components which were directly attributable to family planning. Dr. Kanagaratnam said that it was the GOK's stated policy that Family Planning services were to be administered by and through the health delivery system. This policy decision was based on existing political sensitivities and the GOK's belief which we totally shared that family planning was more acceptable when delivered as part of a MCH program. He indicated that the construction of nurse training schools, the training of paramedical personnel, and the expansion of rural health services were absolutely necessary first steps to extending FP/MCH services into the rural areas and developing a viable family planning program. It was further pointed out by Messrs. Hall and Mistry that although the construction and recurrent expenditures could be considered as part of a larger integrated rural development plan, there was much in the proposed Five Year Family Planning Plan which was directly related only to family planning: e.g. technical assistance; the construction of the Family Welfare Center, the Population Studies Center, The Health Education Unit; training and information and education costs; contraceptives; and a large and distinctly identifiable portion of the salaries and allowances, etc. These components constituted a large part of the total project package and offered sufficient scope for donors who were primarily concerned with financing only direct Family Planning activities to participate.

7. Dr. Ravenholt reviewed AID's population activities in Kenya, and indicated that due to the GOK request AID would wait until the Bank report was submitted prior to committing their funds. No funds could be made available to the GOK during FY '73. In his opinion, the Bank project had served to set-back the efforts of AID to provide financing for immediately pressing needs, to which Mr. Mistry responded that it was precisely because of their ad-hoc donor arrangements that donor inputs were not coordinated and the GOK had decided to develop a Five Year Family Planning Program framework for donor coordination. Based on his

recent visit to Kenya he expressed three reservations about the Kenyan Family Planning program: (1) there was no need for new rural health centers until existing facilities were providing regular family planning services; (2) that high-level GOK commitment and support was needed before the program could move ahead; and (3) AID did not want to be tied to agreements which prevented it from proceeding as rapidly as possible. Mr. Hall responded to these observations, indicating that: (1) The Appraisal Mission report recommended the staffing of existing health centers, sub-centers and dispensaries by CNs providing daily FP/MCH services prior to the construction of new facilities; (2) high-level support and commitment did exist in GOK; however the program has thus far suffered from an absence of effective leadership at the operational level capable of administering an expanded FP program. Medical leadership was needed to ensure that the professional and administrative sides of the MOH which at the moment were badly split will work together. In this regard and in accordance with the recommendations contained in the draft Bank report, the GOK has advertised for a Medical Director of the program to be supported by a Deputy Director and 4 Division heads. This organizational framework would help establish a viable institutional basis for implementing the Five Year Family Planning Program; (3) Dr. Kanagaratnam emphasized with regard to donor assistance, there was nothing to stop the various donors from proceeding as rapidly as possible as long as their activities were related to the broader package and other donor inputs.

8. Dr. Ravenholt further stated that AID was in the process of reviewing its country priorities and that perhaps Kenya's Family Planning program was over subscribed. Mr. Mistry said that this was an incorrect impression and the Kenyan family planning effort was not over subscribed because after all the donors had contributed to the Plan, the Kenyans would still be called upon to finance about 30% of the total program costs. In the past there had been many small contributions of \$50,000 to \$100,000 but there remained only three or four major donors. Mr. Claxton supported Mr. Mistry on this point, saying that he felt it was imperative that AID participate in this program as it was one of the first population efforts in Africa south of the Sahara and U.S. foreign policy stance made this necessary.

9. Mr. Claxton supported the Bank's approach of developing a Five Year Family Planning program and financing Plan which was coherent with the framework of the overall health development plan. Given the existing realities he endorsed the approach of delivery of family planning through the health system as the only acceptable way for many countries in Africa and Latin America to adopt family planning.

10. It was apparent from the meeting that the senior officials from UNFPA and AID had not carefully reviewed the Bank's draft report. Despite the fact that they have had the report for over two months and their respective staffs had gone over the report page by page with Mr. Hall, they were unfamiliar with the basic recommendations. At the urging of the Bank it was agreed that the senior officials from AID and UNFPA would review the Bank's document and submit their comments as soon as possible.

11. It was stated by the Bank representatives that the first round of discussions with the various donors had provided enough information on which to draw-up a financing plan which reflected likely donor interests and commitments. It was therefore agreed that when the Bank submitted its suggested financing plan to the GOK it would also circulate a copy to the various donors.

Cleared with in substance and cc: Dr. Kanagaratman, PNP  
Cleared with and cc: Messrs. Mistry, CPI and Riley, IRD  
cc: Mr. Baldwin, PNP  
Mr. Hoffman, IRD  
Mr. Zaidan, PNP  
Mr. Shoesmith, PNP  
Mr. Kirmani, E. Africa  
Mr. Lejeune, E. Africa  
Mr. Hornstein, E. Africa  
Mr. Stubenitsky, PMFA  
Mrs. Domingo, PNP  
Dept., Central Files

PHall/PMistry:rg

## OFFICE MEMORANDUM

TO: Files

DATE: May 11, 1973

FROM: M. N. Maraviglia *mm*SUBJECT: PHILIPPINES - Meeting with POPCOM Executive Director and UNFPA  
Representatives - May 7, 1973

1. A meeting was held at the PNPD attended by Dr. Conrado Lorenzo, Executive Director of the Commission on Population (POPCOM), Government of the Philippines, Mrs. N. Sadik, Mr. T. Eastwood and Mr. van Arendonk from UNFPA. Bank staff present were Mr. Humphrey and Mr. Young from the Asia Department, Mrs. Foulon from International Relations Department and Dr. L. S. Sodhy, Mr. J. Burfield, Mr. J. de Vries and myself from the PNPD.
2. The purpose of the meeting was to exchange information on inputs that will be provided by the Bank and the UNFPA to the population program in the Philippines. Mr. Eastwood informed us that the UNFPA was prepared to extend assistance in this field beyond the US\$ 3.3 million agreement signed in 1972. Although no accurate figures were yet available, it was estimated that projects adding up to a total of US\$7 - 8 million for the next five years (including the earlier agreement) would be financed through a UNFPA grant to be signed probably within this calendar year. Among the projects to be added to those included in the existing agreement he mentioned assistance to the WHO maternity centered hospital program to increase it to over 100 hospitals, a Taylor-Berelson scheme project in Bohol province (amounting to US\$ 1.5 million), block allocation of US\$ 140,000 for fellowships, assistance to the Bureau of Census and Statistics to analyze the 1970 census; a study, with WHO as implementing agency, to assess present status of midwifery and nursing training and necessary changes to make that training more relevant to family planning work; assistance to increase the capacity for production of the National Media Production Center at Regional levels; and population-related projects with the Bureau of Agricultural Extension, the Law Center of the University of the Philippines, the Responsible Parenthood Council, the Asian Social Institute and the Department of Social Welfare.
3. The discussion, however, centered around an issue brought up by the UNFPA group, concerning the Bank's proposed financing of operations within POPCOM. The UNFPA group was particularly concerned by the fact that a new Communications Division would be financed by the Bank. The initial argument was that the UNFPA is now financing a communications project in the University of the Philippines and planning to extend the financing in this field with several other projects (USAID and GOP are at this point funding most of the communications activities). They therefore argued that it would be more appropriate for UNFPA to finance that division since it would be coordinating and providing guidelines for all activities in the field, of which that agency would be eventually financing a large proportion.

The Bank's position was that the inclusion of recurrent expenditure financing of some POPCOM activities at the central level had been requested by the GOP as part of the definition of a project package; this had been discussed with the GOP and agreement had been reached as a basis for a project. The Bank's proposed financing of some new POPCOM activities had been based on the need to strengthen its role as a coordinating agency for the population program in the country, along the lines recommended in the Bank's Sector Review Report. We felt that any changes about financing of components could not be decided upon at this meeting; such decision should rather be left to the Government.

4. The UNFPA group explained further the nature of their concern for the Bank's involvement in the Communications Division of POPCOM. They considered it unacceptable that a division which would coordinate programs financed by UNFPA, would be created, financed (initially) and supervised by the Bank. I indicated that the Bank would bear in mind this point which appeared unusual. However, we did not share their concept that financing of an element implied control of that particular element of the program by the sponsoring agency. It was our interpretation that financial assistance would be given to the GOP to strengthen and improve their activities in the population field and that control of decisions on policy and strategy should remain a responsibility of GOP, in communications as well as in other fields.

5. Neither could we agree with the UNFPA group's interpretation that consultants rendering technical assistance in the communications field, who might be assigned to the new division, would in fact be directly connected with the Bank and would dictate policy and strategy which UNFPA programs would then have to accept. This concept was at variance with the actual role of consultants paid through Bank loans or credits, who solely report to the Government that hires them.

6. A second session was held with Dr. Lorenzo following the meeting with the UNFPA group. Dr. Lorenzo said that he had nothing further to add to his letter of April 25, 1973. His Government concurred on all points concerning the project as discussed during the mission's visit to Manila. His main concern was that he understood from UNFPA officials that they would condition the \$5 million he had just successfully negotiated with UNFPA to assurances from the Government that no activities financed by UNFPA would be supervised or subordinated to the program of another international agency. We told Dr. Lorenzo that the Bank would develop a population project structured in such a way as to be fully compatible with the operations of other UN and bilateral agencies on the basis of the existing operational rules and procedures. The condition mentioned above and attributed to UNFPA, was however, unprecedented to our knowledge and would require further clarification.



7. Dr. Lorenzo was informed that the Bank was in the process of hiring consultants for the preparatory work concerning the physical facilities of the project. It was explained at the meeting that local professional manpower would be required to work with the consultants, mainly from the Department of Health (both at Central and Regional offices) and the Department of Works and Communications. This work would probably start in mid-July, for a period of approximately three months. Dr. Lorenzo requested that the PNPD correspond directly with the Secretary of Health, Dr. Gatmaitan, on these issues. The participation of POPCOM in this preparatory work will be mostly on decision-making matters to be handled by a Project Committee that NEDA has undertaken to appoint, in which POPCOM will be represented. A letter will be sent to Dr. Lorenzo, with copies for information to NEDA, Ministry of Health, Ministry of Social Welfare and Ministry of Finance, summarizing the above conclusions and confirming the project composition and next steps.

Cleared with and cc: Mr. Zaidan, PNPD  
Mr. Humphrey, Asia, Country Prog. I

cc: Dr. Kanagaratnam, PNPD  
Mr. Baldwin, PNPD  
Mr. Burfield, PNPD  
Dr. Sodhy, PNPD  
Mr. de Vries, PNPD  
Mr. Cuca, Dev. Economics  
Mr. Young, Asia, Country Prog. I  
Mrs. Foulon, International Relations  
Dept. File  
Central Files

MNMaraviglia/mm

## OFFICE MEMORANDUM

TO: Dr. K. Kanagaratnam, PNPD

DATE: May 7, 1973

FROM: Huw M. Jones, PNPD

SUBJECT: Back-to-Office Report - Eighth Session, Inter-Agency Consultative  
Committee of the UNFPA - April 30 - May 1, 1973

1. In accordance with terms of reference dated April 27, 1973, I participated on the Bank's behalf in the eighth session of the Inter Agency Committee of the UNFPA, held in New York from April 30 to May 1, 1973.

INTRODUCTORY REMARKS

2. In his introductory speech, Mr. Salas (Executive Director) said that, since the UNFPA was now responsible to the UNDP Governing Council and the ECOSOC of the UN, the UNFPA was tightening up on procedures, and from now on would "have to speak the language of management." To be able to increase the Fund's resources, the UNFPA would have to be able to prove to its donors that it was capable of coherent project implementation in the field. Mr. Gille noted that the PPC had been abolished as a result of the Review Committee's (Michanek's) recommendations. The Committee may, however, be reconstituted because several donors regretted that they now had no direct consulting mechanism. Mr. Gille mentioned that at the Secretary General's request, the UNFPA would convene a committee of interdisciplinary training in the population field. This was an outcome of previous discussions about the proposed World Population Training Institute.

3. The UN representative (Mr. Cabello) called for changes in the headings used to prepare Work Plan estimates, which did not, for example, accurately reflect the considerable training element of various components now listed under broader headings. Mr. Cabello said that the Fund was calling for agency involvement at too late a stage in respect to project implementation. More attention to project preparation was required and this would necessarily include specific project preparation missions. The WHO representative (Dr. Zahra) noted that whilst the Fund had been "promoting", the agencies had been "programming". It would now have to pay more attention to the latter in the present transitional phase of its operations. Both the UNESCO representative (Mr. Graham) and the PAHO representative (Dr. Prindle) referred to difficulties which agencies were having with the role of UNDP Resident Representatives in project development.

UNFPA WORK PLAN 1973-76

4. Dr. Chandraseharan presented the UNFPA Work Plan Estimates (1973 - 1976, Annex A attached) and Mr. Keppel discussed their presentation to the 16th Session of the UNDP Governing Council in June. The Fund would ask the Council to approve a "rolling plan" which would give "approval authority" for the forthcoming fiscal year. For 1973, request was being made for approval authority of US\$ 52 million which would result in an estimated expenditure of US\$ 31 million. This was based on an anticipated 60% expenditure rate, estimated on the basis of current experience. The projected authorities and expenditure levels for 1974, 1975 and 1976 are shown in the diagrams in Annex B. Mr. Salas was optimistic about raising the necessary resources to meet the 1973 commitments. Mr. Keppel said that although projects would be funded on an annual basis, commitments

would be made for 2 and 3 year periods on rare occasions. In other cases, in which projects covered more than one year, a "planning reservation" (apparently not a full commitment) would be made. Mr. Keppel noted that UNFPA was not sure what the Governing Council's reaction would be either to the Work Plan or to the Fund's draft fiscal procedures which were also being submitted for approval. He thought it possible that the Council would impose a ceiling of, say US\$300,000, above which specific project approval would be required.

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PROGRAMMING PROCEDURES

5. In discussions on programming procedures for 1974, the main points covered related to regional and inter-regional activities, country programming and country missions. With reference to regional and inter-regional activities, agencies protested that as they had just received approval for 1973 projects, it was difficult to prepare proposals for 1974 for approval. There followed a long discussion on timetables. Of more interest to the Bank was the question of country programming. Everyone appeared to agree that it was valuable but there were doubts as to how best it could be achieved. Dr. Zahra said that WHO had first tried a multi-agency mission approach, then with a restricting, but more realistic, approach involving small missions with the UNFPA and the UN. More recently, UNFPA had given WHO a mandate to proceed on its own in certain cases. Two other points at which an agency could enter the project development process were the Umbrella Agreement, and a complete UNFPA mission. In all these ways, however, Dr. Zahra said that there was a lack of pre-preparation on pre-involvement by the agencies. The UNFPA mission to Egypt, for example, had proceeded to make a plan for the Second Year of the Basic Agreement, without making recommendations, or giving the agencies a chance of involvement and review. In the case of Bangladesh, continued Dr. Zahra, there was more contact at a senior level, but WHO had only been asked to support and not participate. It had not been allowed to make all the information it had available, and there was no formal mission debriefing. In this case, said Dr. Zahra, the cooperation of the center had not been transferred to the periphery. Country reviews of information were urgently needed

6. Dr. Sadik for the UNFPA posed the (surprising) question as to whether governments or agencies should decide country priorities; many countries were not able to decide priorities. She also said that many countries did not want to deal with a multitude of agencies. Mr. Salas said that 11 major countries had been asked to state their priorities in the population field. He suggested a quarterly meeting to exchange information. Mr. Graham thought this an artificial approach, because projects tended to develop suddenly. He gave Bangladesh as an example of this problem. UNESCO had, literally, been given only five minutes to prepare, and this lack of preparation was apparent in the rather inadequate contribution of the UNESCO member because of his inability, in spite of his experience, to prepare himself properly. Meetings,

said Mr. Graham, were not the answer and he wanted to know when the UNFPA had first received the Government's request. Dr. Sadik said that a draft request was received in November 1972. Mr. Graham said that, in this case, UNESCO had been the victim of circumstances, but clearly neither the Government nor the Resident Representative had done their homework properly. In noting that the Bangladesh Government needed assistance to develop its approach before it could present a program and assistance priorities, Dr. Sadik confessed that the UN system couldn't help because it moved in a "discoordinated fashion." Mr. Gille thought that the trouble with the Bangladesh mission arose because it was conceived as a program mission but had to operate first as a policy mission.

7. Several agency representatives, however, pointed to the need for adequate preparation missions. Discussion took place on the need for an information gathering phase and which agency should be responsible. It was agreed that UNFPA should gather information from Resident Representatives, Coordinators, and UNDP country programming background papers, and that one day of each IACC meeting should be devoted to an overall information review. (It should be noted that, despite a plea from the ILO Representative (Mr. Doctor), there was no review of ongoing project possibilities and activities even of the major country programs.) Having decided to exchange information, Mr. Salas then asked how missions could best be mounted "to avoid agency grumbles and talk of lack of cooperation." India was taken as an example of a country which had determined its priorities and for which a UN agencies programming mission was required. In this case, it appeared that the Resident Representative was not indicating, as he apparently should, what were the national needs nor was he acting as the focus through which program requests could be initiated. It was eventually agreed that when agencies had requests for missions from Governments, they should simultaneously inform the appropriate Resident Representative and the UNFPA which would warn all agencies of the situation within six weeks of receipt of the notice. Interested agencies would then meet at the UNFPA to discuss the situation and determine arrangements for the proposed mission.

#### WORLD POPULATION YEAR

8. Mr. Vittachi presented a report on progress made thus far with preparations for the World Population Year. Considerable progress seems to have been made in what is essentially a promotional public relations exercise. It was agreed that an ad hoc IACC meeting should be convened in the third week of June to allow agency representatives working in the communications field to discuss preparations for the World Population Year. H

#### REPORTING

9. Mr. Keppel said that nothing could be done to alter the format of the quarterly financial reports because their parameters were determined by the UNDP's computer program. The format of semi-annual project progress reports, however, was more flexible and could probably be improved. The UN complained that reports were required for each allocation, and this made it difficult to make judgements when several allocations might constitute one project. It was agreed that several allocations could be joined to produce one report for one project.

FIELD STAFF

10. It was reported that there are now 12 Coordinators in post and that four more will be appointed before the end of 1973. Annex C gives the postings of the Coordinators. Mr. Graham asked whether UNFPA would adopt a procedure similar to that of the UNDP in delegating authority to Resident Representatives to approve projects below a specific cost. Mr. Salas replied that, until the Governing Council had discussed and approved the UNFPA's draft fiscal procedures, it was not possible to answer the question which would, however, be borne in mind.

NEXT IACC MEETING

11. The next meeting of the IACC would be held in Geneva on October 18 and 19.

OTHER MATTERS

12. During the course of the meetings, I discussed with Dr. Zahra, as you requested, Bank-WHO relationships. Dr. Zahra said that neither he nor Dr. Mahler had any specific problems or complaints on the way in which the November 1971 understanding was being carried out. He, in particular, felt that the relationship was effective, but elsewhere in WHO it was considered that the understanding needed strengthening. Dr. Zahra said that WHO was not pushing for a formal agreement. He was unable to give specific examples as to how the understanding could be improved. He thought, however, that WHO wanted to be involved more in the processes by which a project was prepared. Dr. Zahra said that, for example, instead of the Bank asking for a nurse or a doctor, it might discuss the requirements for a mission with WHO before a decision was taken on the type of support WHO could give. Dr. Ranganathan's visit to Geneva had been very helpful, he said, in strengthening the understanding of the Bank's work in Indonesia. Dr. Zahra said that further exchanges, and visits by WHO staff, at the operational level would be very useful.

13. Among other matters discussed were:

- a) I obtained a copy of the El Salvador mission report which has not yet been released.
- b) There is serious dissatisfaction with the draft Bangladesh Report and it will not be issued for some time. I managed to obtain a copy of the text, however.
- c) Mr. Graham of UNESCO was not aware of the insurance problems in connection with Mr. Blake's recruitment for the Bangladesh mission. He was surprised at UNESCO's attitude and said he would investigate the situation on his return. He did not know of any requests made by UNESCO for advance funding of the salary of the consultant for the population education component of the Indonesia project (contrary to the statements made to Dr. Ranganathan during his recent visit to UNESCO).

May 7, 1973

14. I also took the opportunity to visit Mr. Hoogenboom at the Population Council in connection with the Indonesia project. He reported that negotiations on the draft agreement with the GOI had gone well and that Dr. Ranganathan had been very helpful. The Council was still worried that the University of Chicago would send an adviser to assist with research and evaluation, which would duplicate the Council's activities. (We have heard subsequently that the Council will go ahead with its assistance regardless of this possibility.) I have distributed copies of the revised agreement within the Bank for review.

cc: Mr. Baum, Vice President, Projects Staff  
Mr. M. Hoffman, Director, International Relations  
Mr. van der Tak, Office - V.P. Projects Staff  
Mr. Baldwin, PNP  
Mr. Zaidan, PNP  
Mr. Kang, PNP  
Mrs. Domingo, PNP  
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HJones/cn

Annex A

UNFPA/IACC/VIII/3  
27 April 1973

UNITED NATIONS FUND FOR POPULATION ACTIVITIES

Inter-Agency Consultative Committee  
Eighth Session 30 April - 1 May 1973  
Draft Agenda Item 4

For discussion relating to  
Work Plan Estimates (1973-1976)

A Précis of the UNFPA Work Plan 1973-76

The Work Plan 1973-76, now in preparation for the UNDP Governing Council meeting of June 1973, is an updating of the Work Plan 1972-75, using fresh estimates based on new data. The new estimates are estimated budgets of project activities for ongoing projects as well as for new projects. The new data on which these estimates are based were provided by the Conversion Documents, the records of new approvals, the field inquiry responses recently received from the Resident Representatives of UNDP and from UNFPA Co-ordinators and the reports of forward planning of the executing agencies.

New Sources

Source 1 The Conversion Documents were designed to budget the project costs of those approved projects of 1972 and earlier which would continue to be in operation in 1973 and thereafter. The conversion exercise, in effect, resulted in the distribution of approximately US\$46 million<sup>1/</sup> over the period 1973-76 for the implementation of ongoing projects. The Agencies' response to the budgeting exercise required by the conversion documents indicated that the Agencies' budgets for project activities of ongoing projects - approved in 1972 and earlier - is US\$24.9 million for 1973, US\$9.2 million for 1974, US\$2.3 million for 1975 and US\$0.5 million for 1976. The approximate balance, US\$9 million, is to be budgeted for the ongoing major country programmes.

The approvals of projects submitted in the last quarter of 1972 - and the future commitments required for their completion - were another source of data for the Work Plan 1973-76. The distribution of these data over the four-year period reveal that newly approved sums for project activities as at March 1973 were US\$15.9 for 1973 and the committed sums - for future years - were US\$6.9 for 1974, US\$1.6 for 1975 and US\$0.9 for 1976.

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<sup>1/</sup> Of the US\$46 million, US\$20 million represents unspent allocations to ongoing projects and US\$26 million represents earmarkings for the continuance of ongoing projects.



The sum of budgets for projects yet to be approved - but well on their way in terms of assessment - is US\$9.4 million for 1973, US\$9.9 million for 1974, US\$3.7 million for 1975 and US\$1.0 million for 1976.

Source 2

The response to field inquiries addressed to Resident Representatives and UNFPA Field Co-ordinators and the study of the forward planning of the executing agencies resulted in another set of data - the budgets of anticipated projects - these make up the balance of the estimated budgets shown in the attached table. It is important to note at this point that the sum of estimated budgets are functionally related to the schedule of resources and expenditures established for 1973-76. The expenditures and the resources for 1973-76 are presumed equal and are estimated to be US\$265.5 million for the four year period. In the planning model for Work Plan 1973-76, anticipated projects were then used to fill the gaps between the two sets of "known" data - (i) the conversion document budgets of ongoing projects, newly approved budgets for project activities and budgets of pending projects and (ii) the estimated budgets required to achieve the basic objectives of UNFPA assistance. In point of fact, the addition of the budgets of anticipated projects in 1973 and 1974 to the "known" budgets of those years resulted in an overflow of budget demands in excess of the resource schedule. The overflow of 1973-74 was then put forward to 1975 and 1976.<sup>1/</sup>The planning model was then made complete - and thereby reconciled with the ceilings established by the estimates of resources - by the addition of "estimates-to-trend" to the sectoral subtotals for 1975 and 1976.

#### Trends in Work Plan Sectors

The most conspicuous difference between the Work Plan 1972-75 and the Work Plan 1973-76 is the change in emphasis on allocations to family planning. The newer plan reduces the shares to the family planning sector to 30.0 per cent of the four year total, while increasing the shares to almost all other sectors. It is important to note, however, that the programme support offered under the heading of multisector activities is mainly for general support to family planning programmes. Thus a more pragmatic definition of shares for the family planning sector - which would include not only family planning programmes but programme support and communication and education programmes - would then bring the total share to 51.0 per cent (this compares with 58 per cent in the earlier Plan).

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<sup>1/</sup> This process involved judgements of priorities for 1973 and 1974.

It is also important to note at the outset that the budget estimates for 1973 are often heavily weighted with past programming and thus can be construed as a departure from trend. However, in the light of recent research, it would appear that expenditure in 1973 will be, on average, 60 per cent of budgets; hence the "peaking" in 1973 will be smoothed by the balances carried forward to 1974. The balances to be carried forward and the sources of these estimates will be set out in a separate section.

#### Basic Population Data

The major effort in the collection of basic population data in 1973 is centered on population censuses - principally those of Sub-Saharan Africa. These inter-decade censuses will presumably be concluded towards 1975. In 1976, a new spurt of effort is expected from Latin American preparations for the census programmes in subsequent years. We also note an interest on the part of some African countries in the establishment of vital registration services. It is anticipated that the demonstration effects of the World Population Year will stimulate similar interest in registration systems in the Latin American and Asian countries as well.

The World Fertility Survey, the implementation phase of which is scheduled to begin in 1974, is expected to engage the active participation of 50 developing countries. UNFPA support to their participation in the Survey is estimated at approximately US\$1.5 million in 1974, US\$3.0 million in 1975 and US\$3.0 million in 1976. With the inclusion of small percentages for economic and social statistics and supporting activities, shares for the collection of basic population data are on average about one-fifth of total resources.

#### Population Dynamics

Funds for project activities on population dynamics are 13.5 per cent of the total of budget estimates. However, the funds to be allocated to research projects and those to be allocated for training and research facilities reflect a trend to increasing shares of the total of budget estimates.

#### Population Policy

The funds in support of policy formulation assist population conferences - a relatively small share of the total - and the study of law and population - the major share of the total. The budgets for implementation of

policies include sums for the development of activities relating to population factors other than fertility reduction. A marked increase in these activities is anticipated following the World Population Conference and the World Population Year.

#### Family Planning

Delivery systems continue to be the major project activity of the family planning sector. And funds to be committed to this service alone are estimated to grow from 26.5 per cent of total budgets in 1973 to over 33 per cent of total budget in 1976. It is necessary to note that support to delivery systems also includes some portion of communication activities, where these are minor portions of multisector programmes whose main objectives are delivery systems. Additionally, it includes the training of personnel who will participate in the actual delivery of family planning programmes.

#### Communication and Education

A dramatic increase in support to the communication and education sector during 1972 provided the impetus for the subsequent growth recorded for these project activities from 1973 to 1976. The largest increases are expected in the out-of-school programmes, for example, the communications programmes directed at employee-management groups in developing countries. The total allocations for communication and education for the four year period is then 14 per cent of total budgets.

#### Multisector Activities

Perhaps the greatest catalyst for population project activities will be the World Population Year, 1974. The sums shown are budgets for both the Year and the World Population Conference, US\$3.5 million, in all.

Sums to be allocated in support of interdisciplinary training now provide funding mainly for the UNFPA fellowships programme. It is worth noting that the acceptance experienced by the fellowship programme has created a worldwide demand for this assistance

As we mentioned earlier, the programme support listed under multisector activities is largely for general programme support to family planning programmes.

Programme Development

The recruitment of additional field staff to approximately 30 in 1976 brings the four year total for UNFPA field support to US\$3 million. Moreover, four year totals for infrastructure support at agency headquarters and regional offices will come to US\$11.3 million and overhead charges on field activities of UNOTC and FAO are estimated at US\$7.8 million. On the average, all programme development activities will be approximately 9 per cent of total resources.

Notes on the Planning Model

The four year sum of the bottom line of the Table of budget estimates equals the sum of total expenditures. However, because of differential rates of implementation - and consequently differential rates of expenditure - among population projects and also because of the requirement to estimate annual budgets rather than total budget costs, in anticipation of the change from full funding to annualized funding, the annual estimates of expenditure are not identical with the annual estimates of allocations. The differential rates of expenditure in earlier years have left us with an inheritance of projects with improving rates of implementation and a less than perfect knowledge of estimating expenditure.

Our research reveals that we may confidently expect expenditure rates on project budgets to be 60 per cent of allocations in 1973 and from 66 to 70 per cent of allocations in 1974. We expect a great improvement in 1975, principally because of increasing efficiency of operations and the authority to commit amounts six months in advance of the year of implementation. We then predict expenditure rates on project budgets to be almost 80 per cent of allocations in 1975 and - with subsequent improvement - 90 per cent of allocations in 1976. The planning model then gives rise to another set of estimates - shown in footnote g/ - to wit, the annual planning ceiling which may be defined as the estimated budgets of any year plus the unexpended balance of the previous year.

The annual planning ceiling is then the total disburseable amount per annum. In 1973 this amount is US\$52.2; in 1974, US\$72.0; in 1975, US\$92.0; and in 1976, US\$108.6. The improvement in budgeting skills will raise the ratios of expenditure to total disburseable amounts per annum, and necessarily reduce the unexpended balances. Over time the annual planning ceiling will approach the estimated annual budgets (and annual expenditures) as an arithmetic limit.

### Summary

The draft estimates of the Work Plan 1973-76 call for a total of US\$255.5 in expenditure for project activities in population programmes. Half the amount will assist family planning, principally, through family planning programmes, communication and education in support of family planning programmes and through general programme support, while assistance to demographic project activities will amount to a little more than one third of the total expenditures. Less than one-tenth will be required for programme development and the remaining 4 per cent will support multisector activities, - other than general programme support - including the project activities associated with the World Population Year 1974.

It is anticipated that unexpended balances will have a diminishing effect on annual estimates in consequence of the successful conclusion of the conversion exercise and the requirement to estimate annual expenditure rather than project cost.

Budget Estimates of the UNFPA Work Plan 1973-76  
Overall Totals, by Sectors and Year  
(in thousand US\$)

<u>Work Plan Category</u>	<u>1973</u>	<u>1974</u>	<u>1975</u>	<u>1976</u>	<u>Four-year Totals</u>	
	\$	\$	\$	\$	\$	%
<b>1. BASIC POPULATION DATA</b>						
a. Population Censuses	10012.8	6927.1	6440.8	7200.9	30581.6	
b. Vital Statistics	831.8	875.8	934.2	1448.8	4090.6	
c. Sample Surveys	1196.8	2869.0	4503.1	5040.8	13609.7	
d. Economic and Social Statistics	762.7	534.8	550.9	596.9	2445.3	
e. Supporting Activities <sup>a/</sup>	<u>531.7</u>	<u>310.1</u>	<u>407.5</u>	<u>645.0</u>	<u>1894.3</u>	
Subtotal	13335.8	11516.8	12836.5	14932.4	52621.5	20.6
<b>2. POPULATION DYNAMICS</b>						
a. Research Projects	2716.3	2082.7	3254.1	5365.2	13418.3	
b. Training and Research Facilities	2352.2	3001.8	4033.5	4531.8	13919.3	
c. Population Aspects of Planning	<u>1670.4</u>	<u>1486.4</u>	<u>1565.5</u>	<u>2401.7</u>	<u>7124.0</u>	
Subtotal	6738.9	6570.9	8853.1	12298.7	34461.6	13.5
<b>3. POPULATION POLICY</b>						
a. Policy Formulation <sup>b/</sup>	524.7	551.1	607.0	839.7	2522.5	
b. Implementation of Policies <sup>c/</sup>	<u>224.7</u>	<u>320.7</u>	<u>446.0</u>	<u>673.4</u>	<u>1664.8</u>	
Subtotal	749.4	871.8	1053.0	1513.1	4187.3	1.6
<b>4. FAMILY PLANNING</b>						
a. Delivery Systems <sup>d/</sup>	9674.8	10522.8	17100.2	26533.7	63831.5	
b. Programme Management	2266.5	1811.6	1989.6	2532.4	8600.1	
c. Fertility Regulation Techniques	<u>1293.6</u>	<u>1621.9</u>	<u>934.4</u>	<u>815.0</u>	<u>4664.9</u>	
Subtotal	13234.9	13956.3	20024.2	29881.1	77096.5	30.2

(Continued)

Overall Totals, by Sectors and Year  
(in thousand US\$)

<u>Work Plan Category</u>	<u>1973</u>	<u>1974</u>	<u>1975</u>	<u>1976</u>	b Four-year Totals	
	\$	\$	\$	\$	\$	%
<b>5. COMMUNICATION AND EDUCATION</b>						
a. Communication for Motivation in Family Planning	3312.8	3370.1	4443.0	6062.9	17188.8	
b. Population Education in Schools	1458.3	1617.7	2217.2	2937.0	8230.2	
c. Out of School Programmes	<u>2177.1</u>	<u>2400.2</u>	<u>3084.9</u>	<u>4497.8</u>	<u>12160.0</u>	
Subtotal	6948.2	7388.0	9745.1	13497.7	37579.0	14.7
<b>6. MULTISECTOR ACTIVITIES</b>						
a. World Population Year	1312.6	1534.1	609.1	...	3455.8	
b. Documentation Centres and Clearing Houses	250.9	233.5	350.2	608.1	1442.7	
c. Interdisciplinary Training	1019.8	1156.0	1256.0	1902.4	5334.2	
d. General Programme Support	<u>2135.9</u>	<u>2276.4</u>	<u>4530.9</u>	<u>6989.5</u>	<u>15932.7</u>	
Subtotal	4719.2	5200.0	6746.2	9500.0	26165.4	10.2
<b>7. PROGRAMME DEVELOPMENT</b>						
a. Field Staff	565.7	731.5	877.4	937.0	3111.6	
b. Infrastructure <sup>e/</sup>	2507.7	2587.9	2714.3	3488.6	11298.5	
c. Overhead Charges <sup>f/</sup>	960.5	1536.4	2233.4	3030.0	7760.3	
d. Other	<u>138.0</u>	<u>206.5</u>	<u>374.6</u>	<u>500.0</u>	<u>1219.1</u>	
Subtotal	4171.9	5062.3	6199.7	7955.6	23389.5	9.2
Programme Budgets	49898.3	50566.1	65457.8	89578.6	255500.8	100.0
Preliminary Estimates of Administrative Budgets	2300.0	2500.0	2600.0	2600.0	10000.0	
Programme and Administrative <sup>g/</sup> Budget Totals	52198.3	53066.1	68057.8	92178.6	265500.8	

Notes to the Table

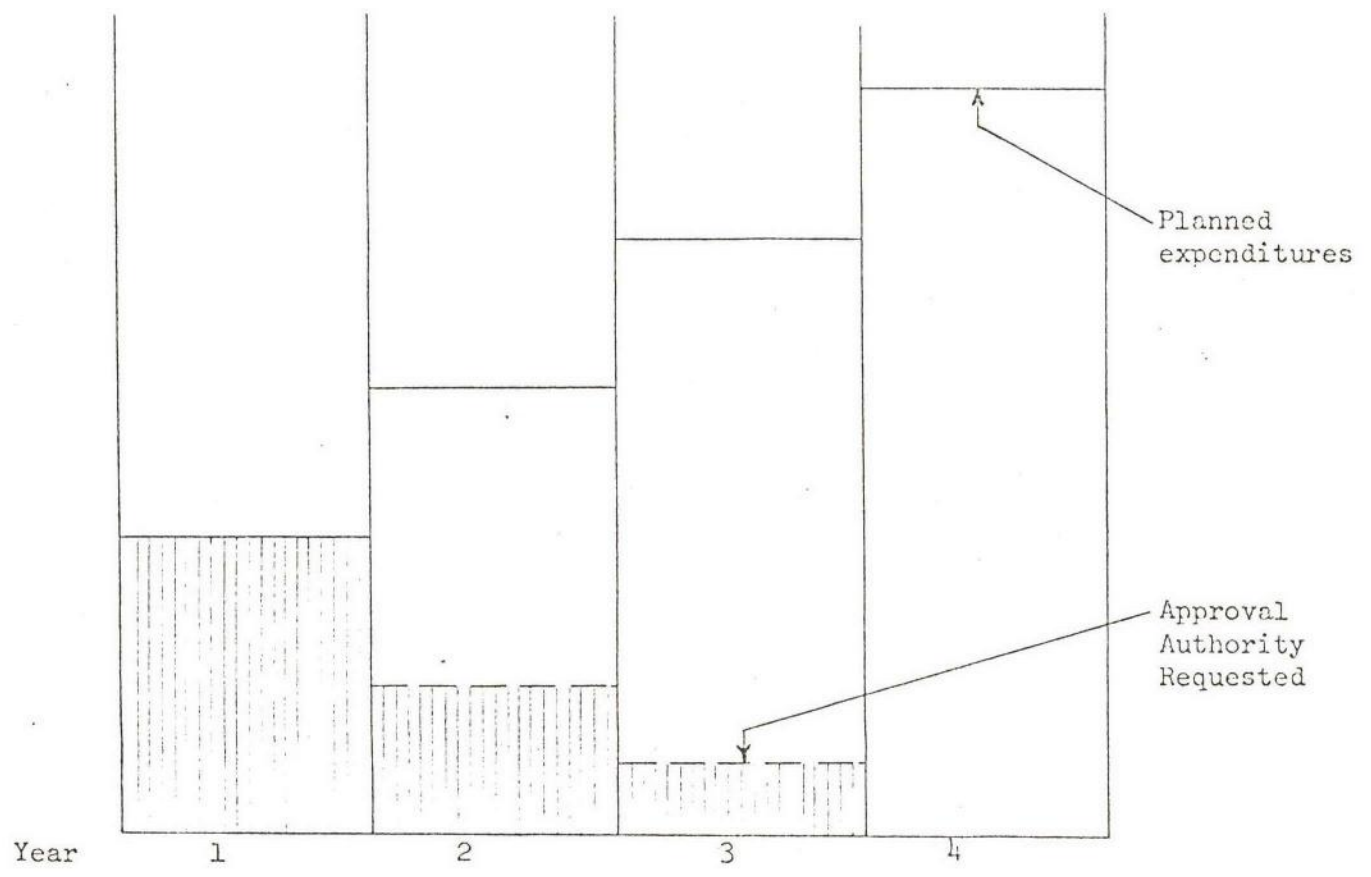
- a/ These include the training, advisory and resource facilities in support of the collection of basic population data.
- b/ Includes population conferences at national, regional and global levels.
- c/ Excludes family planning programmes, covered separately as Sector 4 and communication and education in support of family planning programmes, covered separately as Sector 5.
- d/ Where major family planning delivery systems include small portions of multisector activities - as in the case of some comprehensive country projects - budgets for these activities are included with delivery systems.
- e/ Includes support to population units at agency headquarters and regional offices.
- f/ Overhead charges on implemented projects paid to the United Nations (OTC) and FAO at a stipulated percentage.
- g/ The principal elements of the planning model are related as follows (in US\$ million)

	<u>1973</u>	<u>1974</u>	<u>1975</u>	<u>1976</u>	<u>Total</u>
Estimated Budgets	52.2	53.1	68.0	92.2	265.5
Estimated Planning Ceiling (Preliminary)	52.2	76.5	93.0	113.5	
Estimated Expenditures	33.3	52.5	76.6	103.1	265.5
Project Expenditures	31.0	50.0	74.0	100.5	255.5
Administrative Budget Expenditures	2.3	2.5	2.6	2.6	10.0
Unexpended Balance (Estimated Planning Ceiling less Expenditures)	18.9	24.0	16.4	10.4	
Balance carried forward		18.9	24.0	16.4	
Planning Ceiling (estimated budgets and balance carried forward)	52.2	72.0	92.0	108.6	



A. To be presented to the Council  
in June of Year 0

Figure 1



B. To be presented to the Council  
in June of Year 1

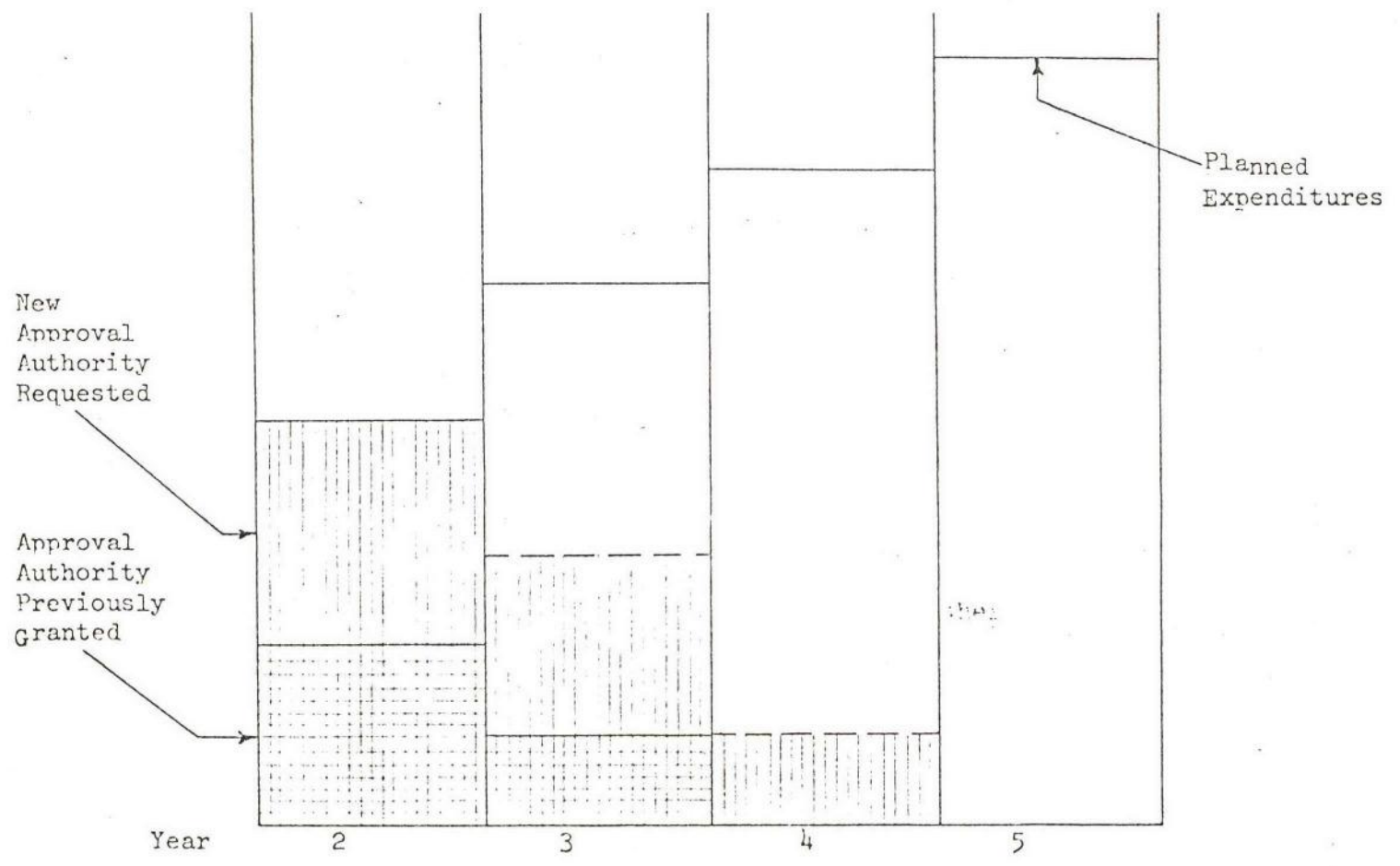


Figure 2

Planning and Approval  
Authority Requested of 16th Session  
of the Governing Council

(In Million of Dollars)

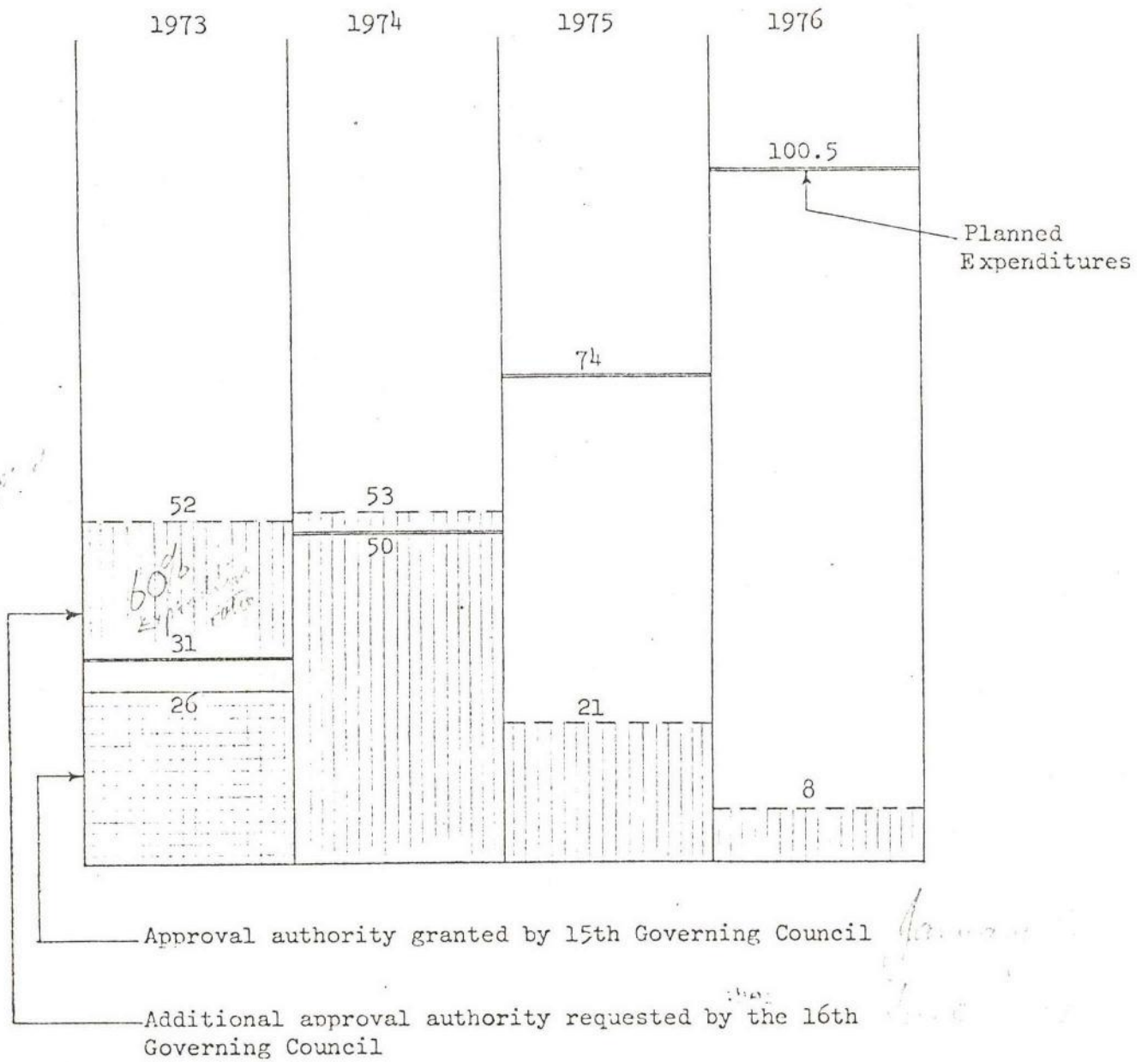


TABLE I

Planned Resources and Expenditures and Approval Authority

(in millions of dollars)

	1973	1974	1975	1976	Total
<u>Part A: Resources and Expenditures</u>					
Resources					
Released resources	26.1				26.1
New resources	42.0	54.0	64.0	74.0	234.0
Other income	1.0	1.0	1.6	1.8	5.4
Total resources	69.1	55.0	65.6	75.8	265.5
Expenditures					
Planned programme expenditures	31.0	50.0	74.0	100.5	255.5
Administrative budgets	2.3	2.5	2.6	2.6	10.0
Total expenditures	33.3	52.5	76.6	103.1	265.5
<u>Part B: Resource Balances</u>					
Annual resources less total annual expenditures	35.8	2.5	-11.0	-27.3	0.0
Resource balance carried forward		38.3	27.3	0.0	0.0
<u>Part C: Approval Authority</u>					
Approval authority granted by Council in January 1972	26.0				26.0
Additional Approval Authority requested of 16th session	26.0	53.0	21.0	8.0	<u>108.0</u>
Total					134.0

Note

- (1) The data shown above will result in implementation ratios of 60% for 1973 and 66% for 1974, the latter figure being based on the assumption that most of the \$21 million programmed but not spent in 1973 will result in expenditures in 1974.
- (2) The proportion of second and third year approval authority provided for above is drawn from UNFPA's current experience.

For IACC Meeting  
30 April - 1 May 1973  
New York  
Draft Agenda Item 9

UNFPA/IACC/VIII/5

UNFPA FIELD STAFF

When the IACC met last October there were only three UNFPA Coordinators on duty. Now twelve Coordinators have been posted and we expect that at least four more will be appointed before the end of 1973. Names and addresses of the twelve Coordinators are shown on the attached list.

With the strengthening of our Field Staff we expect to be able to give better service to the Agencies in programming new projects and implementing current ones. We wish to have our Coordinators' assessment of every country project before its approval, and since country projects must be submitted to UNFPA through the Resident Representative our Coordinators will have an opportunity for project appraisal in the field.

One element of coordination that needs more thought is the approval process for regional and global projects. Some of our Coordinators have complained that they hear of a global project only after its approval for funding by UNFPA. This communication is partly the responsibility of UNFPA, but the assistance of Agency Headquarters in informing Resident Representatives, and thus UNFPA Coordinators, of projects that will affect their country programmes will be welcome.

30 April 1973  
UNFPA:PM

LIST OF COORDINATORS

Mrs. Suzanne Aurelius  
UNFPA Coordinator  
c/o Resident Representative  
of the UNDP  
Casilla 197-D  
Santiago, Chile

Mr. B. G. Bantegui  
UNFPA Coordinator  
c/o Resident Representative  
of the UNDP  
P. O. Box 30218  
Nairobi, Kenya

Mr. Dipak Bhatia  
UNFPA Coordinator  
c/o Resident Representative  
of the UNDP  
P. O. Box 982  
Cairo, Egypt

Mr. Tristram Eastwood  
UNFPA Coordinator  
c/o Resident Representative  
of the UNDP  
P. O. Box 1864  
Manila, Philippines

Mr. Harry F. Hemmerich  
UNFPA Coordinator  
c/o Resident Representative  
of the UNDP  
P. O. Box 280  
Kingston, Jamaica

Mr. Majeed Khan  
UNFPA Coordinator  
c/o Resident Representative  
of the UNDP  
P. O. Box 1505  
Colombo, Sri Lanka

Mr. K. J. Winton Lae  
UNFPA Coordinator  
c/o Resident Representative  
of the UNDP  
P. O. Box 618  
Bangkok, Thailand

Mr. Theodore C. Nelson  
UNFPA Coordinator  
c/o Resident Representative  
of the UNDP  
P. O. Box 1555  
Thhran, Iran

Mr. Luis Olivos  
UNFPA Coordinator  
c/o Resident Representative  
of the UNDP  
Apartado Postal 6719  
Mexico D.F., Mexico

Dr. S. V. Raja Rao  
UNFPA Coordinator  
c/o Resident Representative  
of the UNDP  
P. O. Box 295  
Apia, Western Samoa

Mr. Hans C. J. Wagener  
UNFPA Coordinator  
c/o Resident Representative  
of the UNDP  
P. O. Box 2338  
Djakarta, Indonesia

Mr. George Worth  
UNFPA Coordinator  
c/o Resident Representative  
of the UNDP  
CPO Box 143  
Seoul, Korea

## 401 OFFICE MEMORANDUM

TO: Mr. Michael L. Hoffman

DATE: April 24, 1973

FROM: K. Kanagaratnam *Kanagaratnam*SUBJECT: Bank/UNFPA Relations

1. This is to confirm the substance of our conversations on the manner in which Bank/UNFPA activities may be coordinated.
2. I attach for your information a note of a meeting which was held here two weeks ago with UNFPA representatives, when specific cases of Bank/UNFPA collaboration were discussed. These included Kenya, Bangladesh and Philippines.
3. In the case of the Philippines, the UNFPA already has an existing agreement and most of our proposed financing is not likely to cause any problem. There is one area of financing we need to discuss more fully when our appraisal mission's findings are more firm, before the Bank takes a decision.
4. In the case of Kenya, we have made the "white cover report" available and our position on financing it is fairly flexible at this stage. UNFPA has agreed with a joint coordination effort by both agencies in a multi-donor effort. The Regional staff had identified the possible manner in which this could be done.
5. In the case of Bangladesh the collaboration goes further, and the UNFPA is assigning a staff member full-time to the Bank's Sector mission next month. We have agreed to use the "Kenya model" for follow through if our subsequent experience on this model moves smoothly.
6. The last two countries (Kenya/Bangladesh) will provide a modus of operating cross-sectoral projects in what is technically sound and hopefully minimizing possible difficulties. As in these things, it involves some careful footwork all the time. In the light of these developments, we agreed that we should proceed working on these lines, using the principles set out in the document entitled "Coordination of Bank/UNFPA Activities" which Mr. McNamara has approved as our guidelines for possible division of labor. In these circumstances, at this stage we agreed that no formal exchange of papers seems necessary.

Attachment

KK:bli

*A. Damm*

April 6, 1973

Meeting between the IBERD and the UNFPA on April 3, 1973

1. At a meeting in Washington on April 3, 1973, discussions were held between the IBERD and the UNFPA on the population projects in Indonesia, Iran, Kenya, Bangladesh and the Philippines. The UNFPA was represented by Mr. Halvor Bille and Dr. Nafis Sadik. The Bank was represented by Dr. K. Kanagaratnam, Mr. G. Baldwin, Mr. G. Zaidan and Mr. H. Jones.
2. The following points of understanding were reached:
  - A. Indonesia
    - i. The Bank would inform the UNFPA in writing that pre-project financing of \$400,000 for the three central advisers was no longer required;
    - ii. Representatives of the Controller's Departments of the UNDP, the Bank and of the Implementation and Evaluation Division of the UNFPA would meet to discuss financial procedures relating to the joint project;
    - iii. The UNFPA would officially inform WHO that, contrary to some reports received, WHO is in fact actively involved in the project and that SEARO has received and accepted a formal Government invitation to assist in the implementation of the hospital post-partum component. The UNFPA would furnish the Bank with a copy of its letter;
    - iv. The Executive Director of the UNFPA would confirm to the Bank, in writing, his agreement to the proposed change in the period of the first year in which the formula applicable to disbursement of operational cost would apply, and to the exception for the hospital post-partum program;
    - v. The Bank and the UNFPA would explore further how the Bank would report to the UNFPA as executing agency for the Indonesia project. The UNFPA Population Coordinator in Djakarta would consult frequently with the Bank's population specialist there (Dr. Ranganathan) on the progress of the project;
    - vi. In accordance with the Joint Financing Agreement, the Bank would invite the UNFPA to participate in its first supervision mission to Indonesia (tentatively scheduled for June 1973);
  - B. Iran
    - i. To simplify and speed up arrangements the UNFPA agreed to withdraw its pledge to finance the management study and the Bank would finance it instead. The Government would be informed accordingly by both the Bank and the UNFPA.
    - ii. The UNFPA would discuss with the Government whether it still needed a management adviser as previously requested. Both the UNFPA and the Bank felt that, under the circumstances, the appointment of a management adviser for a one-year term would be unjustified and ineffective;
    - iii. At the Fund's suggestion, the Bank would be glad to discuss the management study with the Public Administration Division of the United Nations;
  - C. Kenya
    - i. The Bank would send the UNFPA, for comments, a copy of its sector report which was expected to be finished sometime this week. The report would also be sent to the Government and other donors;
    - ii. After eliciting informal responses from interested donors, a meeting

would be called to clear any areas of overlapping interest. The Fund proposed that this be done by the Government instead of by the Bank and/or the Fund.

D. Bangladesh

i. The UNFPA accepted the Bank's proposal to have a full-time member on the Bank sector mission scheduled in May. The UNFPA was considering the nomination of Dr. Raja Rao. The Bank would meet his travelling and subsistence expenses. The UNFPA was aware of the period of time Dr. Rao would be expected to spend with the mission (i.e. approximately one month in the field and about two weeks in Washington).

ii. The UNFPA would keep the Bank informed on what steps the UNFPA plans to take on its mission's report. If sent to the Government before departure of the Bank mission, a copy would be given the Bank as background.

iii. To avoid giving conflicting recommendations to the Government, the Bank and the UNFPA would consult and meet, if necessary, to discuss both the findings of the Bank and the UNFPA respective missions.

E. The Philippines

i. There was a preliminary discussion on <sup>how</sup> financing arrangements for expenses at the Population Commission would be allocated. The UNFPA made available the Government's letter to them on this subject. It was agreed that the Bank would review their proposals in the context of the UNFPA letter and consult with them before taking action. One possibility mentioned was that the Fund would continue to strengthen the support of the Population Commission on the headquarters level and that the Bank would concentrate its support on the field level.

cleared w/ & cc: Dr. Kanagaratnam  
Mr. Baldwin  
Mr. Zaidan  
Mr. Jones

cc: Dept. Files  
Div. Files

Mr. G. He (Apr. 9)



3/31

b & d taken together appear to me to mean the Bk's project will be a hardware project whereas the important elements of a country's population program on which the Bank would want assurance in connection with its loan are likely to be "soft-ware" RMcN

*... ..*

COORDINATION OF BANK AND UNFPA ACTIVITIES

1. There has recently been increasing evidence of serious interest at senior levels in both the Bank's PNP Department and the UNFPA in clarifying the criteria for operational collaboration. This impression was confirmed in a private luncheon between Dr. Kanagaratnam and Mr. Salas, the Executive Director of the UNFPA, in New York on March 12. A similar approach was made by the Fund's Deputy Director, Mr. Gille, at the Review Meeting. In the cases of Bangladesh and Kenya Mr. Salas specifically proposed closer collaboration than the "Malaysian" model. It now remains to translate the firm intentions expressed in that and other recent meetings into specific operational coordination.

2. We believe the following broad division of responsibilities provides the minimum basis in which Bank operations will not be compromised and could be an acceptable basis for discussion with the UNFPA leading towards a more satisfactory division of responsibilities:

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- (d) In order to give more recognition to each cooperating institution it seems best to have the Bank and the Fund sign separate agreements with the Government and to tie these together via a third tripartite agreement to which the two external donors and the government would be signatories. While such an arrangement would imply a common project definition, the particular form of financial cooperation (e.g. joint or parallel funding) could vary from case to case. So, too, might the arrangements for project supervision, project reporting, exchange of information, consultations on key project components and additional financing. This will also mean working "in tandem" and according to a common time-table for negotiations and loan signing.

GBBaldwin:KKanagaratnam/bli

March 20, 1973

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*Original Copy  
Sent to Dr. Konaqaratnam*

*[Signature]*

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*Mrs. Newton -  
for  
Mr. Hoffman  
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FROM: GENEVA

Distribution

Mr. Graves  
Population Projects

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GRAVES PLEASE KANAGARTANAM INFORM ME SOONEST PRESIDENTS REACTION  
IF ANY OUR MEMO ON BANK UNFPA RELATIONS ALSO INFORM KK WE IN SERIOUS  
DIFFICULTY WHO ABOUT WHICH I WANT TALK TO HIM NEXT WEEK  
REGARDS

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I N C O M I N G   C A B L E

DATE AND TIME  
OF CABLE:    APRIL 9, 1973  
  
LOG NO.:     7/TELEX/9  
  
TO:          INTBAFRAD  
  
FROM:        GENEVA

R O U T I N G	
ACTION COPY:	MR. GRAVES MR. PLEASE MR. BELL
INFORMATION COPY:	POPULATION PROJECTS
DECODED BY:	

TEXT:

CORRECTED DISTRIBUTION

GRAVES PLEASE KANAGARTANAM

INFORM ME SOONEST PRESIDENT'S REACTION IF ANY OUR MEMO ON BANK UNFPA RELATIONS  
ALSO INFORM KK WE IN SERIOUS DIFFICULTY WHO ABOUT WHICH I WANT TALK TO HIM  
NEXT WEEK. REGARDS.

HOFFMAN

22598 RICHD CH

mlh

MICHAEL HOFFMAN  
HOTEL RICHMOND  
GENEVA

~~XXXX~~ APRIL 9, 1973

TELEX

SWITZERLAND

FOUR

KANAGARATHNAM REPORTS MCNAMARA'S REACTION YOUR JOINT MEMO WILL INVOLVE FULLER DISCUSSION IN BANK. PRESIDENT IS PREPARED TO LIMIT BANK FINANCING TO HARDWARE ITEMS OF POPULATION PROJECTS ONLY REPEAT ONLY IF PROJECTS ARE DEFINED TO INCLUDE BOTH HARD AND SOFTWARE, IF BANK PARTICIPATED IN SHAPING TOTAL PROJECT, AND IF BANK DISBURSEMENTS FOR HARDWARE ARE CONDITIONAL ON BORROWERS PERFORMANCE. BAUM INTERPRETS THIS TO MEAN EXACTLY WHAT YOU HAD IN MIND BUT KANAGARATHNAM FEELS MCNAMARA'S CONCURRENCE IS MORE IN GENERAL AND NOT NECESSARILY IN COMPLETE DETAIL. POPULATION DEPARTMENT FEELS DISCUSSION OUTSIDE BANK AND PARTICULARLY EXPRESSION OF ANY COMMITMENT WOULD BE PREMATURE PARTICULARLY SINCE MCNAMARA MARGINAL COMMENT ON ATTACHMENT INDICATES DESIRABILITY OF CLARIFICATION REGARDING EXACT NATURE OF AGREEMENTS TO BE SIGNED. REGARDS

GRAVES

HAROLD GRAVES/pmm  
INTERNATIONAL RELATIONS

cc: Dr. Kanagaratnam

*M.L. Hoffman*

Mr. Robert S. McNamara (through Mr. Baum)

March 20, 1973

*Wahman*  
K. Kanagaratnam and M.L. Hoffman *myr*

Recent Population Activities

The attached memorandum summarizes the principal developments with respect to our population projects and in relations with the other main organizations active in the population field.

On this occasion, in addition to any comments that you may wish to make in the report, we would like to obtain your approval for an approach to a somewhat more structured relationship with UNFPA, as outlined in the attachment to our report. UNFPA is the other principal multilateral funding agency operating in the population sector, and we think that our relationship to UNFPA is becoming more analogous to that between the Bank and the UNDP than, say, our relations with WHO. The recent changes in the set up of UNFPA, and its coming under the surveillance, if not precisely under the supervision, of the Governing Council of the UNDP, and under UNDP financial regulations are additional reasons for attempting to establish a kind of presumptive division of labor between us. We would stress the word "attempting" as we may not be able to reach agreement with UNFPA on some of the fundamental non-financial matters affecting the Bank's relationship with borrowers that are referred to in the note. However, if our approach meets with your approval, we think it is worth a try.

Attachment

MLH:KK/b11



BRIEFING NOTE - POPULATION ACTIVITIES AND AGENCIES

DECEMBER 1972 - FEBRUARY 1973

PART A

COUNTRY PROGRAM PICTURE

Arab Republic of Egypt

1. Appraisal of a Bank project has been completed. A yellow-cover report will be ready by late April 1973. Many project components need further definition. The project will involve about \$6.0 million in IDA financing, or about 65% of total project costs.
2. The inadequacy of preparation at country level means that this project will slip into the next fiscal year. Recent reports are that the Chairman of the Executive Board of Family Planning has had his powers and duties restricted and more authority is vested in the Health Ministry. This change will probably be good both to further the program and the Bank project.

Bangladesh

3. One staff member (Mr. J. Ratcliffe) participated in a UNFPA/ Agency mission to Bangladesh in January-February. Dr. Kanagaratnam visited Bangladesh and the outcome of the visit was:
  - i. to provide immediate assistance to the Planning Commission on the sectoral plan;
  - ii. continuing assistance through two staff members (this is being done);
  - iii. to undertake at the Government's request a sectoral analysis and financing plans for the Sector - now fixed for May-June 1973.

Discussions on collaboration with UNFPA took place in Washington in the first week of March and again in New York; a multi-donor financing plan is likely to evolve, but some extremely careful footwork is called for at this stage.

Brazil

4. A nutrition project identification mission to Brazil took place in February and the next steps in preparation are being followed up with the Government. The prospects of a nutrition project in Brazil are good and appraisal is expected in the early fall.

El Salvador

5. A short mission visited El Salvador in February to explore the possibility of developing a population project. Major issue discussed was the presentation of a "population project" in more acceptable terminology, e.g. family welfare project, pregnancy related activities, etc. Agreement was reached on mutually acceptable language for loan documents. However, the prospects for a project are unclear as there are presently too many donors interested in assisting the program; clarification of the roles of IDB, USAID and UNFPA funding will influence our decision whether or not to proceed. Government commitment to family planning is sufficiently positive to justify Bank involvement.

6. No proposal from the Government as to a nutrition component has yet been received.

India

7. At the request of the Government of India, the credit effectiveness of this project has been delayed again until May 1973. The problem is the GOI's inability so far to appoint Directors of the two Population Centers. In fact, both Directors had been selected, offered appointments and in one case declined after initial acceptance. Although this is an unfortunate delay, we are satisfied that all reasonable action was taken by the Government. However, all other actions in the project are moving ahead -- after some initial start-up delay.

Indonesia

8. This is really moving ahead satisfactorily. The best news from the country is the program performance (new acceptors) as shown in the following table:

-----TARGETS-----				
<u>Year</u> <sup>1/</sup>	<u>Original</u>	<u>Revised</u>	<u>Actual</u>	<u>Remarks</u>
1970-71	125,000		181,059	
1971-72	200,000	500,000	519,330	
1972-73	550,000	1,000,000	663,883 <sup>2/</sup>	Target revised downwards to 800,000
1973-74	1,000,000	1,250,000		
1974-75	1,700,000			
1975-76	2,500,000			

<sup>1/</sup> Indonesian fiscal year (Java, Madura, and Bali only).

<sup>2/</sup> April-January only.

The figures for the months in 1972-73 are as follows:

April	51,149
May	50,543
June	51,860
July	57,168
August	59,169
September	67,433
October	60,574
November	54,938
December	87,433
January	123,616

#### Iran

9. The Bank's project, for which a loan of \$16 million is proposed, is scheduled for Board presentation on May 22, 1973. Negotiations are to start on March 28. Total cost of the project is estimated at US\$31.8 million, the foreign exchange component of which is \$8.9 million. The proposed Bank loan for health facilities, training centers, a management study and preparation of a nutrition project represents approximately 50% of the total costs.

#### Kenya

10. Appraisal of a Bank project has been completed and a first draft report is being reviewed within the Bank. It is scheduled for Board presentation late in the summer. The report appraises the program requirements of the Five-Year Family Planning Plan of the Government in terms of physical and financial resources, as well as those components of the Plan which the Bank is likely to finance.

11. The project is designed to serve as the basis for an expanded national family planning program. The major emphasis of the project and the Five-Year Family Planning Plan will be on the training of lay and technical middle-level manpower to extend family planning services, especially to the rural areas. The project package will cover capital works, vehicles and equipment, technical assistance and recurrent costs.

12. A WHO consultant and a UNFPA representative participated in the mission. Donor coordination has been discussed with four potential bilateral donors; it is likely that the Bank and UNFPA will jointly sponsor the aid-coordination effort.

#### Malaysia

13. The Bank loan for a \$5.0 million population project was signed on January 16. The UNFPA agreement with the Government was signed on January 24.

This project is not yet effective, but action is being taken to meet the conditions of credit effectiveness.

### Philippines

14. We received late in February the Government's project proposal to strengthen and expand the Philippine family planning program. The structural changes for the family planning program accepted by the Government are very much in agreement with the recommendations put forward in the Bank's sector report. The modified project package, as proposed by the Government, would require further elaboration by the appraisal mission that will be in the field starting March 19. This will probably get to the Board by the end of the calendar year.

### PART B

#### AGENCIES

#### United Nations - World Population Year/Conference, 1974

15. The United Nations Population Division and the UNFPA are both moving in their efforts for the Year. Much of the program will follow the conventional style on national and regional meetings, seminars, publicity on agency activities, etc. Significant for the Bank is the nature of our role, given the fact that this is to be an Inter-Governmental Conference. The venue is still to be decided.

16. A change in the situation is the political backdrop now existing. It is likely that the roles of the UN Population Division and of the UNFPA will undergo a change in 1974. There is talk of establishing a new "Agency" -- similar to the Environment Secretariat -- but this has not yet become clear. There is a danger that the influence of the Population Commission over the activities of the Year and the Inter-Governmental nature will be to play down the fertility control aspects.

17. For the Bank, besides in-house efforts (e.g. special Population Issue of Finance and Development, a possible updating of the Sector Paper) the role so far has been to:

- i. provide one of the background papers (on the Management Problems in Family Planning);
- ii. invitation to a staff member to contribute an "expert" paper to the Technical Experts Meeting in Cairo in June - the deliberations of which will be an input to the Conference.

In addition, with participation in some of the preparations, committees or by advising them, we may be able to have some influence on the trend of events.

United Nations Fund for Population Activities (UNFPA)

18. The second semi-annual review meeting was held in New York in January. The meeting went off as well as could be expected, given the built-in element of competition in our operations. Staff work was poorly done at the UNFPA end for this meeting and we got less out of it than we could have. The Fund would like to see some definition of our working relationships in terms of finance and influence. Some quarters in the Fund would like to see the Bank restricted to "bricks and mortar" financing but we have consistently taken the position that we must have program influence if our association is to be a meaningful one. Despite this, it may be time to try to reach agreement with UNFPA on our respective roles. A possible approach is outlined in the attached note (following general discussions on this subject which Dr. Kanagaratnam had with Mr. Salas of the Fund.)

19. Specific sessions on Malaysia, Iran and Bangladesh were held with Fund officials. These sessions went off satisfactorily.

World Health Organization (WHO)

20. Relations with WHO have been on an even keel. They have begun to understand Bank operations and do not feel so threatened as they did two years ago. They are also coming to terms with the concept that while the Bank can draw on their expertise, it has to make the judgments for its operations on its own criteria and rules. WHO staff have participated in missions to Kenya, ARE, and the Philippines. The question of broader use of WHO has been mentioned and will probably come up at the next review. WHO receives reports in early stages but their comments are rarely of much value, being brief, late, and primarily concerned with institutional interests.

U.S. Agency for International Development (USAID)

21. Since the first review meeting with USAID in October 1972, we have had three meetings with Dr. Jarold Kieffer, Assistant Administrator, Population and Humanitarian Assistance.

22. At the first meeting Dr. Kieffer expressed interest in the Bank's sector analyses and said that it possible the Bank can perform a useful service here, as neither AID nor other agencies have the capability to carry out such analyses. At the second meeting Dr. Kieffer said that the USAID is reviewing the relative emphasis to be given to health, nutrition, and population objectives in these closely-related areas. He felt that in the past, the population objective has clearly dominated AID operations, partly because this is explicit in the preamble of Title 10. In addition, Dr. Kieffer hoped that AID can make its own funds go farther in these three areas by coordinating them wherever possible with funds provided by other external donors, among whom he considered the Bank important.

23. Dr. Kieffer had not yet translated AID's new policy into specific procedures for securing donor cooperation in particular countries or projects.

However, at our third meeting last week, we proposed specific collaboration in Kenya and Bangladesh (and later, in El Salvador) to see how such cooperation can be worked out in operational terms. At this meeting, Dr. Kieffer was quite frank and advised us to deal with his office directly to overcome any resistance at Ravenholt's level. Discussions at the working level between the PNP Department and AID staff have taken place, but so far have lacked substance and have consisted primarily of exchange of information.

24. We expect some resistance from AID's field office in Manila for any Bank involvement there. Niblock, the Mission Director, has a possessive attitude toward his central role in population in that country. It will need careful handling.

25. On February 25 a Staff Survey Report of Congress, entitled "US AID to Population/Family Planning in Asia" was issued by Congress and contains interesting comments, not only on U.S. programs but also on agency relationships.

26. On balance, relations with AID in Jamaica, Tunisia, and Indonesia are satisfactory.

#### United Nations Children's Emergency Fund (UNICEF)

27. We met with UNICEF last December and reviewed our respective work programs for population and nutrition over the next few years. UNICEF told us that they were criticized in their Board about their nutrition policy and are reassessing their strategy in this field. UNICEF is collaborating with us in the Indonesian project.

#### Population Council

28. Relations with the Council continue to be very cooperative and a lot of consultation takes place between both agencies. The Council invited our participation in two meetings called by them, one a review of Maternal and Child Health-based Family Planning Programs, and another on the commercial sector as a contraceptive delivery system. The Council has accepted an invitation to implement the research and evaluation components of the Indonesia project, and is working out final details. Together with the Ford Foundation, they are filling a role left vacant by the UN Population Division's decision not to participate in the Indonesia project.

#### Organization for Economic Cooperation and Development (OECD)

29. Dr. Kanagaratnam attended the Expert Group Meeting on "The Constraints on Population Activities and the Problem of Absorptive Capacity" in Paris in

December 1972. A discussion of particular interest was the issue of loans vs. grants, as raised particularly by the Ravenholt memorandum of last October. Attached to our last report to you was an extract of the OECD background paper on the issue and we stated that Dr. Kanagaratnam would make a statement at the Paris Meeting. This statement is being published in full as an Annex to the OECD Report on the meeting.

KKanagaratnam:bl1  
Mar.20/73

COORDINATION OF BANK AND UNFPA ACTIVITIES

1. There has recently been increasing evidence of serious interest at senior levels in both the Bank's PNP Department and the UNFPA in clarifying the criteria for operational collaboration. This impression was confirmed in a private luncheon between Dr. Kanagaratnam and Mr. Salas, the Executive Director of the UNFPA, in New York on March 12. A similar approach was made by the Fund's Deputy Director, Mr. Gille, at the Review Meeting. In the cases of Bangladesh and Kenya Mr. Salas specifically proposed closer collaboration than the "Malaysian" model. It now remains to translate the firm intentions expressed in that and other recent meetings into specific operational coordination.
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# OFFICE MEMORANDUM

TO: Mr. Robert S. McNamara (through Mr. Baum) <sup>WCB</sup>

DATE: March 20, 1973

FROM: K. Kanagaratnam and M.L. Hoffman <sup>WCB</sup>

SUBJECT: Recent Population Activities <sup>MLO</sup>

The attached memorandum summarizes the principal developments with respect to our population projects and in relations with the other main organizations active in the population field.

On this occasion, in addition to any comments that you may wish to make on the report, we would like to obtain your approval for an approach to a somewhat more structured relationship with UNFPA, as outlined in the attachment to our report. UNFPA is the other principal multilateral funding agency operating in the population sector, and we think that our relationship to UNFPA is becoming more analogous to that between the Bank and the UNDP than, say, our relations with WHO. The recent changes in the set up of UNFPA, and its coming under the surveillance, if not precisely under the supervision, of the Governing Council of the UNDP, and under UNDP financial regulations are additional reasons for attempting to establish a kind of presumptive division of labor between us. We would stress the word "attempting" as we may not be able to reach agreement with UNFPA on some of the fundamental non-financial matters affecting the Bank's relationship with borrowers that are referred to in the note. However, if our approach meets with your approval, we think it is worth a try.

*2/27*  
*note my comment on the attached.*  
*I am happy to have this*

Attachment

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*financing of a Population Project which the Bank partially funds*  
*with the 'trial' program I*  
*software + hard-ware actions*  
*agreed to achieve a reduction in*  
*birth, + the full achievement of*  
*which is a condition for disbursement of*  
*by the Bank? Its hardware financing?*  
*can not be paid + limit the Bank Project?*  
*2 hardware.*  
*WCB*

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taken together appear to mean the files project will be hardware project aspects of a country's population program in which the Bank with its loan are likely to be "soft-ware" element



Pop. UNFPA

March 13, 1973

Mr. Rafael Salas  
Executive Director  
United Nations Fund for  
Population Activities  
485 Lexington Avenue  
New York, N.Y. 10017

Dear Rafael:

It was good that we were able to get together yesterday and have a long discussion on the many matters of mutual concern. As always, I enjoyed both the discussion and the lunch.

As you will recall, we discussed in general terms Bank/Fund cooperation in Kenya and Bangladesh. I will be writing to you very soon in more specific terms on the modalities of cooperation in the Kenya program, and also hope to be able to get to you the Bank's review of the Kenya Five Year Plan. This could be the basis for our discussions and, in fact, for a multi-donor effort.

I presume it will take a little longer to firm up our thoughts on Bangladesh, but I have noted your wish that we should endeavor a more effective method of collaboration than we developed in Malaysia. Effective collaboration is important in particular in this country, which has needs which are much greater than any resources which might be applied either by the Fund or the Bank, or even both together, for many years to come.

Once again, it was good to see you.

With regards.

Sincerely,



K. Kanagaratnam  
Director

Population and Nutrition Projects Department

cc: Messrs. Hoffman-IRDDR  
Baldwin-PNPD

KK:bli  
Bank:UNFPA liaison

258

~~Mr. Demuth~~

my Pop. file.

January 5, 1973

Mr. Rafael Salas  
Executive Director  
United Nations Fund for Population Activities  
485 Lexington Avenue  
New York, N.Y. 10017

Dear Mr. Salas:

Mr. Demuth has asked me to respond to your letter to him of December 12, since the matters you raise are operational questions arising out of our mutual activities in Iran.

We are of course aware that the UNFPA/GOI Agreement of 1971 provides support for management improvement in the Family Planning Division of the Ministry of Health. Since that Agreement was worked out, however, the Ministry of Health has broadened its awareness of what needs to be done in order to improve the organization and management of the national family planning program. It has come to be realized that the provision of a single Management Advisor could not make much of a contribution until there had first been an in-depth analysis of managerial and organizational problems of the Ministry as they affect its family planning activities. Consequently the Ministry requested Bank assistance, both technical and financial, in organizing the kind of management study which was now felt to be needed. We realized of course that the evolution of government thinking about the nature and scale of managerial assistance needed would raise a question about the advisability of proceeding to recruit the UNFPA Management Advisor, at least until after the larger management study had been completed (or at least its first stage). Consequently the appraisal mission discussed this problem with Mr. Nelson in Tehran in September and it was agreed with him that the sensible course was to hold off on the recruitment of the UNFPA Advisor until the nature and timing of the management study became clear. This position was discussed in Washington with Nafis Sadik, who also agreed with the proposed arrangement.

The Bank has accordingly proceeded to work out draft Terms of Reference for the proposed management study and it has already visited four management consulting firms (2 British, 2 American) to test their interest in preparing proposals for such a study. We now consider that we have an adequate number of candidate firms and sufficiently precise Terms of Reference so that the names of the firms and the proposed Terms of Reference are ready to be sent to the Government with suggestions as to how the firms might be invited to prepare specific proposals. The draft Terms of Reference, together with the

Mr. Rafael Salas

- 2 -

January 5, 1973

names of the four firms which have expressed interest, are enclosed for your information and any comment you may wish to make.

Upon receipt of your letter to Mr. Demuth we cabled the Government of Iran to determine their preferences with respect to the financing of this study. We have just received a reply which says that the Government would prefer to have it financed by a UNFPA grant, with the Bank designated as the executing agent. We are perfectly willing to proceed on this basis. This arrangement would follow the standard UNDP procedure in use for many years, i.e. a grant to the country which would be channelled through the Bank for payment to consultants chosen by the Bank with the Government's approval. In order to proceed expeditiously, I would appreciate a telephone call from you indicating that such an arrangement would be equally acceptable to the Fund. We have made a preliminary estimate that the management study would cost on the order of \$240 thousand. This is a considerably larger sum than the November 1971 UNFPA Agreement has earmarked for management assistance; we therefore assume that additional UNFPA funds would have to be earmarked for this purpose. We would certainly hope that such additional funds could be made available by a simple exchange of letters among the interested parties and that it would not be dependent upon the negotiation of a new master agreement between the Fund and the GOI, since this would presumably delay the undertaking of the management study by several months. In the latter event, we would have to reconsider our acceptance of grant financing<sup>and</sup> would suggest to the Government that it use Bank funds in order not to lose the momentum which has been generated in getting this activity started. The amount of money amounts to no more than about 2% of the total loan which the Bank is likely to make to Iran.

I hope that you will find it possible to telephone me by January 12 so that we can have an agreed approach to the management study; it is our intention to send the Terms of Reference and the list of the interested consulting firms to the Government during the week of January 15, unless you raise points which make this inadvisable.

Sincerely yours,



K. Kanagaratnam  
Director

Population and Nutrition Projects Department

Attachments

Cleared with & cc: Messrs. Hoffman  
deLusignan  
cc: Messrs. Demuth  
Zaidan  
Jones

Firms Expressing Interest in Making Proposals  
for Iran Management Study

- U.K. Peat, Marwick, Mitchell & Co. (London)
- U.K. Urwick International Limited (London)
- U.S. Booz, Allen, and Hamilton, Inc. (Chicago)
- U.S. Coloney, Cannon, Main & Pursell, Inc. (New York City)

The World Bank  
Washington, D.C.

January 5, 1973



OUTLINE TERMS OF REFERENCE FOR A STUDY OF THE ORGANIZATION AND MANAGEMENT  
OF THE IRAN NATIONAL FAMILY PLANNING PROGRAM

Introduction

1. The national family planning program in Iran was initiated in 1966, immediate priority being given to starting the program and generating momentum. This has been achieved. The country's Fifth Development Plan has set expanded targets for the family planning program; these will require a larger and more effective effort. Even at its present level of activity, the program is recognized as having serious organizational and administrative shortcomings which the government knows must be overcome. This requires a thorough study of the program's present organization and management and, if necessary, the proposal of alternative forms.

2. The study will be conducted within certain assumptions, the more important of which are:

- a. the study will focus on the organization and administration of the national family planning program and, in particular, on the Family Planning Division of the Ministry of Health -- it would be extended to other divisions and departments only as their activities impinge on the running of the national family planning program;
- b. there will continue to be a single multi-purpose agency responsible for the planning and development of the national program. Whilst it is not a requirement that this agency should continue to be located in the Ministry of Health, or have line responsibilities as well, it may be found desirable to continue the present arrangements;
- c. clinical family planning services will continue to be delivered mainly through the clinic system of the regular health services provided by the Ministry of Health;
- d. other quasi- and non-government agencies will also continue to provide family planning services through their separate health care facilities.

Objectives

3. The main objectives of the study are to:

- a. define the principal management functions (staff and executive) necessary to enable the national family planning program to meet its objectives;
- b. specify the alternative ways in which these functions could best be organized within the overall structure of the Government, at the present stage of program development, and recommend which appears most suitable; and

- c. ensure that the selected management system can be and is implemented expeditiously.

#### Components of the Study

4. The study consists of three stages: 1/

- a. Review of the Present Organization and Management Practices

A descriptive, critical review of present management practices, and the organizational framework within which they operate, should cover the following functional areas:

- i. Policy setting and planning processes, both in the medium-term (say - five years) and short-term (one year), and the translation of planning proposals into program activities. A system of simple performance indicators should be recommended, including both physical units of activity, and expenditure measures;
- ii. The distribution of authority for carrying out the various program activities including responsibility and authority for continuing supervision of these activities. The analysis shall include the chain of command, by functions or activities, at the national, provincial (ostan), and county (sharestan) levels;
- iii. The communication of decisions, as well as technical and management information, within the Family Planning Division (at all levels), between the Division and the Ministry of Health, and other government, quasi- and non-government organizations involved in family planning work;
- iv. The determination of manpower requirements, training needs and facilities;
- v. Personnel management, including recruitment, the definition of job responsibilities, assignment to field positions, salaries and allowances, and staff development policies (e.g. career ladders, in-service training, job rotation);

---

1/ In what follows it may be useful to think of the first phase tasks as being well-defined and definite; whereas those in the second and third phases are more in the nature of suggestions; they can only be finalized after the results of the first phase are available and reasonable flexibility should be allowed in this respect. At the start of the second-phase, all parties (the Government, the consultants and the Bank) should decide how best to proceed.

- vi. Financial management, including a review of all funding sources, both internal and external, budget planning and allocations, and financial control systems at all levels;
  - vii. Evaluation systems - both short and medium-term operational evaluation and medium to long-term demographic evaluation - including the collection of input data, its analysis and the outflow of results for both management evaluation and information purposes;
  - viii. Measures to achieve coordination among the various government, quasi- and non-governmental agencies involved in providing support and delivery family planning services;
  - ix. Physical facilities for service delivery, training, administration, research, etc.;
  - x. Research program, budget and available facilities for family planning and associated topics; and
- b. Proposals for Management Improvement

The final report will be made available to the government in Farsi and English and will include proposals for a new management-evaluation system, recommending the most suitable choice. The proposals should identify:

- i. the functions and location of the central family planning and policy-making body at central government level, as well as its representation (if any) at provincial and local levels;
- ii. the organization required to put plans and programs into effect;
- iii. the relationship to the national program of all the various agencies involved, and the machinery required for effective coordination;
- iv. the relationship between the various management functions - policy and planning, administration, service, delivery, evaluation, and research;
- v. the organization of a system involving the efficient collection of service statistics and demographic data for analysis in order to provide -
  1. an effective, continuing measurement of the progress of the family planning program; for both internal management and external audiences; and

2. continuing evaluation of the impact of the program on fertility levels.

c. Implementation of the Accepted Proposal

Once the Government has considered the proposals and decided which are acceptable and feasible, the final segment of the study will be concerned with implementation. This will involve:

- i. detail of revised lines of authority;
- ii. summary description of responsibilities for each functional unit and for each job within the central structure and each post directly responsible to the central authority at ostan and sharestan level;
- iii. manning tables;
- iv. budget and planning and financial controls;
- v. service statistics/evaluation systems/reporting systems.

Procedures will be established and, if necessary, operational memoranda prepared, to ensure implementation according to a specific timetable. The recommendation will also identify any technical assistance that the government might require to implement the proposals.

Implementation of the Study

5.
  - a. By agreement with the government, responsibility for the study would be assigned to a non-Iranian firm of management consultants, or an appropriate institution with considerable consultancy experience in management/public administration and a capability in the health/family planning field. Selection of the consultants would follow Bank procedures, i.e. the drawing up by the government of a short list of qualified contractors, with Bank approval, the submission of study proposals by the selected contractors, and the final selection of a contractor, with Bank approval of the terms and conditions of the contract. The consultants would be expected to use Iranian advisers on a short-term basis, and to maintain close liaison with the State Organization for Administration and Employment, and the Plan Organization. The anticipated duration of the consultancy is one year;
  - b. The study should be conducted with a team of three to five members, not all of whom would necessarily need to be in Iran at the same time or for the same periods. Total estimated field time is about six months, followed by six

months for report-writing, consideration by Government and the Bank, and the planning of follow-up steps. At any one time, not more than three persons should probably be working in Teheran, with other team members covering selected provinces and counties; it is estimated that field work outside Teheran should cover about three provinces (with selective coverage of one or two counties in each such province) and that each province would require visits of about three weeks;

c. Estimated cost of the study is:

5 expatriates for 9 months (salary, travel, subsistence	175,000
2 Iranian staff (secretary, admin. asst.) - 6 months	6,000
4 Iranian advisors, 1 month each	2,500
Report translation and printing	2,000
Overhead and contingency (at 25% approx.)	<u>45,000</u>

US\$230,500

UNITED NATIONS  
DEVELOPMENT PROGRAMME

UNITED NATIONS  
FUND FOR POPULATION ACTIVITIES



PROGRAMME DES NATIONS UNIES  
POUR LE DEVELOPPEMENT  
FONDS DES NATIONS UNIES  
POUR LES ACTIVITES EN MATIERE DE POPULATION

UNITED NATIONS  
NEW YORK

TELEPHONE: 754-1234

CABLE ADDRESS: UNDEVPRO • NEW YORK

REFERENCE: FPA/551/IBRD  
FPA/551/IRA/GEN

12 December 1972

Dear Mr. Demuth,

As you are aware, we have on several occasions discussed modalities of collaboration and coordination between UNFPA and IBRD in supporting Governments' efforts in the field of population activities with a view to eliminating duplication and minimizing overlapping. We feel that in the population field, it is essential to establish principles of division of labour that should apply to the type of support each of our organizations should concentrate on in rendering assistance to developing countries. More specifically, I wish to bring to your attention the case of Iran.

On several occasions there has been discussions between members of our staff on the type of assistance each of our organizations could effectively render to Iran. We have indicated that under the UNFPA/Government of Iran agreement of November 1971, we have substantial support directed towards establishment of a Central Management and Implementation Unit in the Family Planning Organizations of the Ministry of Health. This unit is designed to serve as the central project focus responsible for the effective management and supervision of the family planning activities under the national programme. This component is of particular importance to ensure adequate management of the national programme and proper utilization and coordination of the external aid channelled to this sector.

It is our understanding that the Government of Iran has now requested IBRD for assistance in carrying out a management survey. This was discussed by your staff members with our field coordinator in Iran, as well as here in New York, where we pointed out that should the Bank respond to this request it would be a clear case of duplication and overlapping of activities. We would therefore like to suggest that you consider the possibility of UNFPA financing the management survey on the understanding that the terms of reference for this project would be jointly prepared by IBRD and UNFPA and that the results of the study would be made available to the United Nations system in general. Our rules and regulations do not preclude sub-contracting such a survey to an outside firm, the selection of which could also be done in consultation with IBRD.

Mr. Richard H. Demuth  
Director, Development Services Department  
International Bank for Reconstruction  
and Development  
1818 H Street, N.W.  
Washington, D.C. 20433

1...  
DEC 20 1972

UNITED NATIONS  
DEVELOPMENT PROGRAMME



PROGRAMME DES NATIONS UNIES  
POUR LE DÉVELOPPEMENT

UNITED NATIONS  
FUND FOR POPULATION ACTIVITIES

FONDS DES NATIONS UNIES  
POUR LES ACTIVITÉS EN MATIÈRE DE POPULATION

- 2 -

We are given to understand that the Government would not object, in fact, would welcome, that UNFPA takes over the management survey thus charging the activity to a "grant" rather than a loan.

I would appreciate receiving your reaction to this proposal and I look forward to our next meeting where we can specifically discuss the different areas of activity on which each of our organizations could concentrate.

Yours sincerely,

  
Rafael M. Salas  
Executive Director

DEC 20 1972

To: Mr. Michael L. Hoffman

Attached are two pieces of correspondence involving separate and relatively minor sources of recent annoyance with UNFPA:

1. The Salas/Demuth letter you know about; attached is our cable to Iran, as discussed in general with you.

2. In Bangladesh, UNFPA proposed to "go it alone" without any prior indication to us. After consulting with Area, it was decided that the GOB was unlikely to sort out what they wanted the Bank and UNFPA to do, so we had best do it independently. Hence our initiative in inviting Salas to cooperate.

Call me if you want to be included in the Review Meeting with UNFPA so we can reflect

pto

**GEORGE B. BALDWIN**

*Salas ltr. of 12/11/72 to Dr. X.*



your preferences on dates and venue.

*Jim*

GBB

27 Dec.

~~Mr. Hoffman~~  
Poppo

December 27, 1972

Mr. Rafael M. Salas  
Executive Director  
United Nations Development Programme  
Fund For Population Activities  
435 Lexington Avenue  
New York, New York 10017

Dear Mr. Salas:

This will acknowledge receipt of your letter of December 11th, informing us of your plans to send a programming mission to Bangladesh and suggesting a briefing, in Washington, on Monday, January 22nd. That date is convenient for us and, without further word from you, we will expect your group at mid-morning and hope they will stay with us for lunch.

This proposed meeting will come at a propitious time since we too have an invitation to assist Bangladesh and I have been planning a personal trip there, for reconnaissance, in late January or February. People in the Bank close to Bangladesh tell us that the Government is unlikely to have a clear conception, at this stage, of the roles which our respective agencies should play in the population field. We are completely open on this and will look forward to hearing any views you may have as to how we can best coordinate our efforts there. Perhaps it is best that UNFPA takes the lead with the January programming mission, with the Bank following on soon thereafter, (my reconnaissance, in mid-February) to see how we might best supplement what you and the Government feel is appropriate for Fund assistance.

It would obviously assist the process of coordination if someone from the Bank could participate, in one way or another, in your January mission. If this seems sensible to you, I would nominate John Ratcliffe, now stationed in the Bank's New Delhi office; Ratcliffe knows East Pakistan well, having worked there for over three years in the late 1960's, with two return visits during the past year. I would appreciate a call from you on this suggestion at an early date, since we will need to cable Ratcliffe promptly if there is any chance he might join your mission for part of its visit.

My Deputy, Jim Baldwin, will be calling Halvor Gilla next week to set up the semi-annual review meeting we have scheduled for January. I

have suggested to Baldwin that he talk to Halvor about Tuesday, the 16th, as a possibility, meeting either here or there, as you wish. Although I shall probably leave the detailed discussions to Jim and George Zaidan, I would hope to join the talks briefly and to lunch privately with you. I will be in touch with you further about this when Baldwin finalizes arrangements for the review meeting with Halvor Gille.

Kindest regards,

Sincerely yours,



K. Kanagaratnam  
Director

Population and Nutrition Projects Department

KK:gb

cc: Messrs M. L. Hoffman ✓ (cc inc.)  
M. H. Wiehen  
B. G. Kavalsky  
G. C. Zaidan  
I. Kang

cc: L. Domingo (cc inc.)

NAPAZI  
BARNAQEH  
TEHRAN

DECEMBER 26, 1972

LT

IRAN

PRIMO: WOULD APPRECIATE YOUR HELP IN CLARIFYING GOVERNMENTS WISNES REGARDING ORGANIZATION AND FINANCING OF MANAGEMENT STUDY PROPOSED FOR INCLUSION IN BANK ASSISTED POPULATION PROJECT STOP

SECUNDO: WE HAD INFORMAL AGREEMENT WITH UNFPA THAT IT WOULD SUSPEND FURTHER ACTION IN NOMINATING THE SINGLE MANAGEMENT ADVISOR UNDER ITS AGREEMENT PENDING DEFINITION OF MORE COMPREHENSIVE MANAGEMENT STUDY FOR WHICH BANK ASSISTANCE WAS REQUESTED BY GOVERNMENT AND IMPORTANCE OF WHICH WAS STRESSED BY SARDARI AND SHAGROLI STOP EXPECTATION WAS THAT UNFPA MANAGEMENT ADVISOR MIGHT BECOME APPROPRIATE TO HELP IMPLEMENT FINDINGS OF MANAGEMENT STUDY OR THAT ADVISORY FUNDS COULD BE USED TO HELP FINANCE THE MANAGEMENT STUDY AND IDEA OF AN ADVISOR WOULD BE DROPPED STOP

TERTIO: UNFPA HAS NOW FORMALLY INFORMED BANK THAT IT BELIEVES GOVERNMENT WOULD WELCOME QUOTE THAT UNFPA TAKES OVER THE MANAGEMENT SURVEY UNQUOTE SO THAT IT CAN BE FINANCED FROM GRANT INSTEAD OF LOAN STOP WE HAVE NO OBJECTION TO UNFPA FINANCING PART OR ALL OF STUDY IF THAT IS GOVERNMENTS WISH ALTHOUGH WE DO NOT ACCEPT IN PRINCIPLE THAT MANAGEMENT STUDIES SHOULD BE GRANT FINANCED AS

.....page 1 of 2

George B. Baldwin  
Deputy Director  
Population and Nutrition Projects

GBBaldwin/gb  
cc: G. C. Zaidan

.....page 2 of 2

TO: NAHAZI  
BARNANEH  
TEHRAN

DATE: DECEMBER 26, 1972

COUNTRY: IRAN

UNFPA APPARENTLY BELIEVES STOP IF GOVERNMENT ELECTS TO USE UNFPA WE WOULD STRONGLY PREFER THAT BANK BE DESIGNATED EXECUTING AGENT FOR A JOINTLY SPONSORED STUDY STOP SEPTEMBER APPRAISAL MISSION CLEARED OUTLINE TERMS OF REFERENCE WITH SARDARI STOP BANK HAS NOW COMPLETED DRAFT TERMS OF REFERENCE FOR GOVERNMENT APPROVAL AND HAS ALSO VISITED TWO UK AND TWO US FIRMS ALL OF WHICH EXPRESS INTEREST IN MAKING PROPOSAL TO GOVERNMENT STOP IT WAS BANK INTENTION THAT DRAFT TERMS OF REFERENCE AND NAMES OF POSSIBLE FIRMS WOULD BE TRANSMITTED TO GOVERNMENT IN EARLY JANUARY FOR CLEARANCE AT EARLIEST OPPORTUNITY TO ENABLE MANAGEMENT STUDY TO BE ORGANIZED AND STARTED BEFORE LOAN EFFECTIVENESS WITH RETROACTIVE FINANCING STOP UNFPA MOVE HAS NOW CONFUSED PICTURE AND BEFORE BANK TAKES FURTHER ACTION WOULD BE GRATEFUL FOR CLARIFICATION GOVERNMENT'S WISHES STOP MERRY CHRISTMAS

GEORGE B. BALDWIN

George B. Baldwin

Deputy Director

Population and Nutrition Projects GBBaldwin/gb

UNITED NATIONS  
DEVELOPMENT PROGRAMME

UNITED NATIONS  
FUND FOR POPULATION ACTIVITIES



PROGRAMME DES NATIONS UNIES  
POUR LE DEVELOPPEMENT

FONDS DES NATIONS UNIES  
POUR LES ACTIVITES EN MATIERE DE POPULATION

UNITED NATIONS  
NEW YORK

TELEPHONE: 754-1234

CABLE ADDRESS: UNDEVPRO \* NEW YORK

REFERENCE:

FPA/551/BAH/GEN

11 December 1972

Dear Dr. Kanagaratnam:

UNFPA has received a request from the Government of Bangladesh for possible assistance. It is the intention of the Fund to send a programme mission in order to assess the needs of the country in the field of population planning and to draft the major outline of an overall country programme. The mission is scheduled to begin in Dacca on 29 January 1973 and to terminate on 9 February.

To familiarize the mission with all the aspects of the situation in Bangladesh, we are preparing an intensive briefing for the mission members. Hence, we would be grateful if you could receive the members on 22 January for a briefing on the activities of your organization in that country so that UNFPA inputs would be closely coordinated with your current and future programmes. Although the mission will consist of five members, only three will visit your office as the other two are staff members of ESCAPE and WHO.

Any change in plans will be transmitted to you accordingly.

Yours sincerely,

  
Rafaele Sales  
Executive Director

Dr. K. Kanagaratnam, Director  
Population Projects Department  
International Bank for Reconstruction  
and Development  
1818 H Street, N.W.  
Washington, D.C. 20433

## OFFICE MEMORANDUM

TO: Dr. Kanagaratnam

DATE: October 30, 1972

FROM: M. N. Maraviglia *MNH*

SUBJECT: Attendance at UNFPA Interagency Consultative Committee Meeting,  
New York - Back-to-Office Report

1. In accordance with Terms of Reference of 3 October, 1972, I attended four sessions of the UNFPA, ICC and Program Consultative Committee meetings on October 4 and 5, 1972. Mr. Hoffman and Mr. Baldwin attended the PCC meeting on October 5 and 6, 1972.
2. At the October 4 session, Mr. Gille presented a review of major projects and programs by country. He informed the meeting that a mission was scheduled for Egypt within the next two weeks to review the second year of operations and to develop a one-year program for use of funds, as well as a long-term plan. (Details on all other projects is contained in the document, UNFPA/PCC/V/2, August 2, 1972).
3. Mr. Keppel then reviewed the process of recruiting coordinators. He indicated that 24 posts have been created of which 6 are in process of recruitment, 3 are in position and 2 en route to their assignments. In an effort to alleviate the recruitment delays for UNFPA personnel and project advisors, a post has been created recently in the UN Personnel Office for a personnel officer to work full-time in recruitment of population specialists. The question of slow disbursement was brought up by Mr. Salas asking the participants for suggestions as to how to accelerate implementation. In answer to this Dr. Zahra indicated his concern that too much emphasis was put on the dollar target with relative disregard for program quality and that considerable work is being done by the implementing agencies on UNFPA projects which is not reflected in progress reports. Dr. Zahra also mentioned that WHO has now a roster listing specialists that they can use for UNFPA and IBRD missions. There was consensus among agencies that the main cause of delays in projects were difficulties in recruiting advisors. Miss Ulla Olin from the Program Policy Division, UNDP, suggested that the Fund should tackle recruitment of consultants for projects by first setting priorities and then trying to solve problems case by case using either foreign advisors (traditional way), national professionals or in some cases, young P2's from Headquarters. Mr. Salas informed that a position had also been created at UNDP for a professional with wide connections in the population field to develop a roster of population specialists, but so far no suitable person had been found for such a position.

4. On the question of reporting, Mr. Keppel indicated that two types of reports would be used (a) financial reports and (b) project implementation reports. Forms and procedures for financial reports had been discussed in the previous day's session with the implementing agencies. A modified reporting form has been given now to agencies for a six-month trial. The agencies (ILO, UNESCO) were of the opinion that forms were too elaborate for small projects. An annual report is now being prepared by UNFPA and it will be sent to the agencies for comments in December. It is planned to be published in March.

5. Another matter of special interest to the Bank's work in population projects, was the information given by Mr. Salas that UNFPA is prepared to finance project preparation; however, it was not clear at the meeting whether the concept of preparation work for the benefit of countries, independent of subsequent sources of project financing, was being understood by the Fund staff. Subcontracting with universities or private firms for project preparation was mentioned as a desirable possibility.

6. At the PCC meeting Messrs. Salas and Keppel presented the UNFPA financial statement. As of August 31, 1972 cumulative allocations for 1972 amounted to \$42.4 million of which 26.1 (or 62%) remained undrawn. During 1969-71 there had been \$33 million allocations of which \$10.5 million (or 32%) remained undrawn. Mr. McDonald from the U.S. delegation expressed the concern of his Government for this, in his words, serious situation. He added that UNFPA was in a crisis and should try to find definite solutions to this problem. On this question he thought that the Fund should feel free to use any executing agency, inside or outside the UN system. Implementing agencies were asked for explanations to slow cash withdrawals, but no strong defense was presented. Dr. Zahra from WHO recognized that there had been some overprogramming on their part, but that the agency's capacity could not be disproportionately diverted to population and family planning, in detriment to other programs. Other implementing agencies were even more vague in their justifications for delays. The underlying cause of implementation delay - insufficient project preparation - was not adequately dealt with at the meeting although mention was made again by Mr. Salas of the decision to finance project preparation activities.

7. Inadequate or slow progress in training in population and family planning was another item discussed. Mr. McDonald said that there had been shameful lack of action among the UN system agencies on population training. Mr. Gille indicated that the Fund is financing many separate training activities. Mr. Carl Warhen (Sweden) expressed the view that the Fund is the qualified agency to lay the basis for a comprehensive training plan. To Mr. Salas' question of the types of personnel that should be trained, Mr. Ravenholt (U.S.) answered that



the selection of suitable, active and alert individuals was more important than the type of training they received. Mr. Salas indicated that until ECOSOC deals with this problem, the Fund cannot do much about the lack of definition in this field, due to legal problems. He mentioned that for the next PCC meeting, UNFPA will prepare a paper describing progress made on population training efforts. The next ICC meeting will be held on February 7-9, 1973 in New York.

MNMaraviglia/mm

Cleared with and cc: Mr. Zaidan

cc: Mr. Baum  
Mr. van der Tak  
Mr. Armstrong  
Mr. Lithgow  
Mr. Engelmann  
Mr. King  
Mr. Lee  
Mr. Lind  
Mr. Baldwin  
Mr. Hoffman ✓  
Mr. Kang  
Dept. File  
Div. File  
Central File

4889

~~PHS~~  
PNH  
UNFPA

October 18, 1972

Mr. Rafael Salas  
Executive Director  
United Nations Fund for  
Population Activities  
485 Lexington Avenue  
New York, N.Y. 10017

Dear Mr. Salas:

You will recall that I talked with you briefly just after the final session of the PCC meeting on October 6 concerning the use of UNFPA funds for project preparation activities in developing countries. I raised the question whether the UNFPA is now prepared to finance project preparation activities by the governments of developing countries or whether UNFPA support of this activity will be restricted to the preparation of projects which are intended for UNFPA financing only.

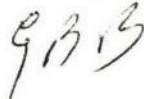
My question to you has a history. We have more than once encountered situations where we felt a potential borrower from the Bank needed outside assistance in project preparation activities before he would have a project sufficiently ready to qualify for a Bank appraisal. We found this, for example, in both Egypt and the Philippines. (In the former case, we wanted to supply about 5 or 6 man-months of consulting assistance; in the Philippines, we would have liked to arrange assistance from a firm specialized in architectural planning in the health sector.) When Mr. Gille and Dr. Sadik visited the Bank on May 5, 1972, for one of the regularly-scheduled reviews of our respective work programs, we asked whether the UNFPA had any funds for this purpose. We were told at that time that the only funds available for project preparation were for projects expected to be put forward for UNFPA financing; it was suggested that funds needed to prepare projects expected to be financed by the Bank might come from the UNDP's funds. We therefore wrote the attached letter to Mr. Myer Cohen, on May 30, 1972. The reply, of 23 August, also attached, does not give us much grounds for encouragement -- in effect we were told that the UNDP's funds are so committed to the poorest 25 countries, and to program activities that have already been agreed on, that governments cannot expect much help from UNDP in the population field. At the IACC/PCC meetings, there was an indication that UNFPA might fill the need which UNDP seems unlikely to meet. I refer specifically to the two-line paragraph on p.2 of the document UNFPA/IACC/VII/8 (5 October 1972); that simple statement could be interpreted as a modification of the policy stated by Mr. Gille and Dr. Sadik when they were here last spring.

October 18, 1972

I hope you will have an opportunity to consider this matter before your visit to Washington in early November. We would very much like to get this matter cleared up soon so that we will be able to tell people in the countries where we find ourselves at work whether or not they can secure modest assistance for project preparation regardless of the potential source of external financing. I know from talking informally with Mr. Claxton that he feels UNFPA is an appropriate source of funds for such purposes. There would, of course, need to be some simple "ground rules" for regulating use of such funds; we feel their amount would be very small. If you have doubts about ruling on this matter in the absence of advice from donors, perhaps this would make an appropriate item for discussion at the next PCC meeting in March.

Dr. Kanagaratnam and I will look forward to discussing this matter further with you when you visit us next month. Incidentally, we had news yesterday that the car in which Dr. Kanagaratnam and Dr. Soewardjono were traveling together in Bali was completely wrecked when it was hit by a truck but that none of the passengers in the car was apparently seriously hurt. It appears to have been a very narrow escape. K.K. will be back here on October 25.

Sincerely,



George B. Baldwin  
Deputy Director

Population and Nutrition Projects Department

Attachments

cc: Mr. M.L. Hoffman ✓  
IBRD

Mr. Zaidan

UNFPA/POP.

GBBaldwin/jim

C  
O  
P  
Y

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

1818 H Street, N.W., Washington, D. C. 20433, U.S.A.

Area Code 202 • Telephone - EXecutive 3-6360 • Cable Address - INTBAFRAD

May 30, 1972

Mr. Myer Cohen  
Acting Deputy Administrator  
United Nations Development Program  
United Nations, New York 10017

Dear Myer:

Our Population Projects Department is beginning to develop a need for some pre-investment financing. At the moment we have two specific countries in which assistance could be immediately helpful, i.e., the Philippines and Egypt. Ten days ago when Halvor Gille was here we raised with him the possibility of securing this kind of assistance from the UNFPA; he was quite clear that UNFPA funds could not appropriately be used for this purpose, at least not for projects that would not expect to come to UNFPA for investment financing. Mr. Gille advised us to turn to the UNDP, which explains this letter. In view of our arrangements on pre-investment financing in other sectors, nothing would please us more than to learn that an extension of this relationship into the field of population would be possible.

We would not expect that the number of pre-investment studies in population would ever become great nor that the amounts required for individual studies would be large. We doubt, for example, that we would be submitting more than two or three project requests a year, at most. The size of the Philippines request is probably representative, although some might be larger and some would be much less. We will not know the answers to these questions until we gain more experience. All we know at present is that we need to accelerate our project preparation work as a service to our potential borrowers and to minimize the burden of our own supervision on projects which are not sufficiently prepared at the time of loan or credit signing.

I look forward to hearing from you soon on the general question raised and, if the response is favorable, on the outlook for the two specific countries mentioned. If a telephone call would make a preliminary answer easier, please give me a ring.

With kindest regards,

Sincerely yours,

Michael L. Hoffman  
Associate Director  
Development Services Department

Attachments

Arab Republic of Egypt

An IDA-assisted project is in a fairly advanced stage of preparation. The project will consist of a number of "hardware" elements (the expansion of 3-4 maternity hospitals, the construction of 25-40 Maternal and Child Health Centers, transport vehicles, the construction of 3-4 family planning training centers) and a number of "software" elements (the conduct of evaluation studies, the preparation of additional training materials, the preparation of curriculum materials in the field of population education, the design of hospital-based postpartum activities, the design of experimental new field structures, and additional elements).

It appears probable that several staff members at the Carolina Population Center, University of North Carolina, Chapel Hill, N.C., will assist with the preparation of certain project elements. These are listed below, together with notional indications of the number of man-weeks each task is expected to take (field work plus writing up after return to Chapel Hill). Discussions with Dr. Moye Freymann, Director of the Carolina Population Center, indicate that when members of the CPC undertake group work of this kind, it is customary to work out an informal contract between CPC and the funding agency; such an agreement would provide for coverage of out of pocket costs plus a modest overhead allowance.

Project preparation activities for which UNDP funds are being requested:

- a. Determination of the number and specific locations of additional maternity beds required, and the outlining of postpartum programs essential to integrating these maternity beds into the family planning program.

Two persons in Egypt for 3 weeks, plus one person writing a report for 2 weeks after return. Total: 8 man-weeks.

- b. Outlining of a 2-year work program of family planning evaluation studies.

One individual in Egypt 3 weeks, plus 2 man-weeks in Chapel Hill. Total: 5 man-weeks.

- c. Outlining of a program for preparing population education materials for secondary schools and universities and for use in the basic education of doctors and paramedical personnel.

Two persons, in Egypt, for 4 weeks. Total: 8 man-weeks.

- d. Design of a new program for the distribution of conventional contraceptive supplies (mainly condoms) through existing retail distribution channels. To be done by a private firm, Population Services, Inc., of Chapel Hill, N.C. (no relationship to the Carolina Population Center).

Two men in Egypt for 3 weeks, plus 2 weeks work after return.  
Total: 8 man-weeks.

GRAND TOTAL: 29 man-weeks of work.

The Philippines

The Bank has just concluded a sector review of the Philippine population program. We need additional information before a possible project can be fully identified; however, the Philippine Government has informed us that it would have difficulty putting together the kind of data needed without assistance. The information required concerns primarily the following:

- (i) Number, type, and locations of rural health units and nurses and midwifery schools needed to support an expanded family planning program.
- (ii) Review of functions of the various types of rural health units.
- (iii) On the basis of (ii), determine the number and location of additional new rural health units.
- (iv) Criteria for identifying rural health units with (a) housing facilities and (b) delivery beds.

We believe the necessary data and analysis could be pulled together with about six weeks of field work by three experienced health planners, followed by one week for data compilation and analysis. Thus the total requirement would be approximately:

Three men in field for a maximum of 6 weeks

Report preparation: 3 additional man-weeks

Total: 21 man-weeks.

UNFPA

UNITED NATIONS  
DEVELOPMENT PROGRAMME



PROGRAMME DES NATIONS UNIES  
POUR LE DEVELOPPEMENT

UNITED NATIONS  
NEW YORK

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REFERENCE: DP 130(3) IBRD

23 August 1972

*Mr. Michael Hoffman  
L. Domingo*

Dear Mr. Hoffman,

Mr. Cohen has asked me to come back to your letter of 30 May concerning pre-investment needs of your Population Projects Department.

As we see the situation at present, UNFPA finds it difficult to consider additional projects this year as its available funds are almost fully committed. I think Mr. Gille had this in mind when he talked to you. Moreover, its position may be further affected by the proposals of the Secretary-General to the next General Assembly concerning UNFPA's administrative machinery.

On the other hand, the position of UNDP is fortunately clearer. We are interested, as always, in co-operating with you in every field including population, provided of course that the Government concerned requests our help and that comparable financial assistance (in this case from UNFPA) is not available. In fact, we see in many cases the need for including population considerations in country programming and the likelihood of providing increasing assistance to Governments in this connection.

As regards Egypt and the Philippines, these countries do not seem to offer ready opportunities for assisting your Population Projects Department at this time. Egypt's IPF is over-programmed; moreover, UNFPA has committed \$2 million there which may perhaps accommodate your project as well. In the case of the Philippines, regular requests exceed projects included in the country programme. Furthermore, we have received additional requests for

Mr. Michael Hoffman  
Associate Director  
Development Services Department  
International Bank for Reconstruction  
and Development  
1818 H Street, N.W.  
Washington, D.C. 20433

cc: Dr. Kanagaratnam ✓  
DSD

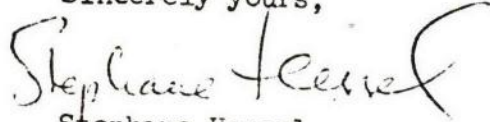
/...

AUG 29 1972

resources from the Programme Reserve to meet the rehabilitation and reconstruction requirements resulting from the recent floods. Your two small projects could, of course, be discussed with the respective Governments, but the prospects for changing their current priorities would seem uncertain. Under the circumstances, you may perhaps conclude that it would be preferable to wait for other projects the Population Projects Department may develop which would be more promising candidates for UNDP assistance.

With best regards,

Sincerely yours,



Stéphane Hessel

Assistant Administrator

Bureau for Programme Policy and Co-ordination



TO: Mr. Ernst Michanek

FROM: Bo Goeransson SIDA

Jim Marshall AD

Barbara Mercer Ca.

22 September 1972  
New York

## UNFPA FINANCIAL PROCEDURES AND PERFORMANCE

### 1. Summary of Present Procedures

#### 1.1 Fund Raising and Pledging Procedures

Requests to potential donors for pledges for the current year are made annually, on an individual country basis, by high level officials from the Fund secretariat. Amounts requested are based on the level of work projected over the next 4 years. Virtually all the Fund's resources come from governmental donors.

Pledges in 1971 amounted to \$28.6 million, as compared with \$20.4 million for the entire 1967-70 period. At August 31, 1972 pledges were \$15.3 million, but the target being aimed at for the year is \$44 million.

The great majority of donors make one-year pledges i.e. current year only. A few make multi-year pledges. Pledges may be restricted for the use of particular organizations<sup>1/</sup>, but the practice is not common (\$650,000 was so restricted in 1971, and to date \$1,223,000 in 1972). They may also be made in non-convertible currencies, and this is done by a number of small developing country donors (19 in 1971, with total pledges of \$1.1 million). The U.S. one-year pledge is a "conditional" one in two series; they will match, up to a stated limit, all pledges from other donors on a 48:52 basis<sup>2/</sup> but payments against these pledges are conditional on contributions being received by the end of the calendar year following the pledging year and not being restricted to specified countries or programmes.

---

<sup>1/</sup> The term "earmarking" is not used here for this practice, as this term is applied in a specialized sense in the UNFPA context (see below).

<sup>2/</sup> Prior to 1972 the matching was on a 50:50 basis.

The 1971 pledges came from 46 countries. No Eastern European or South American countries contributed.

1.2 Payments Procedures

Payments by most countries are made in the year for which they are pledged. On the whole, payments appear to be made very late in the calendar year; only \$45 million had been paid in by August 31 on 1972 pledges.

Payments by all countries except the U.S. are in cash (but, as indicated, some contributions may be in unconvertable currencies). The U.S. pays by means of irrevocable letters of credit, which are issued at the request of the UNFPA. These requests are based on (a) the receipt of matchable contributions from other donors and (b) the necessity to ensure reasonable funds in hand for the UNFPA.

This procedure may give the U.S. a financial advantage to the extent that reserves on hand include some U.S. letters of credit vis-a-vis some unspent contributions from other donors, and the UNFPA earns interest on the latter<sup>3/</sup>.

---

<sup>3/</sup> Any financial advantage for the U.S. however should be considered in the context of the following factors:

- a) U.S. Congressional regulations, which make this type of payment mandatory;
- b) The relative magnitude of the U.S. contribution (\$14.3 million in 1971, as compared with the second largest contribution of \$3 million);
- c) The fact that at least some other countries also take advantage of the fact that, because the UNFPA operates on a full funding basis, cash outlays run behind actual pledges, and make late payments (\$3.5 million of 1971 pledges were still outstanding at August 31, 1972).

### 1.3 Commitment Procedures

Project requests are made through UNDP Resident Representatives and put through an appraisal procedure which includes the Secretariat, the Res. Rep., the Executing Agency concerned, and the Advisory Board. When finally approved, an agreement is signed with the country concerned and an allocation is made to the Executing Agency concerned.

Allocations normally cover anticipated expenditures for the project for a 12 month period. In some cases, however, the Fund will  earmark (unconditionally) funds to cover necessary contractual obligations of the Agencies up to two years.

In some cases, country agreements are negotiated, which cover the total amounts and specific components of a long-term (up to 5 years) support programme. Plans of operation for the various components subsequently go through the appraisal procedure. Such agreements involve a political commitment by the Fund to support the programme during the period agreed, but "firm commitments" are restricted to one, or occasionally two years. These firm commitments for the second year are considered unconditional earmarkings.

The agencies to which allocations have been made request funds from the U.N. Controller when the project/programme has begun to operate and funds are needed. Then a remittance is made by the Controller. The amount thus remitted is supposed to cover their estimated needs for the next two and a half months.

On the next page is given a table showing some financial statistics as per end of 1971, per August 31, 1972 and projections for the whole of 1972.

(1)	
Opening Balance January 1, 1972 - Unpaid pledges .....	19.3
Cash, invsts, l.ofc., accd int, accts rec. ....	16.6
	<u>35.9</u>
less undrawn allocations -	10.5
other obligations -	<u>0.7</u>
	<u>11.2</u> <u>24.7</u>

	<u>Cum.</u> <u>1967/71</u>	<u>1 Jan-31 Aug.</u> <u>1972</u>	<u>Cum.to</u> <u>Aug-31</u>	<u>Expected</u> <u>total 1972</u>	<u>Cum. to</u> <u>end 1972</u>
1. Pledges	49.0 <sup>(3)</sup>	15.3 <sup>(3)</sup>	64.3	38.0 <sup>(Sect est)</sup>	87.0 <sup>(Sect est)</sup>
2. Payments on Pledges	33.5 <sup>(3)</sup>	4.5 <sup>(3)</sup>	38.0		
3. Unpaid Pledges (1-2)	15.5*	10.8	26.3		
4. Allocations and grants	23.0 <sup>(2)</sup>	22.3	45.3 <sup>(5)</sup>	44.6 <sup>(4)</sup>	67.6
5. Unallocated Pledges (1-4)	26.0	-7.0	19.0	-6.6	19.4
6. Remittances incl. grants	12.5 <sup>(2)</sup>	6.7	19.2	10.5 (projection)	23.0 (projection)
7. Undrawn Allocations (4-6)	10.5	15.6	26.1	34.1	44.6

Please note that UNFPA admin. budget (1972 = 1.8 million) has not been included above.

\* Does not equal amount shown in opening balance because of adjustments for payments made between January 1 and August 31.

1. Published accounts for the year ended 31 December 1971.
2. UNFPA: Status of allocations issued to and cash drawings by agencies as at 31 December 1971.
3. UNFPA: Status of Government Pledges and Payments as at 31 August 1972.
4. Status of UNFPA - Allocable resources and future requirements.
5. UNFPA: Status of allocations issued to and cash drawings to agencies (as at 31 August 1972).

The financial statistics shown in the table indicate two developments in the present year which may cause some difficulty or concern:

1. The first is the projected build-up in undrawn allocations as a result of the relatively slow increase in remittances to the agencies during the first 8 months of 1972 combined with the rapid increase in allocations to them expected during the year. Some increase in undrawn allocations would appear to be inevitable during a period of rapidly increasing allocations, with the magnitude of this unavoidable increase depending on the average lag of remittances behind allocations. An attempt is made in Section 3 to estimate the extent to which the build-up in undrawn allocations at the end of July, 1972 appears to be "reasonable", and how long it can be expected to continue to increase at the present rate. On the surface, this rapidly rising figure of undrawn allocations gives rise to two questions:

- a) if it appears unreasonable, whether the capacity of the agencies to handle FPA projects has been seriously overestimated;
- b) if it is not unreasonable, whether some adjustment should be made in the treatment of undrawn allocations i.e. whether some portion of these funds should not be considered available for further allocations.

2. The second concern relates to the connection between funds considered "free" for allocating at the end of 1972 (i.e. the unallocated pledges of \$17.4\* million) and the magnitude of funds which have already been unconditionally earmarked for 1973-75. Since the latter figure is also \$17 million, and since the U.N. financial regulations under which the FPA operates do not permit allocations except from existing resources, it would appear that no allocations will be possible in 1973 until additional pledges are received. The FPA would like, however, to make allocations of about \$25 million during the first quarter of the year for regional and interregional projects.

*(un) allocated?*

\* 19.4 - UN FPA admin budget of \$2 m.

1.4 The Magnitude of the Allocations/Remittance Gap

If a time-lag exists between allocations for projects and actual expenditures on these projects, the gap between allocations and remittances (which are in effect notifications that expenditure will take place over the next two months) will necessarily increase if, and as long as allocations are increasing, provided that (a) the average time-lag remains constant and (b) the average length of project remains constant.

An attempt has been made to estimate the extent to which the increasing A/R gap in the UNFPA system is due to this mathematical necessity.

Because the Agencies can not begin to make any provision for a project until an allocation is made, all preparations for expenditure must await allocations, including the most time-consuming preparation of all i.e. recruitment of experts. This apparently means that the minimum average time-lag before a project can get underway is 6 months, and 9 months is possibly a more reasonable average.

A factor which was difficult to take into consideration with precision is that not all projects are new i.e. all projects would not require a recruitment time-lag, because some allocations simply permit extensions of on-going project. Because of this factor, however, it seemed reasonable to assume the shorter average lag mentioned above i.e. 6 months.

Apart from this, the only other assumptions made were that all disbursements on projects are made within 12 months after the allocations (since allocations are supposed to cover only 1 year's expenditure). Because remittances cover expected spending over the next 2-1/2 months, this means that remittances were assumed to be made during the 7th to 11th months.

Using these assumptions on the monthly allocation data available, it would appear that remittances during the first 8 months of 1972 should have been running at an average rate of \$1.4 million per month, when in fact they were averaging less than 0.5 million. This implies that allocations have really been outrunning considerably the Agencies'

performance capacity, unless other factors can be distinguished which explain the necessity for (or reasons behind) lags greatly in excess of a 6 month average.

Another way of saying this is that, if the existing gap on Jan 1 1972 is considered reasonable, one would have expected an A/R gap of about \$18 - 19 million at the end of August. Instead, the gap has widened to \$26.1.

Finally, it might be noted that, if the "mathematically induced" gap only is considered, it could be expected that remittances in the last three months of 1972 would pick up significantly i.e. by about \$1.4 million above the current average.



## 2. Suggestions

### 2.1 Introduction

As shown in chapter 1 we find the following problems to be of importance:

- (a) the short length of time for which the Fund can commit itself in the form of allocations;
  - (b) uncertainty of amount of annual pledges;
  - (c) different modes of payment from donors;
- 

These factors have lead to a situation with increasingly larger amounts in reserve as undrawn allocations. These undrawn allocations will continue to increase, under the following conditions :

- increasing assistance through UNFPA
- increasing amount of assistance given for projects and programmes with longer duration

In this chapter we will put forward some suggestions within the field of financial regulations and planning which may in part be a remedy for the above mentioned problems.

Our most basic suggestion is that UNFPA leave the system of full funding. It should be replaced by a system of annualized pledging and funding. The main difference between the full funding system and the system outlined below is that in the proposed system one year's pledges would match that year's activities (projects/programmes) and vice versa and that future demands would have to be met by future pledges. The rule of matching present programme with present pledges should, however, be combined with rules on planning for future years and commitments for future years.

2.2 Pledging

2.2-1 Multi-year Pledging

A part of the Fund's problem would be solved by some contributing countries pledge for more than one year. If this were done for half of the total pledges, a solid platform could be built for intermediate range planning. This has not been possible to achieve for UNDP. Nevertheless, we suggest that the Fund should try to encourage more donors to pledge for more than one year.

2.2-2 Pledging Session

One prerequisite for better financial planning is that the Fund obtain a better picture of the funds that will be given to them in the coming year. This picture will always be hazy if the pledging is done at different times by different contributors throughout the present programme year. An annual pledging session should be held where all donors make their pledges at one and the same time. This session preferably should be coordinated with the UNDP pledging conference.

2.3 Planning

Notwithstanding pledging being made on an annual, coordinated basis, the need for planning on a longer range than one year remains. We suggest, therefore that the Fund be given the right to plan for each of two subsequent years beyond the year for which the present pledges are made for the amount being approved for in the UNFPA's proposed Work Plan. These planning figures should be reviewed annually.

The Fund having the right to plan for these amounts for years two and three means that they should be able to commit themselves to specific recipients, subject to the condition that adequate funds will be entrusted to UNFPA.

This technique should ensure the need for a more firm and financial base for intermediate term planning.

## 2.4 Commitments

The Fund, like all other aid agencies, has a need for being able to commit itself in the form of firm financial obligations for a longer period than one year. The amount that would in this way be committed, however, should be limited. We therefore suggest that the Fund can commit itself in this more rigid way to an amount not higher than 100% of the current year's pledges. The difference between this "firm commitment" and the "planning commitment" above (2.3) is that the firm commitments are legally binding to the Fund and not subject to any conditions. Furthermore, we suggest that the UNFPA should not have the right to commit itself in any particular case for a period exceeding five years.

## 2.5 Operations

We have just stated above that through the suggested system the present year's pledges are supposed to match that year's projects and programmes. The method of payment becomes of less interest in that case since, for example, letters of credit will be cashed after a short period of time. What is important though, is the time pattern for the contributions. An analysis of the payment pattern for the UNFPA shows that only a very small portion of the present years' estimated pledges were paid before March. A comparison with the UNDP payment pattern shows that the contributors pay somewhat earlier during the year.

Thus, there are many reasons for building up an operational reserve:

- (a) for remittances to be made during the first quarter of the year;
- (b) general reserve for fluctuations during the year;
- (c) a need to have reserves built up if, for some reason, donors are not willing to pledge according to plans.

(In this case the reserve serves the purpose of substituting these contributions in the short run. In the long run the level of the assistance has to be adjusted accordingly.)

- (d) resources to cover, at least part of, the future commitments that we suggested the Fund will have the right to make (100% of present year's pledges).

From the figures above in Chapter 1 some conclusions can be made regarding the volume of this reserve. We suggest that the reserve at the end of a year should not be less than 40% of the same year's pledges. At the end of this year the Fund will have between 35 to 50 million U.S. dollars in reserves (undrawn allocations and unallocated).

We suggest that a plan is made as to decrease this reserve in two years time till the desirable level. According to the Fund's Work Plan this level (=40% of each year's programme) is roughly 20 million for 1972, 25 for 1973 and 30 for 1974.

2.6 Principles of Payment to UNFPA

At present there are different modes of payment for the Fund. With the suggested system where the current years pledges are used for current years programme the pledges will be cashed within a fairly short period. In that case the financial difference between contributors who pay in cash or with demand notes decrease. Therefore, we do not suggest any general changes of the present system. If the allocations and remittances are lagging behind pledges, and the risk for this should diminish with the annualized budgeting, unallocated pledges will build up. In that case the use of demand notes might be useful for larger contributors. This would prevent the UNFPA from earning interest on contributions. Another way of solving this is that major contributors make their payments bi-annually, quarterly, etc. In relation to the lag between allocations and remittances an assessment of the Fund's capacity has to be made but we consider any detailed assessment being outside our terms of reference.

*1.2 transfer allocations to reserve  
or at least part of reserve  
is now allocated*

## 2.7 Organization

• Many alternative organizational structures are feasible.

These are :

- making the UNFPA a body parallel to UNDP;
- turning UNFPA into a specialized agency like WHO, IDA
- keep the present status, but change the relevant financial regulations,
- assign the UNFPA to the UNDP system.

We favour the latter since coordination with UNDP's development efforts will be beneficial to both UNDP and UNFPA.

At present the Fund has to follow U.N. financial regulations. The UNDP regulations provide for arrangement for Trust Funds assigned to it. These regulations give the UNDP and the body concerned (UNFPA) wide margins to decide how the UNFPA should be attached to the UNDP.

The Nature of Delay Between Allocation And Spending

Allocation to executing Agencies closely follows UNFPA's approval of project requests. Until advice is received by an executing Agency that a project has been approved and that it has been appointed executing agency it is unable to make any financial commitments or take binding steps of any sort implying financial commitments. In particular this means that firm orders for supplies and equipment cannot be made until an allocation advice has been received nor can firm offers of contracts be made to candidates for recruitments as project personnel. Particularly with regard to recruitment it is apparent that the potential candidate prior to receiving a firm offer of employment will not himself have taken irrevocable steps. It is our experience that recruitment requires six months at the very least. Furthermore even though they may involve other components, projects are heavily dependent on the time schedule of recruitment. For example amounts budgeted for experts alone are two-thirds of the average UN project budget.

In calculating the ratio between spending and monies committed in project approval the effect of any time lag between allocation and spending is magnified by the fact that the volume of UNFPA project approvals has been increasing.

Another factor tending to increase the proportion of unspent funds has been the fact that UNFPA has been intentionally increasing the share of its programming represented by country programmes. Since governments as well as executing agencies are involved, the time lag is increased. Some perspective investments have been thwarted by political problems. For example the census programmes of Sub-Sahara Africa.

~~(1) M.L.H. (2)~~  
② TF *[Signature]*

## OFFICE MEMORANDUM

TO: Mr. Robert S. McNamara *[Signature]*

DATE: July 26, 1972

FROM: K. Kanagaratnam

SUBJECT: Meeting with the Michanek Committee in Washington, July 10, 1972

*This unfortunately  
omits our  
interesting luncheon  
discussion*  
*[Signature]*

I attach the detailed notes of the meetings between Bank officers and Mr. Ernst Michanek and his Secretariat here two weeks ago. I would like to highlight the following points:

1. We believe that spending a good part of the morning session giving the group a background briefing on Bank operations in population, on the sequence of events of the Indonesia, India, Egypt, Iran and Kenya programs, and in responding to their questions with regard to the Bank's experience in these programs, was useful and gave them a full picture of the events. They had heard parts of the story, and George Brown said, after the presentation on Indonesia "All the pieces now fall in place."
2. We were left with the impression that the Committee, in particular Mr. Michanek, saw the Indonesian model of a cross-sectoral approach under a unified executing arrangement as ideal; he thought that we were likely to get better results at the country level with such an approach. He said we should try to develop on such lines and not give up because of past difficulties and present thinking that it was unacceptable politically to UNFPA.
3. From the general discussion and some of the comments, in particular by Mr. Michanek and George Brown, we had the strong feeling that they felt an association of UNFPA with the Bank was desirable and mutually reinforcing. They also seemed to believe that the UNFPA by themselves would not be able to develop the programming and supervision capability -- in particular, it came through that, although UNFPA had the money to create additional positions, there was a serious management problem in regard to their ability to deliver.
4. As far as Bank operations are concerned, they agreed that a formal cooperative arrangement between the Bank and UNFPA would be premature. The Committee was strongly impressed with the depth and quality of Bank sectoral work and favored using that as a basis for UNFPA programming in the population sector.
5. One final point - Reference is made on p. 7 to WHO and other agencies; this, I fear will continue to remain a sensitive area and may still cause problems in the future. We will watch this carefully.
6. Mr. Michanek and George Brown are now visiting India, Thailand and Indonesia to hear government and field views on UNFPA operations. When the Committee left here, they said that they expected to complete the draft report by the end of July and to transmit it to the Secretary-General by the end of August, who would then have to determine future action.

Attachment

K. Kanagaratnam:bli

cc: Messrs. Demuth, Chadenet

## OFFICE MEMORANDUM

TO: Files

DATE: July 25, 1972

FROM: Lina V. Domingo

SUBJECT: Visit to the Bank of Mr. Ernst Michanek and his Secretariat - July 10, 1972

1. Mr. Ernst Michanek and members of his Secretariat, visited the World Bank on July 10, 1972 to:

- i. find out more about the Bank's approach to project preparation and lending;
- ii. review the Bank's experience and views on its relations with the United Nations Fund for Population Activities (UNFPA); and
- iii. discuss the possibility of developing a formal collaboration between these two agencies.

Mr. Michanek heads a Committee established by the United Nations Secretary-General to review, in particular, the planning and programming procedures of the UNFPA, including collaboration with and utilization of the resources of the United Nations, its specialized agencies and interested non-governmental organizations.

2. Those present at the discussions were:

Mr. Ernst Michanek (Chairman, Swedish International Development Authority)

Members of his Secretariat:

Dr. George Brown (Director, Population and Health Sciences,  
International Development Research Center, Canada)  
Mr. Stanley Johnson (Liaison Officer for International Organizations,  
IPPF, London)  
Mrs. Wendy Marson (Staff Member, IDRC, Canada).

IBRD

Mr. B. Chadenet  
Dr. K. Kanagaratnam  
Messrs. G. Baldwin  
G. Zaidan  
V. Riley, Development Services Department  
B. Sandberg, East Asia & Pacific Department  
B. Alisbah, East Asia & Pacific Department.

3. After welcoming Mr. Michanek and his Secretariat, Dr. Kanagaratnam opened the meeting by outlining the Agenda for the day. He proposed that the meeting begin with a briefing on the Bank approach to population planning and the specific steps in programming. The meeting would therefore cover:



- (i) the main elements in the Bank's approach to financial assistance in the population sector;
- (ii) specific Bank/UNFPA relationships;
- (iii) the Bank's experience and views on institutional relationships among United Nations agencies in the field of population, leading to a discussion of the proposal made by a member of the Secretariat for more formal collaboration between the Bank and the UNFPA.

4. Thereafter, Mr. Baldwin described the Bank's program and approach to population projects--paying particular attention to project development form reconnaissance and sector missions to appraisal missions--and specially noting that through these missions and exchanges of technical information a sequential dialogue with the borrower is formed over a period of time. He outlined project components which the Bank finances, both the 'hardware' and 'software' components, as well as the Bank's viewpoint on institution-building, technical assistance, and the areas of emphasis in population programs. He further stressed the broad scope of the Bank's interest in population planning and the necessity for relating population efforts to a country's development program and for understanding the whole population sector before an individual project is identified and financed. He briefly discussed the two types of Bank collaboration with the UNFPA--parallel financing and joint financing.

5. Following the general description of the Bank's population approach and program, a country-by-country review of the background and experience of the Bank/UNFPA relationship and the Bank's specific activities in population followed:

## INDONESIA

### A. Background

6. Mr. Zaidan traced the beginning of the involvement of the Bank and the UNFPA in Indonesia. In response to a request from the Government of Indonesia (GOI), a joint UN-WHO-IBRD mission visited Indonesia in 1969 to help develop a comprehensive five-year family planning program. In 1970, the GOI approached, separately, the Bank, the UNFPA, and other agencies of the UN system, in particular WHO and UNESCO, for assistance in implementing the national program. Several missions from these agencies visited Indonesia with little or no coordination. To coordinate such efforts at the request of the Government, in January 1971 the Bank invited the UNFPA to develop a joint project. An initial understanding was reached in January and February 1971 and a more formal basic understanding geared toward collaboration was reached in July 1971. The project was then prepared and appraised, with the UNFPA participating in the Bank's appraisal mission. Parallel agreements between the GOI and the IBRD and the UNFPA, respectively, and a tripartite agreement between the GOI, the IBRD and the UNFPA were signed in March 1972. The agreements provided for the Bank to act as the sole executing agency with the Bank and the UNFPA financing, in equal amounts,

the cost of each item in the project description.

B. Experience

7. There had been strains and difficulties encountered in developing this joint project, most of which had been in due course resolved, but only after considerable delay in the project timetable. (The appraisal report was ready in August 1971; negotiations could only be held in February 1972.) Contrary to the Basic Understanding, UNFPA failed to obtain the United Nations agencies' prior agreement on their role in the preparation and implementation of the project and the nature of their relationship with the Bank. This created much discontent among these agencies. The United Nations agencies also were unhappy with the Bank's appointment as executing agency for the whole project, including the UNFPA grant--a role they normally assumed themselves in their special areas of interest. The Population Division of the United Nations challenged the legality of the UNFPA's agreement with the Bank; it expressed the United Nations Secretariat's view that the UNFPA is merely a trustee of the United Nations Secretary-General's Trust Fund and major policy determination on the use of funds and in programming should be made by the United Nations itself. In March 1972, however, after the Project Agreements were signed, the United Nations Population Division changed its position and indicated that it will execute parts of the joint project (in the fields of demography and evaluation) as soon as suitable administrative and disbursement details are worked out.
8. Dr. Kanagaratnam, at this point, noted that the politics of the U.N. system, coupled with the pressures which specialized agencies could bring to bear on the UNFPA, contributed to making the Bank's relationship with the UNFPA on this project a difficult one. He emphasized that the Bank would like to work out a relationship with the UNFPA whereby the country programs are not bound to get their expertise exclusively from the specialized agencies; the Bank feels that there is much talent in population outside the U.N. system and this should be utilized if it serves the country's interest best. He cited specific instances of disagreement between the Bank, the UNFPA and the agencies--particularly WHO--most of which, he emphasized, were based on the difference of objectives, e.g. fertility reduction versus health promotion. These differences were a philosophical rather than technical nature.
9. Mr. Michanek made the following observations at this point:
- (i) The Bank seems to be taking an interventionist attitude while the other agencies are not.
  - (ii) While he agreed that the Bank, as the coordinating agency in this project, should intervene because of its accountability of financing, he asked whether, because of the joint financing, the UNFPA should not likewise play the same role.

(iii) He felt it would be best, however, if the Government should play the coordinating role rather than the Bank or the UNFPA.

10. Mr. Chadenet agreed with Mr. Michanek that the Bank intervenes through its "continuous dialogue" with the governments from the preparation and sector study period to the negotiation period. It is necessary for the Bank to require from borrowers certain conditions and to obtain assurances from them that such conditions will be met to ensure the effectiveness of the project the Bank finances. Mr. Johnson agreed and further added that he could not see the Bank abdicating its role in supervising and evaluating the projects it finances.

11. To Mr. Michanek's comment that UNFPA should also play the coordinating role, Dr. Kanagaratnam replied that, while the Bank has, in the Indonesia case, individual responsibility for project implementation and supervision, the Basic Understanding provides that the UNFPA would be invited to participate in supervision missions organized by the Bank and that the UNFPA also has the right to make an independent evaluation on the use of grant funds. He added that for each connected set of projects and project components, it is necessary, for the sake of efficiency and effectiveness, that one organization be in charge. He further added that the Bank had taken on this role because the Government welcomed such a coordinating role and did not really want the responsibility.

## MALAYSIA

### A. Background

12. Mr. Zaidan briefly reviewed the chronology of events of the proposed Malaysian project--from the initial request from the Government to the Bank in April 1971, to a reconnaissance mission in June 1971, and an appraisal mission in March 1972. At the end of 1971 the UNFPA received a series of requests for financial assistance from the Government. In January 1972, the UNFPA and the Bank agreed to work closely in Malaysia on project development; in May 1972 agreement was reached to extend this to a parallel financing arrangement. Under this arrangement, the project will be developed in such a way that components financed by UNFPA or IBRD will be separate and clearly identified. The Bank loan and the UNFPA grant will be made directly by the two parties to the Government; management of the project will be the responsibility of the Project Implementation Unit to be established by the Government for that purpose. Details of the supervision procedures have not yet been worked out but a common reporting system of project implementation is anticipated. The project would be defined to include components financed by the UNFPA and the Bank.

13. The broad outline of the parallel financing arrangement has been discussed with the specialized agencies expected to be involved in the project and, in principle, they all agreed.

B. Comments on the Malaysian Experience

14. There is a feeling in the Malaysian Government, fostered by the Agency representatives, that the UNFPA has "unlimited funds" for disposal to Malaysia. Also, the technical ministries in Malaysia felt that the UNFPA is much more lenient than the Bank and less demanding in its implementation and supervision procedures. These feelings have caused the interest in Bank assistance to be limited almost solely to construction. Most of the other project components initially identified by the Bank as part of a comprehensive project, have gradually been transferred to UNFPA requests made subsequent to the identification of the Bank project. Agency efforts to broaden UNFPA funds for these activities led to an increase in the requests for UNFPA assistance from \$1-2 million in December 1971, to \$13.5 million in May 1972.

15. Mr. Sandberg summarized the general situation in Malaysia and affirmed that the overall relationship between Malaysia and the Bank is extremely good. Malaysia, which is a country with substantial financial resources of its own, has a good budgetary and foreign exchange position because of a conservative fiscal and monetary policy. The Treasury sought to maximize the grant from UNFPA, which is a natural objective; the problem arose because UNFPA made repeated statements to the effect that grant money was unlimited. In this case, the requests for assistance from the technical agencies were inflated and were not scrutinized by the Planning Unit of the Government.

16. Dr. Kanagaratnam also pointed out that in the process of project preparation by the different agencies, much local tension has been created among the various Ministers and civil servants--in the Ministries of Finance and Planning, as well as in the technical ministries--which is unhealthy and serious.

EGYPT

17. The Bank has completed a sector review for Egypt and has identified a tentative set of activities which might comprise a Bank-assisted project. An additional amount of project preparation work is still required. Should the necessary preparation work be completed in September, it is hoped that the Bank would send an appraisal mission in October.

A. Experience

18. After the initial Bank reconnaissance mission in April 1971, the UNFPA sent a mission and, in a matter of days, signed an \$8 million "umbrella agreement" for a period of five years. Some members of the Committee heard Dr. Bindary, Head of the Egyptian program, express his frustration, at the meeting in New York at the beginning of July, over getting details worked out even after twelve months. After the UNFPA agreement was signed, the impetus for securing an IDA credit for population was lost. In fact, for a while last summer, the Bank decided not to press ahead with the project. The Government, however, has shown renewed interest

in obtaining the Bank's financial assistance, but mainly to develop its health infrastructure and to integrate this assistance, as well as others, into the emerging UNFPA project to make a more meaningful and well-balanced project.

B. Comments on the Egyptian Experience

19. Egypt is an example of a country where the Bank is making an effort to help the Government use local resources and external consultants (from Carolina Population Center) to do some of the detailed preparation work. This work will need funds and two possible sources are being explored--the UNFPA and the Ford Foundation. The Bank does not have funds of its own for such preparatory work which is drawn from UNDP sources in other sectors. There is uncertainty about the possibility of such funding.

20. In more general terms, the UNFPA has turned down, at the IBRD/UNFPA Review Meeting, a Bank request for project preparation funds for countries; an application, on UNFPA's suggestion, has been made to UNDP for preinvestment funding as in other sectors. It is uncertain as to whether such funds will be forthcoming; to Bank staff, the decision of UNFPA to decline funding countries for project preparation is unfortunate.

IRAN

21. There are many external donors in the population field in Iran. However, the lack of adequate coordination among the donors and the lack of a "master plan" create a major problem. The Bank had originally taken the position that no population project would be advisable in Iran until the Government had completed the basic planning for its Fifth Plan, due to start in March 1973. In December 1971, however, the Government requested the Bank's immediate assistance for the construction of family planning/health centers within the overall context of the Five-Year Plan. The Bank had tentatively agreed to send an appraisal mission upon receipt of the Government's project proposal.

22. There has been much talk of some type of "joint programming" between the UNFPA and the Bank before the start of the Fifth Plan. However, at this moment it is still unclear what is needed to be done. There has been a healthy kind of cooperation between these two agencies in the field in Iran, particularly the UNFPA-financed Inventory Study of the Family Planning Activities in Iran according to a format prepared by the Bank. This format was needed before a Bank project could be developed because of the large number of donors. The Bank did not do a sector study because background information was available from a 1970 Health and Population Preinvestment Mission and, in addition, the Government was already preoccupied with the Caradon Mission Report.

KENYA

23. Dr. Kanagaratnam reviewed the results of the Bank's recent reconnaissance mission in Kenya. A copy of the Government's Five-Year National Family Planning Program--an encouraging first effort by the Kenyans to formulate a comprehensive national family planning program--had been made

available to the Bank's mission. The Plan requires considerable revision and documentation for it to serve as the basis for an integrated, cross-sectoral approach to family planning; however, the Plan has promise if it can be made to work. Dr. Kanagaratnam discussed the Plan with the Government and reported that if it is substantially revised and presented as an integrated project package, the Bank would then be prepared to consider possible financing of some components.

24. The Bank has provided UNFPA with a copy of the document. Beyond this, there has been no need to take further steps until the Bank and the UNFPA receive the Revised Plan. UNFPA has no plans for Kenya at the moment, although there is a Population Program Officer for the Region based in the UNDP office in Nairobi. The Bank Mission had the impression that his relationship with the Government was not effective.

#### WORLD HEALTH ORGANIZATION (WHO)

25. Dr. Kanagaratnam and Mr. Baldwin reviewed the Bank's experience with WHO, with regard to the three Bank missions in which WHO personnel participated--Egypt, Malaysia and the Philippines. Dr. Kanagaratnam reviewed the problems the Bank has had with WHO consultants. In Malaysia, the Bank had a particularly difficult situation because the WHO consultant did not limit his role to technical matters and to raising issues which might require discussion between the Bank and WHO on the project approach; instead he became actively involved in discussing the financing plan for the project and the Bank has good reason to believe that the WHO consultant actively sought to dissuade the Government from seeking Bank assistance for items other than construction. These activities presented the Malaysian Government with a picture of competing international agencies and encouraged them to "play off" one agency against another; in the process both the overall project package suffered and the Bank's position was undermined. In the case of the Philippines, three WHO consultants were assigned to the mission; two, however, were only available for the first day or two of the mission's work while the third, who was with the mission, had inadequate knowledge both of the population field and the country. In Egypt, the WHO staff member gave useful advice on the country, but did not participate in the whole mission. Such advice could have been obtained by calling on WHO instead of having the staff member participate directly in the Bank mission.

26. In the case of Indonesia where WHO had not participated, there were considerable problems but in the end the technical content of the health component was not changed because WHO officials had not questioned the technical soundness of the package; their technical comments on the report were marginal. On the other hand, they were more concerned with institutional relationship and their relationship vis-a-vis the Bank/UNFPA's relationship with the Government's Family Planning Board.

27. WHO has, more than any other U.N. agency including UNFPA, been particularly sensitive about the Bank's activities in the population field;

it regards itself as having an exclusive mandate in this field. Mr. Baldwin added that the Bank has a major problem in working out some kind of recognition of WHO's political institutional role in the U.N. system. Bank operations could suffer from any attempt to delegate the health service aspects responsibility in its missions to WHO.

28. Mr. Johnson and others agreed; he further added that their Committee was moving to get UNFPA to operate independently of agencies and said it would be unwise of the Bank, now, to enter into any formal agreements with WHO or any other agency at this transitional stage--thus pre-empting the other choices of using better technical skills elsewhere. He added that they were disturbed in their review to see that in the specialized agencies the attitude was "What can family planning do for me?" rather than "What can I do for family planning?"

#### Exploration of Formal Collaboration

29. Mr. Michanek asked whether the Bank has any preferred model of Bank/UNFPA collaboration that it wanted to pursue. Dr. Kanagaratnam replied that our experience was limited and country experience in specific cases would have to be developed. The Bank's involvement in population is relatively new and the UNFPA's operational patterns, philosophy and procedures were still being developed. Until this became clear, it would not be possible to develop a model for cooperation with the Bank. He, however, offered three theoretical possibilities:

- (i) Joint Financing where there is a commingling of funds of two or more external donors, in some agreed proportion, to finance a project. One executing agency will have individual responsibility for disbursement, project implementation and supervision. The Indonesia population project was cited as an example. (From the Bank's point of view this was ideal)
- (ii) Parallel Financing where the project is developed in such a way that components financed by the external donors will be separate and clearly identified. Disbursement will be handled independently and will be made directly to the Government. The proposed Malaysian project was cited as an example. (To be tested yet.)
- (iii) Separate Financing - a loose arrangement where both parties, having developed their own projects, agree to continue them, each aware of the other's project but without intent of external influence. (Least desirable, but the commonest!)

30. He added that the type of collaboration between the UNFPA and the Bank depends on the particular circumstances of each country concerned. Ideally, the Bank would prefer Model No. (i), (the Bank has done this with SIDA in the population project in India) but at the moment UNFPA, for political reasons (image and visibility) is reluctant to use it. Parallel financing must take cognizance of the Bank's desire to finance inputs having program effects--i.e., software, rather than hardware inputs exclusively.

31. Mr. Michanek agreed that while it would be best if these three models could be tried case by case, country by country, he felt that too many countries need population assistance for us to wait for that information as it would take years before any formal collaboration between the two main funding agencies could be crystallized. He therefore suggested it would be desirable to elaborate upon these models if possible, and determine the common and essential elements, and the type of cooperative arrangement which would be practical for groups of countries in different situations.

32. Stanley Johnson, at this point, said that the members of the U.N. Committee and the Secretariat, in the course of their discussions with several parties, stated the need for a closer and more formal cooperation between the UNFPA and the Bank since it seems clear that in the succeeding years these two institutions will occupy principal places and influence, to a large extent, external assistance for population activities. He cited four stages where some kind of cooperation is possible:

- (i) establishment of country priorities;
- (ii) actual participation in sector and project missions;
- (iii) mechanism of disbursement of funds; and
- (iv) project implementation by supervision and evaluation.

33. Mr. Johnson enumerated some benefits the UNFPA would enjoy from a formal collaboration with the Bank:

- (i) The Bank's continuing experience in appraising and analyzing the economic performance and prospects of countries, as embodied in economic reports and other documents, could be an important point of reference to the UNFPA in its attempt to establish priorities.
- (ii) The Bank's long-standing experience of assisting governments in the preparation of projects and in the business of project appraisal and supervision would be a key factor in any formal Bank/UNFPA collaboration. The Bank's methodology has been tested and found to be effective. Its work in this field, as in others, is of a high, progressive content and, at the same time, is operationally oriented. The UNFPA has not yet been able to build within its own headquarters a capacity for helping countries in the formulation of projects or for project appraisal and supervision; it is not likely that it can, given its present staffing and planned future additions, without the stimulus of a continuing association with an organization such as the Bank.
- (iii) If Bank/UNFPA partnership could be established for program and project planning, there is a real prospect that the UNFPA would be able to move away from other forms of planning and preparation especially of the ad hoc type undertaken by the U.N. agencies which, at the moment, seem to have somewhat undesirable results.
- (iv) It remains true that the Bank has a reputation for 'rigor' in project appraisal which does not apply to the U.N. There seems no a priori reason to assume that because the U.N. provides



grant money while the Bank provides loans, standards for project preparation and appraisal should be different. UNFPA should, by association with the Bank, develop this rigor.

34. Mr. Johnson also cited some benefits the Bank would enjoy from this cooperative arrangement:

- (i) The possibility that the UNFPA grant money could be commingled with Bank loan or credit money, leading to a "blend" would considerably extend the range of possible Bank operations in population.
- (ii) There would possibly be some political advantages to the Bank being associated in a joint Bank/UNFPA operation.
- (iii) It is possible that a UNFPA field representative, situated in the office of the UNDP Resident Representative, could serve Bank interests as well as UNFPA in the early stages of project development, data gathering, etc., and help both the Bank and the UNFPA in piecemeal project development.

35. He suggested that one way of achieving Bank/UNFPA cooperation, which would also economize staff resources for both institutions, would be a formal cooperative agreement between the Bank and UNFPA to finance a joint programming unit (a desk expertise) on a fifty-fifty basis. Dr. Kanagaratnam said this had been considered within the Bank but was premature until more experience was gained working together and until the operational practice of both was better understood. Moreover, a Washington-based unit is desirable for tapping Bank expertise and country knowledge but it might not be acceptable to UNFPA; a New York-based unit would lose advantages of Bank rigor and methodology and would probably not be acceptable to the Bank. Mr. Michanek intervened and added that he himself doubts that any political leadership in the U.N. could accept establishment of such a unit at this time, although with experience over time, further consideration might be possible.

36. Mr. Michanek suggested, instead, that the UNFPA should benefit from the Bank's professional work in sectoral analysis. He asked if some means of joint missions could not be found, so that such sector work could help both the government, the UNFPA, and the Bank to identify suitable projects. The Bank felt that this suggestion was valid, but because of its limited human resources, could only concentrate on countries within its lending program and could not do sector surveys in countries where project possibilities were unlikely. In a subsequent discussion the next day, a list of countries in the Bank's lending program was given to the Michanek Committee. They suggested a program of sector reviews which could be developed and instituted according to the timetable. Dr. Kanagaratnam emphasized two important elements in sector studies that should be borne in mind:

- (i) these studies would be Bank-type sector reviews and participation would be by team members making technical inputs. The Bank would have to be responsible for the production of the reports which, after internal review within the Bank, would become reports of the Bank and not of the mission.
- (ii) The findings of the studies should lead to integrated project inputs and the components that were identified should not be funded separately (this type of funding might create problems); instead they should be funded only in the context of the whole integrated package.

37. The Committee acknowledged awareness of the problems arising from joint missions where members are responsible to different parties and it accepted the need for technical leadership and discipline in mission work and report preparation. On funding, it also agreed

- (i) that piecemeal funding should be discouraged; and
- (ii) in countries where sector studies are done, some understanding of joint funding is essential before starting out.

The Committee pointed out that while sector reviews vary in countries with UNFPA-funded programs, the Bank's sector information would undoubtedly be helpful as a mid-term evaluation of UNFPA input. The Committee indicated that it felt this pattern of cooperation suggested by the Bank was promising and would explore the possibilities further.

#### SUMMARY

1. The Committee stated that it now had the benefit of seeing all the pieces fall in place in the Indonesia project. In Mr. Michanek's view, this type of joint project was a good one.
2. The Committee felt the use of Bank capability to undertake sector studies was a useful initial step toward cooperation and it would plan to explore this further.
3. The proposal for more formal cooperative arrangements was considered premature by the Committee; however, the Committee did express considerable interest in increasing cooperation and collaboration in major country operations between the Bank and the UNFPA.

ROUTING SLIP

Date

July 20, 1972

NAME

ROOM NO.

Messrs. McNamara

Chadenet

~~Deming~~

~~W.H. (O/r)~~

To Handle

Note and File

Appropriate Disposition

Note and Return

Approval

Prepare Reply

Comment

Per Our Conversation

Full Report

Recommendation

Information

Signature

Initial

Send On

REMARKS

Stanley Johnson's notes of the meeting in New York with Michanek etc., June 22-23, make some extremely interesting observations. Some of these are flagged for your information.



From K. Kanagaratnam

(14)

THE POPULATION COUNCIL

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Keep in PSD  
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Dr KK/Leia

MEMORANDUM

July 18, 1972

To : Halvor Gille  
Oscar Harkavy  
~~K.~~ Kanagaratnam  
John Maier  
Ray Ravenholt  
Benjamin Viel  
Carl Wahren

From: Bernard ~~W~~ <sup>BS</sup> Nelson

I have Stanley Johnson's permission to send each of you his version of our June 22-23 meeting, prepared when he returned to London.

When I first read this paper I chided Stanley by asking whether he and I had attended the same meeting -- but, in any case, I am sure you will find it of interest.

enclosure

copy: Mr. Stanley P. Johnson

Main points discussed at meeting held at  
Population Council, June 22-23, 1972

1. THIRD WORLD SYNDROME

It was felt by some, and perhaps by most, of the participants that population and family planning assistance were increasingly encountering a 'backlash' or 'Third World syndrome'.

To some extent this backlash affected all aid and external assistance activities. Whereas the earlier generation of leadership in ex-colonial countries had rested on its laurels once independence was achieved, today - under a new generation - nationalism had taken on a different form. Positions of power in the Third World were more and more coming to be held by men who had been educated in the universities of their own countries and who were conscious of their own professional and administrative abilities. They were more selective about the type of assistance they sought from abroad and more critical of the terms and motives with which it was offered.

Population and family planning assistance partook of the general liabilities affecting all external aid. In addition, it had certain special liabilities of its own. The experience of the Accra Population Conference and, more recently, of the 'counter-conference' in Stockholm at the time of the June 1972 U.N. Environment meeting, together with continuing reports from the field, were cited. In its most extreme form, criticism linked population and family planning with Vietnam, ecocide, genocide, racism, apartheid and sundry other manifestations of colonialist, neo-colonialist, imperialist aggression. Even though there were still Third World governments willing (as at the 'official' Stockholm conference) to speak in favour of population policies and family planning and even though favourable resolutions were still passed in the various international bodies, the Third World syndrome could not be ignored. It might become more not less important over the next years, especially as the proponents of more extreme views moved from the wings towards the centre of the Third World stage.

What was to be done about the population backlash or the Third World syndrome? The spectrum of possibilities ranged, on the one hand, to solutions which saw an end to all external assistance (and, especially, to population and family planning assistance) to solutions, on the other hand, which involved the use of all assistance monies (and especially population money) in support of Mao-type revolution. It could be argued that, while both extremes might be politically acceptable to Third World activists, the 'revolutionary' solution might have the added advantage of being demographically effective.

In between the two ends of the spectrum various other possibilities presented themselves for eliminating, or at least obviating the worst effects of, the Third World syndrome. Some of these possibilities were in their nature mutually exclusive of others. Some could be pursued jointly.

(i) Stressing the 'universality' of the population problem. It was no longer any good for 'us' to talk of population as being 'their' problem. It was no good being concerned with moles in other people's eyes if we were not prepared to be concerned with the beams in our own. A new emphasis on the population problems of the advanced industrialized countries might make the assistance offered to the developing world by those countries more politically acceptable. This could be seen as more than mere cosmetic, an exercise in sugaring the Pill. Recent reports, especially that of the President's

Commission on Population Growth and the American Future had done much to establish the dimension of population problems in rich countries. (An inventory of population policies was being compiled by the Population Council in respect of 19 developed countries).

(ii) Adjusting the 'mix' of population and family planning assistance. Historically, bilateral 'donors' - whether foundations or government agencies, had accounted for the bulk of population and family planning assistance. With the growth of the International Planned Parenthood Federation (IPPF) and, especially, the creation of the United Nations Fund for Population Activities (UNFPA) and of a Population Projects Department within the World Bank, a significant shift of focus towards multilateral assistance had taken place. To what extent were multilateral activities less susceptible to the Third World syndrome than bilateral activities?

There was some feeling that UNFPA was not in fact a genuinely multi-lateral affair. It was argued that developing countries were perfectly capable of seeing UNFPA for what it was: a new name attached to an old face. USAID might push its money through UNFPA but these were still dollars and the LDC's were not really in doubt as to their provenance. Until UNFPA acquired a constitutional structure that was representative of governments (and preferably all governments), the 'advantages of multilateralization' would remain suspect. As for the World Bank, there was some feeling that it was more genuinely multilateral today than it had been, say, four years ago. Though the weighted voting system remained, there were indications that the Bank was freer of 'Washington's influence' than it had been for a long time. Further progress towards acceptability by the Bank would, amongst other things, be influenced by possible Chinese membership of the Bank and International Monetary Fund (IMF).

(iii) 'Integrating' population assistance into the wider development framework. Integration could be taken in two senses. First, it meant that population assistance should be seen as only a part of the total aid package. It would not be acceptable to the Third World if population funds steadily increased at a time when most other aid funds were being cut back. Second, integration meant that a 'population component' should be built into on-going efforts for social and economic development. It was not clear that 'populationizing' education, health, employment, agriculture would in itself be immediately more acceptable than focussing on population in a specifically family-planning context. But the broader approach offered, in the long run, the chance of creating a broader basis of support within a particular country.

(iv) Doing health and family planning, but not population. The argument was made that, specially in Africa and parts of Latin America, it was acceptable to talk about health and to promote family planning in a health context but not to do so with demographic motives. Dropping 'demography' would cause difficulties for many multilateral and bilateral agencies active in the field. Though it could be argued that any policy which has the welfare of people at heart is in fact a population policy, the term was generally taken to refer to the business of understanding or influencing demographic variables. The motives of the World Bank, USAID and UNFPA, for example, in providing support for family planning had to do, ultimately, with the potential of family planning programmes to effect demographic change (with the benefits that were supposed to flow from this). To limit their objectives to purely health and welfare considerations would require (probably) new mandates and new directives. The alternative was to go on 'doing' population via family planning, etc., but not to talk about 'doing' population. The demographic consequences of family planning programmes would presumably still follow but they would not be adduced in formal support of assistance programmes. Whether this kind of subtlety would appeal to Congress and aid administrators; whether it would permit proper evaluation of programmes;

and whether doing population in disguise was any better or more acceptable than doing en clair seemed doubtful.

## 2. AWARENESS

The prevalence of the Third World syndrome was itself a reflection of the fact that the battle for the hearts and minds of 'key' leaders in the developing world (and of course in the developed countries as well) was far from won. This raised the historic dilemma of the United Nations system. Is the whole merely the sum of the parts? Or is it greater than the sum of the parts? To be specific, the question was: should UNFPA (and others) promote a particular point of view where population was concerned or should UNFPA merely respond to circumstances? If the former, what was the appropriate ideological standpoint for UNFPA to adopt?

The way out of the dilemma appeared to lie in providing (or helping governments acquire) more facts on their demographic situations together with 'objective' analyses of the implications of these facts for social and economic development and the environment. UNFPA, it was felt, was not yet equipped to do either of these jobs. The key relationship here would be the partnership between UNFPA and the World Bank. For the World Bank made a continuing appraisal of member countries economic prospects and performance; dealt with key planning and finance ministries and was in a position to draw the attention of governments to the effects of demographic trends. Ultimately, the United Nations Development Programme (UNDP) might build up a similar capacity. At the field level, the UNDP Resident Representative and the UNFPA Senior Field Adviser should participate in the process of policy formulation and 'awareness-creation'. The thought was expressed that the success of the Population Programme Officer (PPO) scheme - one of whose duties included 'awareness' - might have been greater if the institutional framework, viz. UNFPA, had been in being at the time the scheme was started with the PPO's being placed under the UNFPA umbrella.

The agencies had an important role to play at the 'policy' and 'awareness' level. Working through their own constituent ministries, they could help build up the cabinet - level consensus in support of broad-based population and family planning programmes. But the dominant axis for population policy assistance, it was argued, must be the UNFPA-World Bank partnership. It was at the level of central not sectoral ministries that the crucial dialogue would be conducted. Only the Bank and UNDP/UNFPA were genuinely multipurpose in their dealings with governments, aware of many sectoral interests but bound to none.

## 3. MECHANISMS OF ASSISTANCE

Discussion centred on the role of the mission versus that of the resident adviser. The continuum ranged from all missions on the one hand and no resident advisers to all resident advisers on the other hand, and no missions. The decision rested on a number of factors including (a) the availability of personnel for field or mission assignment; (b) the programming, planning and implementing capability of governments; and (c) the nature of the assistance required.

It was recognized that the role of the 'family planning adviser', serving as a staff member of some expatriate agency, yet looking over the shoulder of government, might be more limited in the future than it had been in the past. Governments themselves, especially in Asia, were becoming more sophisticated in determining their own programmes. There was also the tendency, noted earlier, to resist expatriate advice. One exception to this was the case where the Government hired on short-term assignment, some expert consultant whose loyalties were then not with the agency or firm which

released him but with the government which employed him. Another exception was the case where highly technical advice (such as that frequently provided by the Population Council) was involved and where the nationality of the expert in question was less important than his professional competence.

Still another exception could be made in the case of the 'polyvalent' resident population man (or woman). A 'polyvalent' population officer would typically deal with the whole spectrum of population and family planning concerns, without representing any single sectoral interest. He would, most probably, be a member of the World Bank or UNFPA - as the central non-sectoral agencies - and might formally or informally represent other multilateral and bilateral donors. It was possible that one or two key people at the moment working in certain countries (and already serving as de facto coordinators of international population assistance) might be released by their organizations to work for the World Bank or UNFPA in a suitably polyvalent way.

The concept of polyvalence was as crucial in considering missions as it was in considering the role of resident advisers. Criticism was voiced of the 'typical' U.N. mission which represented, in effect, little more than a clumsy aggregation of agency representatives, each touting for business for their respective organizations. This habit (of sending multiagency missions) (a) irritated the host country who had to deal with a dozen people instead of two; (b) led to the inclusion of unsuitable elements in the overall population package; (c) led to difficulties of administration and implementation both at the headquarters and at the field level.

What was required, on the contrary, was the clear recognition that the central planning and programming focus of population assistance must lie with the government itself and, more specifically (since governments themselves often far from co-ordinated) with the central ministries of planning or finance or commissions or boards on population located at some central point in the pyramid of government. It was argued that the appropriate overall balance of a population programme could only be achieved when special pleading of all kinds was eliminated. Thus if any mission was needed to assist governments in the preparation of a population programme, that mission must not contain representatives of sectoral interests. At the programme planning level, as at the policy level, the key axis would be the World Bank and the UNFPA, both of them engaged in a constructive yet rigorous dialogue with governments. A distinction had to be made between the World Bank kind of mission, which could be seen as simply one item in a continuous exchange between the Bank and governments, and the UN-type mission which - besides the undesirable multiagency characteristics noted above - suffered also from a lack of preparation and a lack of follow-through.

Once the overall dimensions of the population program or project had been established, and the necessary 'feasibility' studies undertaken, it would then be open to the government to seek both financial and technical assistance wherever it thought best. Financial support might be available from other sources as well as the Bank and UNFPA; technical support might come from a number of points including individuals, firms, non-UN and UN organizations. Once the locus of co-ordination was clearly established as resting with the government itself, interagency problems of coordination - historically so overwhelming - might suddenly seem less severe.

Brief consideration was also given to the possibility of a formal cooperative agreement between the Bank and the UNFPA (along the lines of the FAO/IBRD Cooperative Programme). Agreement could lead to the joint financing by the Bank and the UNFPA of a joint division charged with assisting governments prepare major population programmes or projects. Agreement could also include arrangements for joint IERD/UNFPA representation at the country level, where appropriate.



#### 4. TYP OF ASSISTANCE

The machinery of assistance was one thing; the type of assistance was another. Though governments, formulating their own plans would clearly be the principal factor in determining the nature of their population programmes, it remained true that the balance of the programme could be influenced by what the external agencies had to offer. Summary tables having been prepared of the allocations by sub-sector of the eight principle 'donors',<sup>1/</sup> the question arose: was this an appropriate statement of priorities for external assistance in the population field? (It had to be recognized that priorities for external assistance would not necessarily conform to the overall priorities of population programmes. Outside agencies might be specially qualified to provide certain kinds of 'input').

No clear feeling emerged in the meeting except in respect of the following points:

(i) China Though it was too early to tell exactly how, it was virtually certain that the experience of China with population and family planning programmes would be a major factor in determining both the nature of external assistance and the nature of future programmes.

(ii) Abortion remained a pre-eminent method of birth control. UNFPA was perhaps in a key position to make an 'informational thrust' on abortion, aimed at promoting wide-spread legalization of abortion. The potential impact for health and demography of suction-curetage techniques, especially when these techniques were developed and promoted by the private sector, was stressed.

(iii) Sterilization. Similar claims were made for outpatient laparoscopic sterilization techniques.

(iv) Do everything. Like computers, there were already several 'generations' of population and family planning programmes. The first had stressed the 'family-planning clinic' approach; the second had stressed the value of the 'audiovisual' approach; the third (and present) stressed the need to 'integrate' family planning with health. But none of these by themselves was enough. Governments had to do all the 'within' family planning measures simultaneously; then, on top of this, they had to add all the 'beyond' family planning measures - again simultaneously. These included the four e's - education, employment, ethics and environment, as well as the three p's - peace, poverty and pollution. Law, women and agriculture were to be added for good measure. Finally, besides all the things already thought of, governments had to throw in things that were not yet thought of, the distant gleams in people's eyes, the 'beyond the beyond' category.

#### 5. CONCLUSION

Even if governments 'did everything' and did it successfully, it would still be very difficult to disentangle cause from effect. Within the

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<sup>1/</sup> By the Population Council, UNFPA undertook to produce similar statistics in the future.

near future at least, it would be hard to claim with any certainty that birth rates were falling (if they were) because of population and family planning programmes. But this did not mean the effort was not worth making. At least the possibility of a causal relationship was there and that was enough to justify a continuation of international assistance in population and family planning - at least as long as there still appeared to be countries where that assistance was welcome. And, in any case, few would deny the addition to welfare resulting from better maternal and childhealth through family planning, regardless of demography.

27th June, 1972  
SJ/mdej

Files

July 11, 1972

K. Kanagaratnam

Notes of a Meeting between Mr. R. Salas and Mr. McNamara - July 3, 1972

1. Mr. McNamara met Mr. Rafael Salas, Executive-Director, UNFPA, at the latter's initiative for about one hour on July 3, 1972. Mr. Salas was accompanied by Dr. Nafis Sadik. Also present, from the Bank, were Mr. B. Chadenet, Mr. M.L. Hoffman and myself. The discussion centered on two main points:

- (i) relationships with UNFPA.
- (ii) World Population Year/Conference.

2. Mr. Salas opened by stating that Bank/UNFPA relationships were good and there is now considerable exchange of information on project planning at an early stage. The Five-Year Plan had been given to UNFPA and the first review in May covered on-going programs. The exact pattern of program operations still needs to be sorted out in detail; Malaysia has provided the first case since the review. I reviewed the current status of operations in Malaysia, Arab Republic of Egypt, Iran, Kenya and Philippines. Malaysia was close to agreement but has involved sorting out details of project components and working out the financing plan and arrangements for parallel financing. In Egypt and Iran UNFPA has "umbrella agreements" but our project development has been slowed down because the need for the Government's technical agencies to develop a total plan approach has been lessened by the agreements in effect with UNFPA. Mr. McNamara emphasized that if governments were not enthusiastic about our technical and financial assistance, we should review the situation and reallocate our scarce staff resources elsewhere. The problem for instance, I stated, in the case of Iran was that the Plan Organization was positive of needing Bank assistance but the Health Ministry which has program responsibility was less enthusiastic. In Kenya the Bank has had a reconnaissance mission but UNFPA was not yet developing a project nor has it received requests for funding from the agencies or Government. In the Philippines we had just completed a sectoral survey but UNFPA had already concluded an Agreement earlier this year. We have agreed with our Area Department, on the Government's initiative, to explore the situation in Bangladesh for a project.

3. In response to a question on reviews, Mr. McNamara observed that basically the parties that needed to tie in their efforts closely were UNFPA, US AID, Population Council and the Bank and asked whether it would be good for reviews to be jointly held with US AID and others. Mr. Salas did not appear keen and commented "People are under the impression we are too much influenced by the U.S. in our operations." Dr. Sadik added that the Fund was attempting to use non-United Nations Agency expertise in the Foundations to provide a second opinion on project proposals.

4. To a suggestion by Dr. Sadik that the Bank can help create greater awareness in Planning Ministries etc. Mr. McNamara said this is already laid down in current Bank operational guidelines; economic missions do have the task of reviewing the impact of population growth on development and on different sectors of the economy - e.g. employment, education, development financing etc. However, there are some very political considerations in some countries which force them to oppose population policies and programs. We can only expect to inform them and expect that over time they will change.

5. UNFPA was concerned about its need to process projects quickly with the long lead time taken by the Bank because of its requirement for detailed sectoral studies and in project preparation. Mr. McNamara confirmed that Bank projects do need a 24-month lead time but workable arrangements for countries can be evolved. Mr. Salas said UNFPA would not be doing "umbrella agreements" as was done with Pakistan, Egypt, Iran etc. Mr. Salas also mentioned the possibility of joint missions but did not pursue this in any detail. It was clear that in such matters details would need to be worked out.

#### World Population Year and World Population Conference

6. Salas mentioned that the UNFPA was assigned the task of organizing the Year and providing funding while the United Nations itself would be responsible for arrangements for the Conference. The concept of a strong and competent Secretary-General (cf. The Environmental Conference and Mr. Strong) was suggested by Mr. McNamara but Mr. Salas did not think this was politically viable in the U.N. System, especially in the field of population. Dr. Carmen Miro of CELADE Santiago was likely to be the principal U.N. Assistant Secretary-General for the World Population Conference, working directly under Mr. P. de Seynes. Mr. Salas said the possibility of appointing persons of stature to head the activities for the World Population Year for each of the three Regions (why three only?) was under consideration. Mr. Salas welcomed suggestions for this and also ideas for running the Year.

7. Mr. McNamara emphasized that the Year should build up to a climax with the Conference and that there should be some objective or goal worked out for the Year. He gave great emphasis to the fact that the World Population Year and Conference could only succeed with adequate preparatory work. If the pre-Conference preparation and needed staff work is done well and substantive agreement on major issues to be resolved at the Conference reached in advance of the meeting, then something positive can be expected. For instance, Mr. McNamara said he saw the Conference as the highlight of the year and felt it should aim to bring about:

- (i) a clear expression of the problem and how it is being dealt with;
- (ii) this should focus that what has been done so far is very little. In fact, very little is being done to deal with it effectively.

(iii) to chart a "road map" on how to deal with it effectively or help on how to deal with it.

Mr. Salas wanted assistance in the information area and Mr. McNamara agreed to have our Information Department have a person collaborate with Mr. Salas' group (especially with new ideas for the Year).

8. As a final suggestion, Mr. McNamara said that governments could be encouraged to set up national population commissions to review their population problems in broad scope, formulate and lay down strategies to deal with the problem.

Copies: Messrs. McNamara *w/orig.*  
Demuth/Hoffman ✓  
Chadenet/Baum

KCanagaratnam:bli

## OFFICE MEMORANDUM

115  
*[Handwritten signature]*

TO: Files

DATE: July 7, 1972

FROM: G.B. Baldwin

SUBJECT: Mr. Chadenet's Reaction to the Proposal in Stanley Johnson's Memorandum (Attachment No. 2 to the Agenda for the Michanek Committee Meeting, 10 July 1972)

1. Mr. Zaidan and I talked with Mr. Chadenet to get his reaction to the suggestion in para. 5 of the Johnson memo, which suggests the establishment of the joint Bank/UNFPA programming unit to prepare projects, and perhaps to appraise them, in major countries.
2. BC's major piece of advice was that couples should get engaged before they get married. He cautioned us to "go slow" and to try out a closer working relationship before we commit ourselves to anything very formal. The exchange of an informal "Letter of Intent" or a "Memorandum of Understanding" might be okay, but nothing more at this stage of development.
3. He would see no difficulty in conducting joint reconnaissance and even joint appraisal missions with UNFPA. The latter could lead to either a single appraisal report, if UNFPA agreed to accept the Bank's report, or to separate reports. In neither case would either institution have any veto power over the other's report. Joint appraisals could lead to either joint or parallel financing arrangements. When Mr. Zaidan raised the problem of who would be in charge of joint missions, BC said he would leave it vague and suggested "Co-chairmen."
4. In sum, BC thought it decidedly premature to try to work out anything as formal as Mr. Johnson's memo seems to imply, at least for the present.

cc: Mr. Demuth ✓  
Dr. Kanagaratnam  
Mr. Zaidan

GBBaldwin/jim

Points for Discussion with Mr. Hoffman: July 3, 1972

The purpose of today's meeting is to review the main points we should try to get across to the Michanek Committee when it visits the Bank on Monday, July 10. Some possible points to make are listed below (in some cases the points are stated as conclusions; others are listed only as "problems" since we are uncertain what position the Bank should take..)

1. Despite all the problems of Bank/UNFPA relationships, we should unreservedly welcome the Fund's existence. It offers two major advantages Bank/IDA financing cannot provide and which therefore involve no competition or "threat" -- (i) grant financing for a broad spectrum of population activities, and (ii) ability to operate in countries from which the Bank is presently excluded by virtue of our requirement that countries borrow from us for population and not simply for "health." Thus there is a large area of "natural complementarity" in our respective mandates.

2. The Bank should want member countries to make maximum use of grant financing, "other things being equal." But other things are not equal: independent UNFPA funding normally means (in the Bank's view) projects that have not been well-thought-out in advance and which will not be closely supervised. Poor programming and poor supervision are high prices to pay for attractive financing. This is the main reason the Bank wants to get some control over the software activities which are the bread-and-butter of UNFPA financing. We think we can make a much stronger contribution to institution-building than UNFPA -- and this function is important in population projects.

3. Nobody (either in the Bank or in UNFPA) has yet come up with a convincing model of the form Bank/UNFPA cooperation ought to take. We are still very much in an experimental phase. There is a lot of "ad-hocery" -- of working out different forms of cooperation in different countries. Generally speaking, the spirit of cooperation between the two organizations, and the personal relations among staff members, has held up remarkably well. But there seems general recognition that present working relations are unsatisfactory and that some formal resolution of outstanding issues is needed.

4. The problem of working out more satisfactory institutional relationships is partly technical (who finances what, who supervises what, when should there be joint missions and joint reports, etc.) and partly "political" (status relationships, formal mandates, personalities, evaluations of each other motives and competences). The Bank must recognize the latter elements and try to sort out the legitimate from the non-legitimate considerations...

5. An important underlying problem is UNFPA's formal mandate to lead and to coordinate international assistance in population and the weakness of its capacity to exercise these functions. The Bank has no such mandate but is more qualified to perform these functions. Is the solution for us to be as self-effacing as possible on this issue but to exercise de facto influence wherever possible?

6. The Bank has developed formal cooperative agreements with FAO, Unesco, and WHO in the water supply field. Some people in the Bank believe the present problems in population are similar to early problems experienced in

these other fields. This may be true, but I am skeptical: in all other fields the UN agency concerned was stronger and older than UNFPA and none had competing money to work with. And there is no reason to adopt those arrangements as a model unless they work reasonably well...

7. We should spend an hour or so reviewing country experience in our relationships with UNFPA. We could go through all our 7-8 advanced pipeline projects and detail the nature of the relationship. Baldwin and Zaidan could handle.

8. One of our problems is that the UN agencies want UNFPA to use only UN agencies as executing agencies and for technical assistance. We think this too restrictive; UNFPA has told us they do not feel restricted to UN agencies, but they must certainly show them preference. The agencies tend to get mad at UNFPA and/or the Bank whenever suggestions are made for going outside the UN system. This is regarded as disloyalty, at least on the part of some key agencies (e.g. WHO).

9. Should UNFPA funds be available to the Bank for project preparation activities? We have asked this of the Fund and been turned down. We have been invited to make use of UNFP<sup>OP</sup> funds instead...

10. Is it practical for the Bank to exercise its institution-building function by trying to "tighten up" a country's use of UNFPA funds by including in our projects certain high-priority components which would be financed by UNFPA but for which the government would be held accountable by us?

11. If the Bank "retreats" to a position of financing only hardware (which is the "gap" in the world financial picture and our "natural" financial role) will we not abdicate our institution-building role?

G.B. Baldwin  
Population Projects Department  
July 3, 1972

*of course*  
*Moscone*

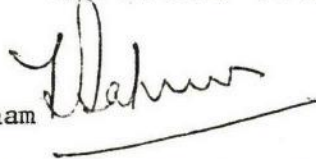


## OFFICE MEMORANDUM

TO: Files

DATE: June 28, 1972

FROM: K. Kanagaratnam

*A very significant meeting.*

SUBJECT: Meeting at the Population Council, New York - June 22-23, 1972 - with Officials from Principal Donor Agencies and Mr. Ernst Michanek/UN Secretary-General's Advisory Committee to Review UNFPA

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1. On June 22 and 23 I attended an "informal meeting" at the Population Council, New York, called under the Chairmanship of Dr. Bernard Berelson to meet with Mr. Michanek and his Secretariat who are doing a review of the programming and organization of the United Nations Fund for Population Activities (UNFPA). The list of those who attended is attached.

Over \$200 million in Population Assistance

2. In opening the meeting, Dr. Berelson thanked those present for the papers received, setting out briefly their programmatic emphases for the next few years and money allocations for 1972. He highlighted that in toto some \$200 million was being spent on population at the present time, and the Agencies represented in the room handled some 95% of this. This was exclusive of what countries were spending themselves. There was some detailed discussion on the amounts reported and on the procedures of the different Agencies in allocation, disbursement and actual expenditure.

Strategy for the '70s

3. Dr. Berelson said the Michanek Committee would like to hear a discussion of the strategy for the 1970s, in particular the shift needed to achieve results in the light of the experience of the '60s. The paper on Strategic Reappraisal, by Berelson, focuses on the fact that the traditional family planning clinic approach has been found to be inadequate (though necessary and essential as part of a total program) for sustained results, as many of the programs of the '60s petered out after initial successes. A much more broad-based program involving many elements of government and society was needed; such a program would take into account the social science factors in fertility decisions (e.g. the Ron Freedman paper at Bellagio I), and the involvement in population activities and policies of key policy-making ministries such as Planning, Finance, Education, etc. A recognition of the strategy will help UNFPA determine their structure to work within such an operational situation. He also wished to raise the question of Resident Advisors to countries for discussion; the Population Council had used such general program advisors in the '60s and his view was that such advisors were not needed and not really welcome, except in special circumstances. This was another important point for UNFPA, who are considering a large number of Resident Advisors for the field. Much of the discussion

during the next two days centered on the following key items:

- (i) The emphasis in funding.
- (ii) Role of Resident Staff (and the "Third World Syndrome").
- (iii) Need for integrated planning.

#### The Emphasis in Funding

4. The allocation of funds of different agencies when reviewed, showed that well over more than half these funds were directed to family planning delivery systems, about 15% to biomedical development; 6% to basic population data; 8% to population policy issues; and 7% to training facilities and resources. Although the procedures of agencies differed in terms of allocation, disbursement and actual expenditure, the returns were broad enough to give an indication of current trends. One speaker pointed out that of this, at least 60% was being directed towards LDCs, while the rest was being utilized in the developed countries or in UN infrastructure and salaries, travel, field missions and expatriate advisors. This was, however, an advance over the '60s when, although the funds were smaller in absolute terms, a much higher percentage was spent in developed countries and in support of developed country institutions (e.g. universities and research). UNFPA agreed to have a closer look at these funds to see if some rationalization could be drawn of trends.

#### Role of Resident Staff

5. The discussion on Resident Advisors reached one major consensus - that Advisors should be used selectively and that the pattern which evolved in the 1960s of generalist advisors has become increasingly unacceptable to LDCs. Some countries were already blaming their advisors for pressuring them into programs and methods that were premature and culturally unacceptable. They were seeking more and more in-depth technical specialists for skills the countries do not have - e.g. demographic analysis, computer programming, etc. They were reluctant to accept "general advisors" who stayed behind the key operation officers in national programs, and often made decisions for the local officials, as was a common feature during the 1960s. The Population Council has withdrawn three general advisors in the past two years. Stanley Johnson and Oscar Harkavy referred to the "Third World Syndrome" which one must be sensitive to. Stanley Johnson reported the intense feeling against population activities which he felt at Stockholm; particularly in the activities peripheral to the main conference he and other IPPF staff had an eye-opener in seeing the intensity of feeling against IPPF as well as other population agencies of the West. He added that he did not think that the "Multi-lateralization of population assistance" through the UNFPA had in any way diminished the intensity of hostility towards population activities as an externally imposed effort towards genocide etc. etc.! Wahren of SIDA confirmed this view, and said that SIDA has felt that more initiative and more action should be left to the countries themselves. In fact, he emphasized his point by saying that

a slow program put together and run by Third World country nationals was preferable to an "efficient" program put together or "imposed" on by expatriates - the former, he felt, had more long-term chance of success. SIDA, since 1969, had advocated cutting down on program advisors and had been withdrawing them also. He also felt that population activities would be in deep trouble if the donors continued to operate on the traditional pattern of the past as a single-purpose activity. That was why he was strongly for over-all planning in population involving other elements of government rather than the one method, one discipline, or one Ministry operations of the past (see below).

6. There was a discussion on the difficulty of getting suitable advisors because very often the only persons available to go out to the field were either early in their professional careers or those who had retired from service; the former were often unacceptable because they were less experienced than people they worked with, and the few among the latter that made the grade, and who were culturally acceptable and flexible to work in LDCs, were often either committed in their own countries or in demand. In addition, there was a tendency of many top people to remain in the center of operations and not to accept field assignments. This meant, for such people, North America and Europe or as a second-best, the Regional Centers.

7. There was extended discussion of the "Third World Syndrome" and whether this made advisable the more extensive use of the mission approach rather than Resident Advisors. The consensus was that, given the shortage of qualified people and the political sensitivities of LDCs, there was merit in more use of the mission approach; however, such an approach should establish a pattern of continuing discussion and planning between governments and missions, implying occasional periods of intense activity in the country. When there was a specific task to be done, it was felt that governments would, however, still be ready to have specialist advisors. It was agreed that these should be short-term advisors making intensive technical inputs to be followed up by the local people after the advisors' departure.

#### Integrated Planning

8. It was generally agreed that there was a need for population activities to be part of a broader strategy - development planning, broadened health activities, improvement in the status of women - rather than just supplying contraceptives. The supply of contraceptive methods alone creates weak programs and political resistance. This was also discussed in the context of whether it would be possible for the UNFPA to have available to it a mechanism whereby the total inputs of different kinds needed at the country level could be planned on an overall basis first, and the financing plan then determined by the government with the appropriate donor agencies. There was general feeling among the Michanek Committee that the present programming arrangements of the UNFPA needed to be improved and were not at all satisfactory. They found considerable dissatisfaction over the programming that had been done by the specialized agencies for the UNFPA - as reflected in

comments received by the Committee in their visits; they also felt that UNFPA should not be the "prisoner of the Agencies" but should deal directly with governments and route their funds directly to governments in support of well-conceived plans of action worked out with governments. ||

#### A Co-operative Program

9. In this connection, members of the Michanek Secretariat, in a separate discussion, raised with me the question of how the Bank's technique of country selection based on priorities, sectoral analyses and program planning could be utilized to benefit the UNFPA. In this discussion they indicated that they would like to see a closer working relationship in programming between the Bank and UNFPA and some possibility of a co-operative arrangement with the Fund (the establishment of a preinvestment/programming unit, jointly financed, was mentioned). I responded with positive interest. Members of this Secretariat, together with Mr. Michanek, are scheduled to come to Washington on July 10/11 to meet with Bank staff and can be expected to raise this question. They are interested in Bank-type of programming and want to evaluate the advantages of such programming with the proposal for the development of UNFPA field staff to do their project development.

10. The development of broad-based programming is an important concern of the Michanek review. As Michanek's Secretariat described it, they are thinking of suggesting the establishment of a Bank/Fund relationship that would improve the capability of both agencies and would bring about a funding capacity larger, speedier and more effective than has been possible for either working separately. They are, however, aware of some of the political sensitivities in this area to a liaison with the Bank among Eastern Block UN Members; they also are aware of the possible resentment among UN Agencies for such a Bank/Fund arrangement. A draft resolution for the UN General Assembly, being prepared by the Michanek Committee, suggests in one paragraph "...special arrangements particularly with the World Bank ..." In their report they expect to elaborate on this point. Possibly a co-operative arrangement could be developed for preinvestment planning of major country programs without either agency being tied exclusively to such programming as the only avenue available for program development for either agency. While there was general consensus that integrated planning on an overall basis would be the best approach, there was resistance from Dr. Ravenholt of US AID, who felt that such planning takes too long (as the Bank's experience has shown) and if practiced by UNFPA would delay it in the transfer of urgently needed resources. He felt that the most important thing was to get the resources to the country as quickly as possible; he emphasized that the supply side of program development is likely to look more productive with recent advances in technology. This view was not shared by the others and did not get very much support, particularly from Wahren and Berelson. The general feeling was that ongoing activities could be financed by UNFPA as an interim measure while major programs should only be funded after careful integrated planning.

*This is mostly  
the same as  
Michanek's  
previous  
comments  
on the  
procedures.*

Conclusion

11. The meeting was clearly successful in bringing about one and a half days of unstructured discussion on many points among a small and involved group. The points aired would, in Mr. Michanek's summing up, be valuable to his Committee in their task ahead for the UN Secretary-General.

Copies: Messrs. McNamara  
Chadenet/Baum  
Demuth/Hoffman  
Ripman  
Engelmann  
van der Tak  
Lithgow  
Rovani  
J.A. King  
J.A. Lee  
Lind  
Zaidan  
Kang  
Riley

KKanagaratnam:bli  
IBRD/IDA/UNFPA

Participants in Informal Meeting of Principal Donor  
Agency Officials with Mr. Ernst Michanek and Secretariat of  
UN Secretary-General's Advisory Committee to Review UNFPA

(Held at the Population Council, New York, June 22-23, 1972)

Chairman - Dr. B. Berelson - The Population Council

Mr. Halvor Gille - United Nations Fund for Population Activities (UNFPA)  
Mr. Oscar Harkavy - Ford Foundation  
Dr. Benjamin Viel - International Planned Parenthood Federation (IPPF)  
(American Region)  
Dr. K. Kanagaratnam - IBRD  
Mr. John Maier - Rockefeller Foundation  
Dr. Ray Ravenholt - US Agency for International Development (US AID)  
Mr. Carl Wahren - Swedish International Development Authority (SIDA)

Advisory Committee

Mr. Ernst Michanek - Director-General, SIDA  
Mr. Stanley Johnson - IPPF London  
Dr. George Brown - International Development Research Center, Canada.

Population Projects Department  
June 26, 1972

① ~~MLH~~  
② Dir 8  
—  
[Signature]

June 14, 1972

Dr. Bernard Berelson  
President  
The Population Council  
245 Park Avenue  
New York, N.Y. 10017

Dear Barney:

Further to my letter of May 30, 1972, attached herewith is a statement setting out our program direction for the next two years, as background information for the discussion with Mr. Michanek on June 22/23.

I look forward to seeing you at the meeting next week.

Sincerely,

K. Kanagaratnam

K. Kanagaratnam  
Director  
Population Projects Department

Attachment

cc: Messrs. Chadenet/Baum  
Demuth/Hoffman ✓  
Hawkins  
Kang

KK:bli  
Pop.Counc/UNFPA

WORLD BANK GROUP'S  
FUTURE PROGRAM OF POPULATION PROJECTS<sup>1/</sup>

The Bank's strategy in the population area is described in a recently published Sector Working Paper on Population Planning. The Bank's relations with its member governments involve a continuing dialogue and association on many of the sectors affecting the social and economic development of these countries. One of these sectors, and there are many others, is the population sector. Here Bank activity must fit into a country's own policy and its program needs; it must also fit into the overall Bank lending program for that country. The Bank's operational techniques are governed by the procedures of the Bank in other sectors, notably its use of lending for specific projects, extending both financial and technical assistance. To realize these objectives, the Bank undertakes considerable fact-finding and analysis as the basis for its ultimate objectives of extending financial and technical assistance and assisting in institution-building. Population perhaps even more than other fields is one in which there are several other agencies active, and Bank assistance takes cognizance of their inputs.

In future, the Bank will continue the task of demographic fact-finding and analysis through its regular economic reports on member countries. Such reports will carry an analysis on the country's demographic situation and population problems and provide the data and analyses governments need to focus on and understand their own population problem (with particular reference to its effect on their development strategy). These economic reports will help to generate the political support on which action must depend.

The use of sector missions to review in depth the problems and programs in particular sectors is another traditional Bank procedure. These reviews help the Bank and government concerned gain needed detailed sector knowledge for policy formation, program development, and the identification of possible projects. A sector analysis assumes major importance at the time of the Bank's initial involvement in a country; it normally remains valid for several years and can serve as the background for more than one project. These broad sectoral studies will be continued both to help governments and to provide the background information needed for Bank lending.

Bank population projects are normally made up of several distinct components. These consist of a set of activities designed to achieve a

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<sup>1/</sup> The "World Bank Group" includes the Bank itself (which lends on hard terms), the International Development Association (which lends on soft terms), and the International Finance Corporation (which does not finance population projects). In this note, the term "Bank" should be understood to include IDA.



defined sectoral objective. Not all the activities included within a Bank project are necessarily financed, in whole or in part, by the Bank. They may be financed in whole or in part by other external donors or by the borrowing government itself. The inclusion of an activity in a Bank project commits the Government to undertake the activity and to secure financing for it before a loan agreement is signed.

Projects financed by the Bank normally include both tangible and intangible elements ("hardware" and "software"). The "hardware" elements usually account for the largest part of Bank financial assistance. Examples of such items are buildings, vehicles, furniture and equipment, office machines, training aids, printing equipment, industrial machinery for contraceptive manufacture, etc. "Software" items include training, the preparation of materials for schools and adult education, applied contraceptive research, attitude surveys, demographic research, foreign study fellowships, technical assistance services, or the expansion or intensification of existing programs. The specific mix of a project "package" depends largely on the findings of sector studies; here the Bank's preference is for an integrated mix of software and hardware items.

The Bank Group does not finance such activities as census taking nor basic biomedical research. However, the Bank has already included a nutrition component in one population project (India) as an experiment to test the relationships among nutrition, infant mortality, and fertility; it is prepared to finance similar nutrition components in future population projects. On July 1, 1972, a small nutrition unit will be established within the Department (which will become the Population and Nutrition Projects Department); this will eventually lead to the financing of independent nutrition projects. The Bank may move towards broader financing of health programs, but at the present time it does not finance health facilities independent of family planning and nutrition activities. Bank financial assistance covers the capital or "development" costs of projects, not normal operating costs. Since Bank and IDA financing is always in the form of loans, not grants, the Bank actively seeks to link its assistance to grant funds whenever these may be available from other donors. Although Bank funds are intended primarily to cover a project's foreign exchange costs, it is often possible to cover some local currency costs as well.

As now envisaged, the number of new projects assisted by the Bank and IDA for five years from FY72 to FY76 will be about 20 in that many countries. If recent requests are an indication, the preceding estimate is likely to prove conservative. For planning purposes, it is assumed that roughly half the 20 projects now foreseen over the period 1972-76 will involve commitments of between \$5 million and \$10 million, while one-fourth will be above and one-fourth below that range.

The Bank's strategy in the five-year period will be to concentrate on countries with large populations, using its flexible but disciplined project approach in dealing with the population problem. It is impossible to predict

now in which countries the Bank will become involved, since this will depend on government population policies and on the willingness of governments to borrow from the Bank for this purpose.

International Bank for Reconstruction  
and Development  
Population Projects Department  
June 14, 1972

IHKang/KKanagaratnam/GBBaldwin/GZaidan/rb/is

May 30, 1972

Dr. Bernard Berelson  
President  
The Population Council  
245 Park Avenue  
New York, N.Y. 10017

Dear Barney:

This refers to your letter of May 16, 1972 regarding the meeting which you are hosting to provide a forum for discussion with Mr. Michanek and his staff on June 22/23.

I attach the money allocation for FY 1972 which was committed by the Bank. You will see that the items are drawn up from project components of the Indonesian and Indian population projects. The main thrust of this list is that a Bank project can include any reasonable set of proposals and usually does consist of a number of components. The Bank Sector Paper really enunciates its philosophy regarding the mix of different components in a Bank project.

I will send you, in the next few days, the second document which is a statement of our program.

Sincerely,



K. Kanagaratnam  
Director

Population Projects Department

cc: Messrs. Chadenet/Baum  
Hoffman/Demuth  
Hawkins

June 14/72

Attachment

FY72 WORLD BANK GROUP FINANCIAL IG  
FOR POPULATION PROJECTS  
(in Thousand US\$)

Basic Population Data

Census + Vital Stat.  
Surveys (incl. PGE's)

Population Policy Issues

Relation to Econ. Dev.  
Relation to Environmental Considerations.  
Relation to Other (Pol. legal ...)  
Determinants of Fertility, & Fert.  
Trends (incl. KAP)  
Urbanization & Migration  
Population Education 392

FP Delivery Systems

National Programs (incl. advisors) 15,016  
Special Programs or Efforts (e.g.,  
postpartum, I&E, Incentives) 2,226  
Supplies & Equipment 3,756  
Evaluation Work (beyond "normal"  
attention within national program) 1,918

Biomedical Affairs

"Basic" Work on Reproduction  
"Applied" Work on Contraceptive  
Technology (i.e., mission-oriented,  
method-focussed)

Training, & Facilities, Resources

Training 3,762  
Fellowships  
Institutional Development, Support  
Agency Support

Other

Nutrition in support of FP program 1,340  
World Population Year  
Documentation, Information Service  
Commercial Sector  
Contingencies 5,990

TOTAL 34,400

This distribution is based on the allocation of Bank Group resources to projects in Indonesia and India. The projects were jointly financed by UNFPA and SIDA, but only the Bank Group contribution is reflected in this summary (to avoid double counting).

International Bank for Reconstruction  
and Development  
Population Projects Department  
May 30, 1972

April 26, 1972

Mr. Halvor Gille  
United Nations Fund for  
Population Activities  
485 Lexington Avenue  
New York, N.Y.

cc: Messrs. ~~Demuth~~ Hoffman

Dear Mr. Gille:

In his letter of April 11 to Mafis Sadik, George Zaidan confirmed your agreement with Dr. Kanagaratnam to hold the first of our Operational Review meetings here on Friday, May 5. Dr. Kanagaratnam has asked me to send you a proposed agenda (copy enclosed); this may help in identifying materials or individuals you will want to bring along. We tentatively plan to start the discussions about 10:30 a.m.; we doubt we will be finished by lunch time, but we should be finished by about 3:30.

The proposed agenda conforms closely, I believe, with suggestions you made when George Zaidan and Miss Husain visited your offices on April 7. You will note that we have identified three general topics on which we would like to exchange views. The first is the possibility of earmarking a small amount of UNFPA funds for project-preparation activities by consultants, either national or foreign. What we have in mind is the possibility of working out an arrangement whereby UNFPA funds could be used for project-preparation activities (to be conducted mainly by consultants) in roughly the same way UNDP funds are used in other sectors. This is something you may wish to give some thought to in advance of our meeting next week, particularly as it may raise some legal questions.

A second general topic that we think will deserve discussions, and which will arise explicitly in the case of Malaysia, is the relationship between our two organizations in projects to which we contribute "parallel financing." The principal questions we believe this raises are the kind and degree of coordination between our two institutions in advance of signing what would be legally separate project agreements, and the kind of obligations which a beneficiary would be assuming in signing agreements that might include explicit cross-referencing, plus the need for coordination between our organizations in project follow-up.

A third general issue we would like to raise is the possibility of earmarking a modest amount of UNFPA funds for general research purposes which the Bank might have access to from time-to-time under suitable agreements to be worked out with the Fund.

April 26, 1972

If you or your associates have other general problems that you would like to raise for discussions, we would appreciate a telephone call in advance of your arrival so that we could be giving some thought before the meeting to items you may wish to raise. Despite the identification of the three general topics noted above, we still regard the main purpose of this initial Operational Review meeting as an exchange of information about our respective work programs over the next year or two.

We look forward to having you with us here next Friday, May 5.

Sincerely yours,

George B. Baldwin  
Deputy Director  
Population Projects Department

Enclosure

cc: Dr. Nafis Sadik  
UNFPA, N.Y.

cc: Dr. Kanagaratnam ✓  
Messrs. Zaidan  
Kang  
Miss Husain (for Malaysia discussions)  
Messrs. Riley  
Sandberg (for Malaysia discussions)  
Kang  
L. Domingo

UNFPA file

GBBaldwin/jim

9517

OPERATIONAL REVIEW MEETING

Proposed Agenda

IBRD/UNFPA (Washington, May 5, 1972)

Starting time: 10:30 a.m. (meet in Conference Room D-901)

Participating for the Bank:

Dr. Kanagaratnam
Mr. Baldwin
Mr. Zaidan
Mr. Kang
Mr. Riley
Mr. Sandberg (for Malaysia discussions)
Miss Husain (for Malaysia discussions)

*for Item III only.*

I. Country-by-country review of work-plans for the next year or so.

A. The Bank's probable work-program

Egypt	Ghana	Turkey
Iran	Kenya	Morocco
Malaysia	Bangladesh	
Philippines	Nepal	

B. UNFPA work-program .

II. Handling of coordination in countries with particular problems.

Malaysia	Others?
Iran	
Philippines	

III. Discussion of general problems.

1. The possibility of earmarking some UNFPA funds for general project-preparation activities by third parties (national and foreign consultants).
2. The specific meaning of "parallel financing".
3. The possibility of using UNFPA funds to conduct general research studies (not limited to individual countries), either with joint Bank/UNFPA sponsorship or singly by either institution.
4. A report on UNFPA re-organization.
5. Other problems.

## OFFICE MEMORANDUM

*Handwritten initials and signatures:*  
MEH  
NMF  
✓

TO: Dr. K. Kanagaratnam  
FROM: G. Zaidan and I.Z. Husain  
SUBJECT: Visit to UNFPA - April 7, 1972 - Back-to-Office Report

DATE: April 12, 1972

1. In accordance with the terms of reference dated April 5, 1972, we visited the UNFPA on April 7, 1972 and met with Mr. H. Gille, Mrs. Nafis Sadik and Dr. R. Rao to discuss three broad areas.

A. Program Review Meeting:

2. The UNFPA indicated that May 11\* was a suitable day from their point of view; they will confirm this in writing. The meeting would start at about 10 a.m. and go up to a working lunch, and possibly into the afternoon, if necessary. UNFPA suggested that the agenda consist of three items:

- a. a discussion of general principles of collaboration between the Bank and UNFPA;
- b. a review of the respective operational programs of the Bank and UNFPA over the next year or two;
- c. discussion of specific problems arising in the context of specific countries; in particular Malaysia.

I understand that the composition of the UNFPA team would include Halvor Gille and Nafis Sadik and possibly Mr. van Arendonk, the Malaysia Program Officer.

B. Malaysia:

3. In the context of discussing the Malaysia project, I discussed generally with UNFPA their feelings regarding future Bank/UNFPA association. Mr. Gille indicated that things had substantially improved over the past few months, and that WHO was now pleased with the Indonesia project. However, he felt it would be premature to undertake "a joint project" in Malaysia, since it was so close after the Indonesia experience; but he did underline that he hoped that in future such joint projects could be developed. While our impression is that relations with UNFPA are undoubtedly better than some months ago, we did get the feeling that there was some reticence and that some unhappiness over the Indonesia experience still lingered on. For example, Mr. Gille asked that UNFPA be notified as early as possible whether Mr. McNamara would sign the Indonesia Credit Agreement "so that Mr. Salas could come to Washington". Another indication of this, was UNFPA's desire

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\* This date was subsequently changed to May 5 during a telephone conversation between Dr. Kanagaratnam and Mr. Gille, and we are awaiting a written confirmation of this date.



Dr. K. Kanagaratnam

April 12, 1972

to be the sole executing agency in a joint project with the Bank. (UNFPA's records of the meeting between Mr. McNamara and Mr. Salas were quoted, in which they believed Mr. McNamara had said this could be so.) Under this scheme, the Bank would channel its funds to UNFPA who would then farm them out through other UN agencies to the Governments concerned. There was a "tit for tat" atmosphere about this "Indonesia in reverse" proposal. A third indication of UNFPA's reticence is Mr. Salas' absence from the first program review meeting.

4. On Malaysia, UNFPA did realize that there was insufficient time to work out a joint project in which UNFPA was the executing agency in this case. As a result, it appears that the only course in the Malaysia case is to develop a project with parallel financing, with both agencies administering their part of the program independently and each agency financing only one project component. Mr. Gille enquired into whether he could indicate to the Government of Malaysia that agreement on this had been reached between the Bank and the UN. We indicated that subject to the Government's approval there were two constraints. First, that we would have to clear the matter internally in the Bank with the Area and Development Services Departments and secondly there was a timing constraint. The request to UNFPA from the Government of Malaysia includes three components: one from the National Family Planning Board, which has been submitted and the details of which we have, a second from the Ministry of Health and a third from the Ministry of Education. The last two requests have not yet been submitted. I noted that it would be critical to have all these details for inclusion in the Yellow Cover Report, and we doubted whether these would be available by the end of April. Mr. Gille did not seem to appreciate the importance of keeping to our time schedule. He repeatedly emphasized that it was worth delaying the project to ensure that this was so. Our response was that while it was important to coordinate efforts, the question of parallel financing should not be treated as an "all or nothing matter". We could include the request from the National Family Planning Board and work out a parallel project on this basis, without necessarily waiting for other components.

5. Just before the visit of the identification mission to Malaysia in November 1971, the Government submitted to the Bank a copy of the request of the National Family Planning Board to UNFPA. It consisted of (a) more than 100 long-term and short-term fellowships in public health, evaluation and communication; and (b) equipment for evaluation and communication. The total cost was about US\$0.77 million. It was taken into account by the identification mission while developing the project. Hence, no duplication between the Bank's project and the National Family Planning Board's request to UNFPA exists. However, the appraisal mission was also informed that the Ministry of Health is also submitting a request to UNFPA - details of which were not available to mission as it was not finalized. However, the Director of Health Services indicated that the request was mainly for advisory services, equipment for health education and operating cost for training, etc. These items were not included in the Bank's project. UNFPA

Dr. K. Kanagaratnam

April 12, 1972

has now informed us that the Ministry of Education is also submitting a request to UNFPA. If it contains advisory services for Population Education there would be an overlap with the Bank's project. On the question of advisors, the Bank's project identified earlier included three advisors - for (i) MCH and FP administration, (ii) training and (iii) health education. The WHO consultants on the mission informed us that these advisors would form part of WHO's regular budget. Therefore, these were excluded from the project by the appraisal mission.

C. Indonesia:

6. On Indonesia, the following points were made:
  - a) UNFPA expected to sign the bilateral agreement in the week of April 17. Mr. Gille enquired into whether Mr. McNamara would sign the Credit Agreement as they had been led to understand, in which case Mr. Salas would come down to Washington to sign on behalf of UNFPA. He emphasized that they would like to know this as soon as possible.
  - b) In connection with the evaluation component, Mr. Gille reiterated the point that UNFPA did not want to expose itself to criticism from the UN and that, therefore, they had a strong preference for assigning both components (LEKNAS and the Institute of Demography) to an institution, and that this institution should be the Population Council. He had mentioned it to Parker Mauldin who was receptive in principle to the suggestion.

cc: Mr. Chadenet  
Mr. Baum  
Mr. Ripman  
Mr. Engelmann  
Mr. van der Tak  
Mr. Lithgow  
Mr. Rovani  
Mr. J. King  
Mr. J. Lee  
Mr. Demuth/Mr. Hoffman ✓  
Mr. Riley  
Mr. Sandberg/Mr. Jentgen  
Mr. Alisbah  
Mr. Lind  
Mr. Baldwin  
Mr. Kang  
Mr. Jones  
Dr. Kim  
Dept. Files  
Central Files  
Div. Files

GZaidan/rb

## OFFICE MEMORANDUM

TO: Files

DATE: March 31, 1972

FROM: K. Kanagaratnam

SUBJECT: Note of Meeting to Discuss Development of a Health/Family Planning  
Delivery Scheme - March 10, 1972

Present at the meeting, in addition to myself, were:

Dr. Willard Boynton - Deputy Director, Office of Population, U.S.AID  
Dr. Nafis Sadik - Project Co-ordinator, United Nations Fund for  
Population Activities;  
John Burfield - Medical Architect, Population Projects Department.

1. The purpose of the meeting was to follow up on a previous agreement reached at a working lunch last month. Our concern was that a major problem affecting the delivery of family planning in developing countries was the inadequacy of the delivery system. In these countries, for practical reasons, such services are delivered through the health delivery system and serious efforts to develop such a delivery system was our urgent problem. With the changes in contraceptive technology envisaged in the future, the delivery system would play an important part in ensuring availability of services to all.

2. The meeting considered that the type of delivery service required should be such that it could be effectively and economically provided which would also be socially and culturally acceptable in the local context. For this purpose it was agreed previously to select one country and develop experience in preparing a pattern on which to develop the service; this pattern would in fact be a country-wide project designed to give lessons/experience for future applicability in other situations. The following were the main conclusions of this meeting:

(i) Kenya would be used as a suitable country and a full sectoral mission would be planned for the study of possibilities of developing a health delivery system; the review would relate such a study to family planning needs and to the country's family planning program and objectives. Such a mission is tentatively planned for May/June for a period of four weeks in the field and two weeks report writing in Washington, (subject to Government approval). The Bank would undertake to organize a mission with assistance and participation of UNFPA and U.S. AID.

(ii) Dr. Kanagaratnam would raise with the Government of Kenya, during his visit in late April, the feasibility of this study, the interest of the Government in the project and the timing proposed for the mission.

April 3, 1972

- (iii) The World Health Organization would be invited to participate in the study, and Dr. Sadik would mention this matter to WHO when she visits Geneva early April. At the same time, a copy of these notes would be forwarded to WHO for their information for background.
- (iv) The meeting noted that while it was difficult to develop a plan without a proper country study, it had the benefit of the pre-investment study which the Bank had done in Kenya last year; based on this it appeared that the principal focus of a delivery system was to concentrate at the district level, less so at the peripheral level. The further development at the peripheral level should be a subsequent phase based on the findings of the mission and experience in the first place. Manpower, financial resources and other related inputs would also have to be reviewed at the time of the Sector Mission. It was also the feeling of the meeting that the development of services in the urban areas should receive much lower priority.
- (v) The meeting noted that two types of approaches to the physical component were possible -- (a) the method developed by Buckminster Fuller of pre-fabricated units being brought in and assembled quickly; and (b) the Kavalsky (of Hong Kong) method of using relatively inexpensive materials fabricated at the local site using local labor etc. The functional design of the units and the services to be incorporated also needed study. The Agencies present would consider financing appropriate studies to enable them to get the best possible solution for this aspect of the project in the selected country.

*WHO should be,  
as a minimum,  
cosponsor of  
this study.*

### Financing

3. The relative content of family planning to Maternal-Child Health and other health services would be an important criteria in the terms of Bank financial support for such a project. In terms of financing, the U.S. AID have no legislative constraints in financing such a project involving a delivery system directed to family planning. The UNFPA would prefer not to finance hardware components and the meeting noted that the Bank would prefer not to limit its role to the financing of physical components only. It was the general feeling that a workable plan of investment could be worked out by financing arrangements made by the three organizations. Details of this could be developed once a project package is developed.

KKanagaratnam:bli

Cleared with & cc: Dr.W.Boynton, U.S.AID, Washington.  
Dr.N.Sadik, UNFPA, New York.

Copy: Dr. A. Zahra, W.H.O., Geneva.

cc: Messrs. Zaidan, Burfield, P.Hall, Kaji.  
Mr. Demuth ✓

Mr. McNamara

March 29, 1972

Richard H. Demuth

#### UN Secretariat Participation in Joint Operations

You asked me for a note explaining why the United Nations Secretariat, specifically the Population Division, refused to cooperate with us and the other agencies, in the Indonesia population project, and in fact tried for a long time to persuade UNFPA and the other agencies to withdraw from the project. There are two sets of issues, one narrow and immediate and one broad and continuing.

As background, the UN Population Division is part of Philippe de Seynes' Department of Economic and Social Affairs. Like any other UN division, when it supplies experts for technical assistance, it does so through arrangements worked out by the Office of Technical Cooperation, another of de Seynes' divisions, which is headed by Stig Andersen. It is, in practice, Andersen's office with which we, and other agencies, have to work out arrangements for "cooperation." The Population Division is the locus in the UN system of expert demographers. But it also acts as Chairman of the ACC Subcommittee on Population and in that capacity conceives of itself as having some sort of umbrella responsibility, together with UNFPA, for "population policies" in the system. In fairness, it is difficult for the Secretariat to avoid taking this position in view of the broad instructions and recommendations to the Secretary-General in the population field that emerge from ECOSOC, the General Assembly and the Population Commission.

The narrow issue concerning the Indonesia project was whether the UN Population Division, acting through the Office of Technical Cooperation, would supply four advisers to strengthen the Institute of Demography of the University of Indonesia and the Population Studies Center in the National Institute for Economic and Social Research as part of the evaluation and research component of the Bank/UNFPA project. The Indonesia Government insisted that, if they did so, these experts should come in under the joint project, which meant that the Bank, as Executing Agency for UNFPA, was interposed between UNFPA and the UN Population Division--a position which the UN found in principle unacceptable (see next para.)--and also that the persons appointed by the UN would have to be satisfactory to the Bank as well as to the Government. The Population Division never actually raised the issue of Bank approval of the UN experts during the project formulation discussions, but Stig Andersen has cited it on several subsequent occasions as one of the main reasons why the UN could not participate in the joint project. As I intend to point out to Andersen next week, we could easily have worked out a formula that would avoid appearing to "subordinate" the UN to the Bank as we have done in literally dozens of other similar situations, if they had told us this was a sticking point.

In fact, the trouble goes much deeper. The broad and continuing issue between us and the UN Secretariat (and, for that matter, between every other specialized agency and the UN Secretariat) arises out of the UN's endeavor both to be part of the technical assistance delivery system in a variety of fields, most of which overlap part of the "mandates" of one or more of the specialized agencies, and to perform its role as the umbrella agency for the system, carrying out the resolutions of the General Assembly, etc. Andersen happens to be a strong proponent of the thesis that the UN should play a policy-formulating and coordinating role as the executive arm of the General Assembly and ECOSOC. He carries this over into the operational activities of the Secretariat by refusing to engage in joint activities in any manner that appears to "subordinate" the UN to another agency acting as the project manager or executing agency.

I don't think there is a general solution to this problem, at least as long as de Seynes is in charge of this wing of the UN Secretariat. My feeling is that we have to get on as best we can with the UN, guided by three principles:

(1) We must continue to make every effort to cooperate, and be as flexible as we can about purely formal and jurisdictional aspects of the modalities of cooperation. (In this respect, we are much less frequently at sword's point with the UN Secretariat than any of the other major agencies.)

(2) We should never make any concession to the claim, explicit or implicit, that the Bank has no "right" to have a policy of its own (e.g., on population) and to implement that policy in its agreements with its member governments, merely because ECOSOC or the General Assembly or the governing body of the appropriate specialized agency may have passed resolutions or issued exhortations to which the Bank policy may not fully conform.

(3) We should demonstrate, by our cooperative programs and joint projects with UNFPA, WHO and the others, that our common member countries are well served by such arrangements, whether the UN joins them or not. This may, in time, lead the UN to recognize that its isolationist attitude is both unprofitable and unbecoming.



Mr. J. Burke Knapp

H. Jones  
~~Handwritten signature~~  
March 14, 1972

Raymond J. Goodman

INDONESIA: Population Project

Negotiations for this project, which is being financed jointly by IDA and the United Nations Fund for Population Activities (UNFPA), were completed on February 17. The project is currently scheduled for consideration by the Executive Directors on March 28. The President's Report and Recommendation has been cleared by your office and the gray cover Appraisal Report has been printed. In reviewing the legal documents, however, the Government has raised two questions, both of which are caused by the Government's fear that for some reason beyond its control part or all of the UNFPA grant may not become available.

You will recall that UNFPA is not in a position to commit more than an initial amount of \$9.3 million towards its agreed contribution of \$13.2 million. According to information received from the Resident Staff, the Government's concern at the contingent nature of this contribution has been magnified by Mr. Stig Anderson, Director of the U.N. Office of Technical Cooperation, who has recently visited Indonesia and has criticized the joint project and the participation of UNFPA in the project (see attached memorandum of March 2 from Mr. de Silva to Mr. Tolbert). Mr. Anderson's views are not new to us (see attached memorandum from Mr. Riley to Files of December 8, 1971).

As a consequence, the Government made the following requests:

(i) that the Association indicate that its good offices would be available to Indonesia to seek alternative sources of financing in the event that any part of the UNFPA grant is not available for the project, and (ii) that Section 7.02(a) of the draft Credit Agreement, which provides the Association with the option of suspending the right of withdrawals from the credit in the event that "the right of the Borrower to utilize any portion of the UNFPA grant shall have been suspended or terminated", be changed to read "the right of the Borrower to utilize any portion of the UNFPA grant shall have been suspended or terminated except where such suspension or termination is for reasons internal to United Nations and is not related to acts of the Borrower".

With respect to the first point, Mr. Ball at our suggestion has informed the Government in writing that "the Bank's good offices are always available to Indonesia and would be utilized in the event that the conditional portion of the UNFPA grant is not available to the Government". This assurance has satisfied the Government even though, as Mr. Ball's cable of March 13 indicates, they would have preferred an "IDA commitment to provide or share in providing additional funds that would be required in event the conditional or any other portion UNFPA grant should not be available".

cc: ✓ Dr. Kanagaratnam

Mr. Baldwin

Mr. Zaidan

Division Files



With respect to the second point, the wording proposed by the Government for Section 7.02(a) of the draft Credit Agreement could have placed us in a position where we would have to make difficult political and procedural judgements. I therefore felt that it would be better to delete Section 7.02(a) entirely. The Legal Department was reluctant to drop the cross-suspension clause, which is standard in projects involving joint financing, but agreed on the understanding that a letter would be sent to the Government recording the fact that 7.02(a) had been dropped in response to the Government's request and emphasizing the Government's ultimate responsibility under Section 3.01 to provide the resources necessary to carry out the project. The Projects and Legal Departments agree that we would be unlikely to suspend disbursements if for some reason UNFPA funds were not available, so long as the Government abided by its undertaking under Section 3.01. If it did not, and an alternative source of funds had not been found, we would have the right to suspend under that Section.

We asked the Resident Staff to explore the above approach informally with the Government while making it clear that it would also have to be approved by our Management. Mr. Bell has just cabled that Professor Widjojo "in behalf of the Government agrees that deletion of entire Section 7.02(a) of draft Credit Agreement satisfactorily answers questions and objections of Government to credit documents". He also states that the Government "accepts fact that responsibility is placed on it by Section 3.01 of Credit Agreement and it sees no need for reiteration this fact in a supplemental letter". In light of Mr. Bell's assurance, I feel that no further exchange on this subject with the Government is required.

This memorandum has been cleared with the Departments concerned. If you agree, we will delete Section 7.02(a) of the Credit Agreement and proceed with the distribution of the documents for the March 28 meeting of the Executive Directors.

Attachments:

Cleared with & cc:

Messrs. Abdi  
H. Jones  
T. Jones  
Tolbert

cc: Mr. Bennett

RJGoodman/BALisbah:jn

## OFFICE MEMORANDUM

TO: Files

DATE: March 8, 1972

FROM: K. Kanagaratnam *K. Kanagaratnam*SUBJECT: Meeting Between Mr. McNamara and Mr. Rafael Salas (Executive Director,  
United Nations Fund for Population Activities)\*

1. Mr. McNamara saw Mr. Salas at the latter's request, on February 25, 1972. Mr. Salas wanted to brief Mr. McNamara on the present position of the UNFPA and matters relevant to collaboration with IBRD in the field of population.
2. Mr. Salas referred to the establishment of the United Nations Fund for Population Activities (UNFPA) in 1967 and said that to date it had raised nearly \$48 million and aims to raise \$40 million in 1972; \$25 million had been obligated but he did not indicate the extent of disbursements. The Fund hopes that by 1974 (World Population Year) annual funds pledged would be of the order of \$100 million, enabling it to increase progressively the amounts obligated for population work to Agencies and countries. The number of donors had increased since the Fund was started, from 5 or 6 in 1967 to 45 in 1971, and 65 donors from developed and developing countries were expected in 1972. The Fund expects to increase its professional strength by about 15 new positions each year. Besides using UNDP Resident Representatives to cover population among their varied responsibilities, the Fund proposed to strengthen these Representatives in countries with major programs by providing Senior Population Advisers; by the end of 1972 the Fund aims to have 10 such Advisers appointed and in the field.
3. Mr. Salas outlined the UNFPA's functions and its flexibility to provide grant funds and meet local costs, operational costs, and construction costs. The Fund could finance innovative programs using executing agencies within and outside the U.N. System. He referred to the 168 regional or inter-regional projects and to the 153 national projects in 60 countries that had been approved in 1970-72. In addition, the UNFPA during this period had signed comprehensive agreements with Pakistan, Mauritius, Egypt, Iran, Thailand, the Philippines, and expects to sign one with India, obligating \$12.9 million; and similar major country programs are envisaged during the current year, in Turkey, Chile, Ecuador and Iran. Broadly, the UNFPA program covers all aspects of population including basic data; population dynamics including inter-relation of population and development; factors affecting fertility; urbanization and migration; and the environment. UNFPA will advise governments on policy formulation and on measures to reduce fertility other than family planning, and will provide family planning assistance, and assistance in education and communications.

\* Also present: Messrs. Jos. Tydings, John Keppel, R.H. Demuth and K. Kanagaratnam.

4. Specifically, on UNFPA/IBRD collaboration, Mr. Salas said that UNFPA and IBRD are the two largest agencies in the population assistance field in the U.N. System and that their cooperation will lead to an effective impact; both donor governments and recipient countries expect the two agencies to harmonize their efforts in order to achieve maximum results. He said that UNFPA responded positively to collaboration in the case of Indonesia by merging their program with the Bank. Mr. Salas said that there were differences in approach between the UNFPA and IBRD which hindered cooperation; for instance, UNFPA prefers to choose executing organizations within the System, it is a grant-giving institution arriving at its positions through open dialogue, and it is used to coordinating its program with donor agencies in the population field.
5. Mr. McNamara welcomed the expanded programs of UNFPA outlined and looked forward to improved coordination of efforts in the field. He thought that the alleged differences in approach emphasized by Mr. Salas were more apparent than real. The Bank operated by letting the countries which are the recipients of assistance freely choose the executing organizations, including those in the U.N. System; the Bank's loans are approved by the Executive Directors representing 117 Governments, and therefore could not be anything but in the open; the Bank is ready to discuss with interested Agencies in the field its future plans and proposals and collaborate in developing projects. He also emphasized that the Bank has played a major role in the coordination of development assistance of which assistance in population was only a part.
6. In discussing the difficulties that arose in connection with the joint UNFPA/IBRD project in Indonesia, Mr. Salas stated that the project put the Bank between UNFPA and the U.N. Agencies, and made them feel they had a subsidiary role; in addition, many U.N. Agencies with programs in Indonesia felt uncertain on how the joint project might be harmonized with their ongoing program, and felt there had been insufficient consultation between them, UNFPA and the Bank. On these points Mr. McNamara responded that it was necessary to manage the project -- somebody had to do this and he did not feel defensive about the fact that this role had fallen to the Bank in Indonesia; he agreed that in the light of experience it could have been done better and more consultations with Agencies could have taken place at a much earlier stage. These weaknesses were being remedied for the future. Mr. Salas said U.N. Agencies remained highly critical of the project but Mr. McNamara stated he was unaware of this criticism since the project had been altered to take account of the views of the Agencies and all the Agencies (except U.N. Population Division) had agreed to cooperate in implementing the project. Mr. Salas then agreed that the U.N. Population Division was the only agency which had reservations at the present time.
7. Mr. Salas put forward possible areas of collaboration through consultation; parallel and coordinated programs; and fully joint projects. He also suggested that the roles could be differentiated by either geographical area, or by functional differentiation of the types of program components supported. All these implied a need for parallel and coordinated

March 8, 1972

programming. Mr. McNamara referred to the fact that in the final analysis each country situation would require to be dealt with without a preconceived position. He further agreed that there should be coordination in our efforts at all stages. He referred to the example of the regional banks which have identical terms of reference as IBRD -- they work in the same countries and very much on the same terms of reference; yet over the years it has been possible to coordinate the efforts of the World Bank and the regional banks effectively on a country-by-country basis. It was agreed that details of this would be discussed at the staff level to arrange regular program reviews and exchange of project lists etc.

\* \* \* \* \*

Postscript - The meeting with Mr. McNamara was followed by a meeting chaired by Mr. Demuth and joined by Mr. M.L. Hoffman. It was agreed that regular program reviews would be held between the Bank and UNFPA, and the first of these was set for April 1972. Mr. Demuth told Mr. Salas that similar arrangements had been arrived at with WHO and US AID and he expected that such program reviews would enable more coordinated program development on a country-by-country basis.

Cleared with & cc: Mr. Demuth

cc: Messrs. Chadenet/Baum  
Hoffman  
Baldwin  
Zaidan

Pop. Projects Dept. staff

KKanagaratnam:bli  
UNFPA/Bank liaison

## OFFICE MEMORANDUM

TO: Mr. Stokes M. Tolbert

FROM: C. Richard de Silva

SUBJECT: Population Project - Meeting with Mr. Stig Anderson

DATE: March 2, 1972.

Letter No. 282

Mr. Stig Anderson, Director U.N. Office of Technical Co-operation called on Mr. Bell on February 29 in the company of the Resident Representative UNDP, Mr. Andrew Joseph. Dr. Ranganathan and I were also present.

Mr. Anderson said that the main purpose of his visit to our office was to discuss the population project. Having explained the set-up at UN Headquarters, he said that he was speaking for the UN Secretariat and the Population Division. While the UN had been kept informed and consulted on the population project up to about August - September 1971, thereafter it appeared to him that they were not being kept in the picture. He had had discussions with Mr. Riley and UNFPA officials with a view to working out a formula for co-operating with IDA/UNFPA on the demographic and population studies component of the project under trust fund arrangements. However, IDA clearance of candidates whom UN would nominate to carry out this work, was not something UN could agree with; and last week, UN had taken a decision that it could not assist in carrying out this component of the project. Dr. Suwardjono had been accordingly informed in New York.

Mr. Anderson added that he was in close touch with W.H.O. and he had serious doubts whether W.H.O. would actually help carry out the post-partum component of the project. He added, however, that the UN Population Division was indeed looking for new directions to extend its work and would welcome an opportunity to undertake an evaluation exercise when project implementation was well underway.

Mr. Bell said that the background to this project was relevant in order to understand how and why the population project was developed in this way. The Government had realized that there was a lack of co-ordination in the aid being extended by various international agencies in the population field, and had requested that these agencies co-operate, and co-ordinate their programs in Indonesia. The joint efforts of IDA and UNFPA, and collaboration of other agencies active in the population field including W.H.O., UNICEF and the Population Council, was a result of this Government request.

Mr. Anderson argued that all inputs of UN agencies should be brought under the country programming exercise, and this applied to the population sector as well. The UNFPA could not operate outside the Country Program.

Mr. Anderson said also that he questioned the propriety of the Bank moving into the "software" field. The Bank was, according to him, creating its own population policy, health policy and education policy, different

Mr. Stokes M. Tolbert

March 2, 1972.

from and sometimes even running counter to policies enunciated by "properly constituted agencies established by the United Nations for these purposes, causing confusion all around".

Mr. Bell said that as far as the Indonesian Government was concerned all the agencies including the Bank were properly constituted ones of which the Government was a member, but they were perhaps not giving co-ordinated assistance and advice. Mr. Bell reiterated that it was for this very reason that the Government had made the request he had referred to earlier that such assistance in the population field should be co-ordinated.

Mr. Anderson also made a general comment, not specifically related to the population project, that some agencies like the Bank and W.H.O. were not fully backing the UN's country programming concept where the Resident Representative planned and co-ordinated activities at the country level. Mr. Bell responded that there was plenty of ambiguity even in the Country Program itself. For example, regarding the proposed UN team for Bappenas on technical assistance, while there was somewhere a reference to the team covering all sectors, there was another reference that the team would work in areas not already covered by the Bank. The Resident Representative said he had himself noticed that.

#### Postscript

Dr. Ranganathan adds that Dr. Swardjono and Mr. Sujoto had also met Mr. Anderson and were quite disappointed that UN Population Division had decided not to participate in the population project. It appears that in response to Mr. Anderson's suggestion to Mr. Sujoto that the UN Population Division could give assistance, but outside the joint project, Mr. Sujoto had said that any such assistance had to be part of the joint project. Dr. Ranganathan understands that the Government will make a formal request to the UN for participation in the joint project. They would like to have a formal response from the UN - even refusing such a request.

It appears also that Mr. Anderson had suggested to Dr. Swardjono in New York that it was for the UN to decide how and through which agencies aid to the family planning program in Indonesia by the "UN family" should be extended. Dr. Swardjono had taken the different view that it was the country's prerogative to decide how and through whom assistance should be accepted, rather than leave this to the UN.

## OFFICE MEMORANDUM

TO: Mr. Robert S. McNamara (through Mr. Deputy) *RM*

FROM: Michael L. Hoffman *MLH*

SUBJECT: United Nations Fund for Population Activities

DATE: February 24, 1972

In connection with Mr. Salas' visit to you tomorrow, I thought that you might be interested in the following brief notes on the climate in the Program Consultative Committee meeting yesterday and today in New York. This Committee groups all the principal donors, the governments that have so far been recipients of major UNFPA assistance, and the main nongovernmental organizations active in the population field. It is an unusually competent group for a U.N. body.

1. The UNFPA allocates funds for country programs on the basis of a very sketchy shopping list and before it has any defined project or projects.

2. The money is given to the various U.N. agencies who then negotiate with the government and define "projects". So far the UNFPA rather than the government decides which agency will do what, except in the case of India, which refused to have anything to do with this system and simply told the UNFPA to give the money to the Government of India which would define and administer its own projects - which the UNFPA did.

3. UNFPA has no idea when or how its funds are actually disbursed by the agencies and has no machinery at present for finding out.

4. The principal donors are becoming highly critical of this method of operation. A large part of the discussion on Wednesday afternoon concerned our joint Indonesia project which both the donor and recipient governments seemed to like very much as a pattern. But Salas repeated several times that UNFPA did not consider it a pattern it would like to repeat.

5. UNFPA does not really like joint financing with the Bank. It wants the Bank to do "what it can do best" and leave the rest to UNFPA. Their idea of what we can do best is bricks and mortar. As nearly as I can make out, what they have in mind is a sort of parallel operation that would avoid pooling funds for disbursement, which they evidently dislike intensely.

6. The most significant thing happening in relation to UNFPA is the study of its organization and operation by a subcommittee headed by Michanek which is just getting under way. Michanek made a very good statement at the meeting indicating quite clearly that he intends to go into the whole question of UNFPA structure and methods of financing. His stress on the need to put population projects in the context of general development strategy pleased Dr. Kanagaratnam. The other members of the subcommittee are: Lleras Camargo, Lord Caradon, Soleiman Huzayyin (Egypt), John D. Rockefeller 3rd, and B.R. Sen. I gather that the principal donors have insisted on this study and are looking to Michanek to bring about a substantial reform and particularly greater financial responsibility.

MLH/hm

cc. Dr. Kanagaratnam

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PROGRAMME DES NATIONS UNIES  
POUR LE DEVELOPPEMENT

FONDS DES NATIONS UNIES  
POUR LES ACTIVITES EN MATIERE DE POPULATION

UNITED NATIONS  
NEW YORK

TELEPHONE: 754-1234

CABLE ADDRESS: UNDEVPRO • NEW YORK

REFERENCE:

14 February 1972

Dear Mr. Demuth,

We have studied with great interest the draft document entitled "Sector Programme Paper; Population" which was made available to us by Dr. Kanagaratnam on a confidential basis for our comments. This paper provides useful background information needed to appreciate the World Bank's expanding role in the field of population and family planning, and outlines quite clearly the direction in which the Bank intends to move in this sector in the coming years.

To a considerable extent, the terms of reference and the objectives of the IBRD as outlined in the paper and those of the UNFPA in the field of population are similar. Both organizations are prepared to assist governments upon request to promote activities to reduce fertility and slow high rates of population growth. It is noted, however, that assistance from the Bank will be limited to member countries which have recognized that a population problem exists or which are in favour of family planning programmes (Para. 6.18 of the sector paper). The mandate of the UNFPA, however, is broader to include all population activities to cope with population problems, not necessarily limited to problems of population and control of fertility.

In the section of "Future Activities," we note that the experience of the Bank is that provision of technical assistance and training will be important elements in nearly every country. We, of course, can only confirm this experience.

So far, your organization has been mainly concerned with the financing of physical facilities required for family planning programmes. Although we have in principle not been excluded from providing for construction costs, we have normally concentrated our efforts on providing advisory services, fellowships, equipment, supplies, salary, support and other "soft wear" components. The Sector Paper proposes that the Bank expand its activities to include providing, more or less, the same types of assistance which are being provided by the UNFPA. We presume, however, that the Bank would still see it as its main role to provide for physical facilities required, and that the order in which the various types of activities are listed (items, technical assistance and training preceding the item physical facilities), does not indicate order of magnitude or priority.

Mr. Richard H. Demuth  
Director, Development Services Department  
International Bank for Reconstruction  
and Development  
1818 H Street, N.W.  
Washington, D.C. 20433





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We welcome the Bank's widening interest in the Family planning programmes to include the role of communication channels, the commercial sector, private groups and social policies and related legislation. However, the assistance required in these areas might best be provided in close cooperation with the competent organizations in the United Nations System, which have considerable experience and expertise. The same would apply to some of the areas of research of which four main groups have been identified.

We note that the Bank's strategy over the last five years is to establish projects in the field of population and family planning in some 25 countries, preferably with large populations covering more than two-thirds of the population in developing countries members of the Bank. We also note that the report recognizes the difficulties involved in developing population projects in view of the fact that there are few "institutional consultants" who can undertake feasibility studies and help in project preparation. We are, of course, to a considerable extent interested in the same countries, and have in many cases, similar interest and plans. It needs to be recognized that many of the expertise required by you can often more readily be identified and made available by utilizing the resources of the various organizations in the United Nations System concerned with population.

The above comments are based upon the revised paper (dated 20 January) which you gave to Mr. Gille when he was in Washington earlier this week. We note several improvements in the drafting, in particular, in the (new) paragraphs 6.16 and 6.20, but also that the Chapter on "Activities of other agencies [than the Bank] in the population sector" has been eliminated. In the (new) paragraph 6.05 outlining the objectives, provision of technical assistance has been added to the previous items analysis of the population problem, study through sector missions and project preparation. A sentence has been added as follows: "In all of these activities the Bank normally operates in close cooperation with UNFPA, WHO and other appropriate agencies". This seems to us to be a slight exaggeration of the actual situation at present -- as suggested above there is considerable room for much closer cooperation on operational aspects as well as on programming and research aspects of the Bank's work.

In conclusion, it seems to us essential that high level discussions be arranged to discuss and reach some understanding on close cooperation and consolidation of our efforts to insure that they will be complementing, rather than competing with each other. The fact is that the United Nations Fund for Population Activities, through the various agencies in the United Nations System, is already making important contributions in the same field, and is actually expecting to have available even larger amounts of resources for population

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3

activities in the coming five years than what is anticipated in the Bank's sector plan. The future roles of the two organizations should be clearly identified. The conditions under which joint and collaborative projects might be developed should be clarified. Arrangements should be made for the Bank to make further use of the experience and capacity of the technical agencies in the United Nations System. Joint efforts should be arranged in so far as possible in sending missions to the field and programming activities which both the Bank and the UNFPA might be prepared to support. Not only shortage of qualified personnel, but also difference in salary scales and work conditions make collaboration essential. On the whole, it would seem to us preferable if the World Bank would concentrate on providing assistance to population programmes of components for which it is best equipped to undertake by virtue of its loans and credits and other components be provided by UNFPA grants.

Yes

So long as they are provided in support of the same program.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Rafael L. Salas'.

Rafael L. Salas  
Executive Director

United Nations Fund for Population Activities

February 14, 1972

Dear Mr. Salas:

In reply to your letter of February 7, I think a meeting between us to cover the subject you mentioned would be timely and I suggest 3:00 p.m. Friday, February 25, in my office. I have asked Mr. Demuth and Dr. Kanagaratnam to hold themselves available for the remainder of that afternoon so that after we have covered the ground generally, you and your associates could continue the discussion with them.

Sincerely,

Robert S. McNamara

Mr. Rafael M. Salas  
Executive Director  
United Nations Fund for  
Population Activities  
United Nations  
New York, 10017

cc - Office of the President (2)

Mr. Demuth (o/r) ✓  
Dr. Kanagaratnam  
Mr. Baldwin

MLH:jg

*[Handwritten signature]*  
/ I S M interested  
You & KK  
to attend at 3:00.

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UNITED NATIONS  
NEW YORK

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FONDS DES NATIONS UNIES  
POUR LES ACTIVITES EN MATIERE DE POPULATION

TELEPHONE: 754-1234

CABLE ADDRESS: UNDEVPRO • NEW YORK

REFERENCE: FPA/522/1  
FPA/520/1

14 February 1972

*Myer*  
*Ernest will bring FC RLS AT*  
*Little Tom*  
*March*  
*12/10*

Dear Mr. Hoffman,

.....

Further to my letter dated 10 February 1972, I enclose herewith a copy of the terms of reference of the proposed Sub-Committee of the Advisory Board which will be established by the Board at its forthcoming meeting in March to look into various aspects of the operations of UNFPA. I have been in consultation with Mr. Ernst Michanek, the Secretary-General of the Swedish International Development Authority, who is preparing a preliminary study regarding the work of the Sub-Committee. The following members of the Advisory Board will be invited to serve on the Sub-Committee under the chairmanship of Mr. Michanek:

Dr. Albert Lleras Camargo

H.E. The Rt. Hon. The Lord Caradon

Mr. Soleiman Huzayyin

Mr. John D. Rockefeller, 3rd

Mr. B. R. Sen

It is my intention to bring this matter to the attention of the Programme Consultative Committee when we meet on 23-25 February.

I had hoped to circulate the proposed UNFPA Work Programme for 1972-75 (Agenda Item 3). However since as you will appreciate this is an enormous task requiring full consultations and coordination with the UN Agencies, the draft document will only be available when you arrive for the meeting.

Yours sincerely,

Mr. Michael L. Hoffman  
Associate Director  
Development Services Department  
IBRD  
1818 H Street, N.W.  
Washington, D.C. 20433

*Rafael M. Salas*  
Rafael M. Salas  
Executive Director

UNITED STATES  
DEPARTMENT OF HEALTH, EDUCATION & WELFARE  
OFFICE OF INTERNATIONAL AFFAIRS  
WASHINGTON, D.C. 20493

FOR THE DIRECTOR  
OFFICE OF INTERNATIONAL AFFAIRS  
WASHINGTON, D.C. 20493

DATE: 1/27/72  
TO: DIRECTOR

FROM: [Illegible]

Dear Mr. [Illegible]:

Further to my letter dated 10 February 1972, I enclose herewith a copy of the terms of reference of the proposed sub-committee of the Advisory Board which will be established by the Board at its forthcoming meeting in March to look into various aspects of the operations of UNRWA. I have been in consultation with Mr. [Illegible], the Secretary-General of the Swedish International Development Authority, who is preparing a preliminary study regarding the work of the sub-committee. The following members of the Advisory Board will be invited to serve on the sub-committee under the chairmanship of Mr. [Illegible]:

Dr. Albert Blomqvist

M.E. The Rt. Hon. The Lord Gammans

Mr. Soliman Huseini

Mr. John De Kock

Mr. H. B. [Illegible]

It is my intention to bring this matter to the attention of the Program Committee when we meet on 23-24 February.

I had hoped to circulate the proposed UNRWA Work Program for 1972-73 (Annex 1) to you. However since you will probably be in an emergency task remaining full consultation and coordination with the UN Secretary, the draft document will only be available when you arrive for the meeting.

Yours sincerely,

Mr. Michael J. Hoffman

Associate Director

Development Services Department

1980

1818 H Street, N.W.

Washington, D.C. 20493

72 FEB 16 1972  
[Illegible signature]  
Executive Director

*PAN* *NYT*

INCOMING CABLE

DATE AND TIME OF CABLE: **FEBRUARY 13, 1972**  
LOG NO.: **WU TELEX/14**  
TO: **DEMUTH/HOFFMAN/KANAGARATNAN INTBAFRAD**  
FROM: **NEW YORK**

ROUTING	
ACTION COPY:	<b>MR. DEMUTH</b>
INFORMATION COPY:	<b>MR. HOFFMAN</b>
DECODED BY:	<b>POPULATION PROJECTS</b>

TEXT:

REFERENCE PROGRAMME CONSULTATIVE COMMITTEE.  
PLEASE NOTE MEETINGS WILL BE HELD UN CONFERENCE ROOM NUMBER TWO  
AT 1030 HOURS.

**RAFAEL M. SALAS**  
**EXECUTIVE DIRECTOR**  
**UNFPA**

ee

RECEIVED  
COMMUNICATIONS  
FEB 14 8 28 AM 1972

TYPED

FEB 14 9 58 AM 1972

COMMUNICATIONS SECTION

FROM

EXPERIMENTAL SECTION

STATE OF TEXAS

TO: 1030 BOSTON

URGENT 1030 BOSTON 2/14/72 1030 BOSTON 2/14/72

URGENT 1030 BOSTON 2/14/72 1030 BOSTON 2/14/72

TEXT:

FROM:

1030 BOSTON

TO:

1030 BOSTON 2/14/72 1030 BOSTON 2/14/72

DATE:

2/14/72

TIME:

1030 BOSTON 2/14/72

DECLARED BY:	
CLASS:	EXPERIMENTAL SECTION
LOCATION:	STATE OF TEXAS
ACTION:	URGENT
BOSTON	

EXPERIMENTAL SECTION

Handwritten notes and scribbles at the bottom right of the page.

FORM No. 89  
(2.66)

INTERNATIONAL DEVELOPMENT  
ASSOCIATION

INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL FINANCE  
CORPORATION

*Handwritten signature*

ROUTING SLIP		Date
		Feb. 10, 1972
Name		Room No.
<b>ORDER OF PRECEDENCE</b>		
1. Mr. McNamara to see		
2. <del>Dr. Kanagaratnam to see</del>		
3. <del>Mr. Demuth to handle</del>		
To Handle	Note and File	
Appropriate Disposition	Note and Return	
Approval	Prepare Reply	
Comment	Per Our Conversation	
Full Report	Recommendation	
Information	Signature	
Initial	Send On	
Remarks <i>Mike, set up a 1/2 hr meeting with Salas here in my office at some convenient time including you &amp; K.K.</i> <i>Anders Ljungh</i>		
From <i>[Signature]</i>		



FEB 9 REC'D

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POUR LES ACTIVITÉS EN MATIÈRE DE POPULATION

TELEPHONE 754-1234

CABLE ADDRESS: UNDEVPHO • NEW YORK

REFERENCE:

7 February, 1972.

Dear Mr. McNamara,

I was very glad to have a chance to talk to you at the time of the NICHD meeting on research relevant to population problems. We agreed at that time that it might be useful for me and my staff to discuss mutual problems with Mr. Demuth, Dr. Kanagaratnam and perhaps other members of your staff.

I am writing this letter to you at the suggestion of our mutual friend Senator Joseph Tydings to say that he thinks, and I agree, that a meeting with you of thirty or forty minutes might usefully precede our meeting with Mr. Demuth and others.

The United Nations Fund for Population Activities is already a serious factor in the population field. It has raised \$43 million in two years and has programmed about \$25 million in 1971; in the next five years it expects to raise and programme at least twice as much as the figure mentioned in the IBRD's Sectoral Plan for population (i.e. \$150 million for the IBRD and more than \$300 million for UNFPA).

In a brief meeting with you I would hope to cover several subjects:

1. A brief review of the history of UNFPA, its rapid growth and the financial resources presently available and projected for the future.
2. A resumé of the unique character of the Fund, its flexibility and freedom to act without all of the restrictions affecting several multilateral agencies of the UN system.

/...

Mr. Robert S. McNamara  
President  
International Bank for Reconstruction  
and Development  
1818 H Street, N.W.  
Washington, D.C. 20433



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2.

3. A review of the Fund's programming to date with particular attention to the major multidisciplinary agreements we have concluded with a number of countries.
4. Our sense of the importance that a workable and effective collaboration be established in the population field between UNFPA and the IBRD as the two largest funding agencies in this field in the UN system and probably soon in the world.
5. A resumé of our efforts to establish collaboration with the Bank and a description of the nature of the difficulties which have arisen on both sides in connection with the joint IBRD/UNFPA project.
6. An analysis of the problems to be overcome on both sides in establishing workable UNFPA/IBRD cooperation in the population field and suggestions as to how they may be overcome.
7. In connection with the latter two points I shall try to bring out the problems created by different procedures in our two systems growing out of our habitual operations. In addition I shall mention some of the special characteristics of the population field as one in which there are a number of donor agencies operating. A fact which must be taken into account if our programming operations are to be truly helpful to Governments. Above all I would like to explore with you how the roles of the Bank and the Fund may be harmonized in individual countries in which we both intend to undertake substantial commitments.

With best regards,

Yours sincerely,

  
Rafael M. Salas  
Executive Director

The Proposed Sub-Committee of the UNFPA Advisory Board

It is proposed to establish a small Sub-Committee of the Advisory Board at its next meeting scheduled for 21-23 March 1972.

The following members of the Advisory Board may be invited to serve on the Sub-Committee:

Chairman: Mr. Ernst Michanek, Sweden  
Members: Dr. Alberto Lleras Camargo, Colombia  
H.E. The Rt. Hon. The Hon. The Lord Caradon,  
United Kingdom  
Mr. Soleiman Huzayyin, Arab Republic of Egypt  
Mr. John D. Rockefeller, 3rd, United States  
Mr. B.R. Sen, India

The proposed Sub-Committee would be requested to make recommendations on the following points:

- i) Planning and programming procedures of the UNFPA including collaboration with and utilization of the resources of the United Nations, its Specialized Agencies and interested Non-Governmental organizations;
- ii) The capacity of the UNFPA and the collaborating organizations in the United Nations system in the effective execution of programmes and projects including the possibility of project implementation as appropriate by UNFPA and non-governmental bodies;
- iii) Ways of ensuring the effective execution of the regional and field responsibilities of UNFPA;
- iv) Study of the role of the Fund in relation to UNDP country programming;
- v) The decision-making process within the UNFPA, including the functions of the Programme Consultative Committee and the possible use of ad hoc advisory groups;
- vi) The role of the UNFPA in support of programmes to increase the availability of qualified experts and personnel in less developed countries;
- vii) The responsibilities of UNFPA with regard to financial and personnel matters.

The above are proposed to take into consideration the directives of the General Assembly as expressed in its resolution calling on the Secretary General "to take the necessary steps in order to achieve the desired improvements in the administrative machinery of the Fund, aimed at the efficient and expeditious delivery of population programmes." <sup>1/</sup>

The Sub-Committee may also wish to consider recommendations concerning ways in which the UNFPA may more effectively discharge its responsibilities for leadership within the UN system and provide a focus for co-ordinated international efforts to deal with population problems. The Sub-Committee may also wish to consider the role of the Fund in relation to the World Population Year, 1974.

In carrying out its review the Sub-Committee may wish to take into account the documents prepared by UNFPA on its Aims and Strategy and on the Criteria for Project Appraisal, as well as two reports prepared by outside consultants, the first on the improvement of planning and implementation of projects funded by UNFPA and the second by a group of management consultants. The Sub-Committee may wish to bear in mind that the Fund, in collaboration with the UN organizations concerned, is preparing a Work Programme for the period 1972-1975 which is expected to become available on February 1st, 1972.

The Sub-Committee is requested to submit its report in time for consideration by the Secretary General in connexion with the above mentioned General Assembly resolution.

February 2, 1972

Dear Mr. Salas:

I wish to thank you for your letter of January 20, 1972 (Ref: FPA/522/1) inviting the International Bank for Reconstruction and Development to be represented at the meeting of the Programme Consultative Committee to be held in New York from February 23 to 25, 1972.

I am pleased to inform you that the Bank will be represented at this meeting by Mr. Richard H. Demuth, Director, Development Services Department, by Mr. Michael L. Hoffman, Associate Director, Development Services Department, and by Dr. K. Kanagaratnam, Director, Population Projects Department.

Sincerely yours,

Ernesto Franco-Holguin  
Special Representative for  
United Nations Organizations

Mr. Rafael M. Salas  
Executive Director  
United Nations Fund for  
Population Activities  
United Nations, New York, 10017

cc: Mr. Demuth  
Mr. Hoffman ✓  
Dr. Kanagaratnam

EFH:umcd

January 26, 1972

Dr. Ernst Michanek, Director  
Swedish International Development  
Authority  
Klarabergsgattan 60  
S 105 25 Stockholm, Sweden

Dear Dr. Michanek:

As promised in my letter to you of January 18, I am pleased to enclose herewith a copy of our Population Sector Program Paper, dated January 20, 1972. This paper has not yet been discussed by our Executive Directors and therefore I would ask you to treat it as strictly confidential and given to you for your personal use only.

With kind regards,

Sincerely yours,

Richard H. Demuth  
Director  
Development Services Department

Enc.

RHD:tf

MLH

*[Handwritten signature]*

## OFFICE MEMORANDUM

TO: Mr. R.H. Demuth

DATE: January 26, 1972

FROM: K. Kanagaratnam *[Handwritten signature]*

SUBJECT: Letter from Mr. Salas, dated January 20, 1972 - Programme Consultative Committee Meeting, February 23-25, 1972, New York.

1. The attached invitation (a first) is the Committee which has most of the main donors on it. In the past we have attended the Inter-Agency Consultative Committee (IACC) which consists of UN Agencies - most of them receiving funds. The IACC is not scheduled to meet until June.
2. There is some overlap of subject matter at these Committees but attendance with main donors might be useful to open direct communication with them and probably comes following the "Indonesia" experience.
3. Could we discuss?

Attachm't - cc inc.

KK:bli

UNITED NATIONS  
DEVELOPMENT PROGRAMME



PROGRAMME DES NATIONS UNIES  
POUR LE DÉVELOPPEMENT

UNITED NATIONS  
NEW YORK

UNITED NATIONS  
FUND FOR POPULATION ACTIVITIES

FONDS DES NATIONS UNIES  
POUR LES ACTIVITÉS EN MATIÈRE DE POPULATION

TELEPHONE 754-1234

CABLE ADDRESS: UNDEVPRO • NEW YORK

REFERENCE: FPA/522/1

*called - not in  
Mr Jan - will call  
- he later 1/25*

20 January 1972


Dear Dr. Kanagaratnam,

At the last meeting of the Programme Consultative Committee held in Geneva in October 1971 it was decided that the presence of a representative from the IBRD at future meetings of the Committee would be most useful. I therefore have pleasure in inviting you to attend the next meeting of the Programme Consultative Committee which will meet from 23-25 February in New York. The 25th has been set aside for individual discussions between individual members of the Committee and with UNFPA if necessary.

. . . I enclose a copy of the Draft Agenda of the meeting.

I hope you will find it possible to attend.

Yours sincerely,

  
Rafael M. Salas  
Executive Director

Dr. K. Kanagaratnam  
Director  
Population Projects Department  
International Bank for Reconstruction  
and Development  
1818 H Street, N.W.  
Washington, D.C. 20433



Draft Agenda  
Programme Consultative Committee Meeting  
23-25 February 1972  
New York

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1. Introductory Statement by Executive Director, UNFPA
2. Review of Major Projects
3. Proposed UNFPA Work Programme, 1972/75 \*
4. Evaluation of UNFPA Activities \*
5. Relationship between UNFPA and Executing Organizations \*
6. Follow-up Action on General Assembly Resolution  
(No. A/2815 (XXVI) dated 14 December 1971) \*\*
7. Developments relative to organizational and procedural matters
8. Other Business

\* Documentation on the subject will be circulated in the beginning of February.

\*\* Attached

ROUTING SLIP

Date Jan. 28, 1972

NAME

ROOM NO.

~~Mr. Demuth~~

~~D 1128~~

MLH

7  
Mr H 1st Monday  
RH-D-2 Monday  
K-K - throughout

To Handle

Note and File

Appropriate Disposition

Note and Return

Approval

Prepare Reply

Comment

Per Our Conversation

Full Report

Recommendation

Information

Signature

Initial

Send On

REMARKS

Further correspondence on Programme Consultative Committee attached.

Do you wish to reply from DSD to the letter of Jan. 20 or want me to. Either way is fine with me.

I think you have our copy of the Jan 20 letter. We might as well reply & give the composition of the delegation

From

K. Kanagaratnam

W. H. D.

UNITED NATIONS  
DEVELOPMENT PROGRAMME



PROGRAMME DES NATIONS UNIES  
POUR LE DÉVELOPPEMENT

UNITED NATIONS  
NEW YORK

UNITED NATIONS  
FUND FOR POPULATION ACTIVITIES

FONDS DES NATIONS UNIES  
POUR LES ACTIVITÉS EN MATIÈRE DE POPULATION

TELEPHONE 754-1234

CABLE ADDRESS UNDEVPRO NEW YORK

REFERENCE:

FPA/522/1

24 January 1972

Dear Dr. Kanagaratnam,

Programme Consultative Committee Meeting, 23-25 February 1972

Further to my letter dated 20 January 1972 regarding the Programme Consultative Committee meeting which has been scheduled . . . from 23-25 February 1972 in New York, I enclose the Draft Agenda for the meeting.

General Assembly Resolution No. A/2815 (XXVI) dated 14 December . . . 1971 under Agenda item 6 is attached. The documentation relating to items 3,4, and 5 will be dispatched to you before the meeting.

The meeting will be held at the United Nations building in New York. I shall inform you of the conference room number in due course.

Yours sincerely,

  
Rafael M. Salas  
Executive Director

Dr. K. Kanagaratnam  
Director  
Population Projects Department  
International Bank for Reconstruction  
and Development  
1818 H Street, N.W.  
Washington, D.C. 20433



UNITED NATIONS  
GENERAL  
ASSEMBLY



Distr.  
GENERAL

A/RES/2815 (XXVI)  
7 January 1972

Twenty-sixth session  
Agenda item 44

RESOLUTION ADOPTED BY THE GENERAL ASSEMBLY

/on the report of the Second Committee (A/8563)/

2815 (XXVI). United Nations Fund for Population Activities

The General Assembly,

Recalling Economic and Social Council resolution 1084 (XXXIX) of 30 July 1965 on the work programmes and priorities in the population fields,

Recalling further its resolution 2211 (XXI) of 17 December 1966, in response to which a trust fund, subsequently named the United Nations Fund for Population Activities, was established in 1967 by the Secretary-General,

Bearing in mind the International Development Strategy for the Second United Nations Development Decade, contained in General Assembly resolution 2626 (XXV) of 24 October 1970, with particular reference to the demographic objectives and policy measures set forth in paragraphs 13 and 65 of the Strategy,

Recognizing the responsibility of the Population Commission to assist the Economic and Social Council in accordance with its terms of reference, as defined in Council resolution 150 (VII) of 10 August 1948,

Noting that the Secretary-General has requested the Administrator of the United Nations Development Programme to administer the United Nations Fund for Population Activities and that an Executive Director for the Fund has been appointed,

Further noting with satisfaction the progress made to date by the United Nations Fund for Population Activities to which, so far, thirty-two countries have contributed,

Aware that the United Nations Fund for Population Activities has now become a viable entity in the United Nations system,

/...

Convinced that the United Nations Fund for Population Activities should play a leading role in the United Nations system in promoting population programmes - consistent with the decisions of the General Assembly and the Economic and Social Council - on the problem of fast population growth as well as on the problem of under-population, which could, among other things, hamper rapid economic development,

Recognizing the need for the executing agencies of the United Nations Fund for Population Activities to implement with dispatch, in close co-operation with the Fund, population programmes requested by developing countries in order that such programmes may have the desired impact,

Expressing its appreciation of the efforts of the Secretary-General, which have resulted in the unprecedented growth and expansion of the United Nations Fund for Population Activities, and of the support extended by the Administrator of the United Nations Development Programme,

1. Invites Governments which are in a position to do so and whose policies would allow it to make voluntary contributions to the United Nations Fund for Population Activities;
2. Requests the Secretary-General, in consultation with the Administrator of the United Nations Development Programme and the Executive Director of the United Nations Fund for Population Activities, to take the necessary steps to achieve the desired improvements in the administrative machinery of the Fund aimed at the efficient and expeditious delivery of population programmes, including measures to quicken the pace of recruiting the experts and personnel required to cope with the increasing volume of requests, as well as to consider the training of experts and personnel in the developing countries;
3. Further requests the Secretary-General to inform the Economic and Social Council at its fifty-third session and the General Assembly at its twenty-seventh session of the steps he has taken in the implementation of the present resolution and of any recommendations he may wish to make in this regard.

2017th plenary meeting,  
14 December 1971.

Draft Agenda

Programme Consultative Committee Meeting

23-25 February 1972

New York

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1. Introductory Statement by Executive Director, UNFPA
2. Review of Major Projects
3. Proposed UNFPA Work Programme, 1972/75 \*
4. Evaluation of UNFPA Activities \*
5. Relationship between UNFPA and Executing Organizations \*
6. Follow-up Action on General Assembly Resolution \*\*  
(No. A/2815 (XXVI) dated 14 December 1971)
7. Developments relative to organizational and procedural matters
8. Other Business

\* Documentation on the subject will be circulated in the beginning of February.

\*\* Attached

UNFPA AND COLLABORATION WITH IBRD IN THE FIELD OF POPULATION

HISTORY OF UNEPA

1967 ESTABLISHED BY SECRETARY GENERAL  
NOVEMBER 1969 ADMINISTRATION ENTRUSTED TO UNDP

<u>YEAR</u>	<u>RAISED</u> (IN U.S. MILLIONS)	<u>OBLIGATED</u>	
1967	.1		
1968	1.0		<i>Earmarked</i>
1969	3.9	1.5	
1970	15.4	6.8	
1971	28.8	16.9	<i>Remainder</i>
1972 (PROJECTED)	40.0 (PLUS) <i>\$ 49.2</i>	<i>\$ 25</i>	<i>20</i> <i>4</i>



1971 DONORS

	NO.	\$ (U.S. MILLIONS)
DEVELOPED COUNTRIES	15	27.5
DEVELOPING COUNTRIES	30	1.3
	—	—
	45	28.8

1972 DONORS (EXPECTED)

DEVELOPED COUNTRIES	15	36.5
DEVELOPING COUNTRIES	50	3.5
	—	—
	65	40.0

UNFPA STAFF

HEADQUARTERS

1971 15 PROFESSIONAL

1972 (JUNE) 27 PROFESSIONAL

✓ End of 72 - 40 profs,

IN FIELD

UNDP RESIDENT  
REPRESENTATIVES

UNFPA  
SENIOR ADVISERS

1971

97

1

1972

98

10

Project  
managers -  
appointed  
on 2-yr. basis

UNFPA FUNCTIONS

1. FUND RAISING

2. PROGRAMMING, INCL.

POLICY FORMULATION  
PLANNING  
PROJECT DEVELOPMENT  
PROJECT APPRAISAL

3. FINANCING OF PROJECTS AND PROGRAMMES, INCL.

APPOINTMENT AND INSTRUCTION OF EXECUTING AGENCY

4. COORDINATION OF PROGRAMMES

WITHIN U.N. SYSTEM  
WITH BILATERAL DONORS

5. MONITORING AND EVALUATION OF PROJECTS AND PROGRAMMES

UNFPA FLEXIBILITY

UNFPA CAN

APPROVE PROJECTS WITHOUT REFERENCE TO A GOVERNING BOARD,

COVER LOCAL COSTS, UP TO 100% OF SOME PROJECTS,

COVER RECURRENT OPERATIONAL COSTS, INCLUDING SALARY COSTS, ON  
A DECLINING BASIS,

FINANCE SOME CONSTRUCTION,

FINANCE INNOVATIVE PROGRAMMES,

USE EXECUTING AGENCIES OUTSIDE THE U.N. SYSTEM,

BE ITS OWN EXECUTING AGENCY,

DEAL DIRECTLY WITH GOVERNMENTS,

PROVIDE GRANT MONEY, I.E. NO REPAYMENT OBLIGATIONS - SHORT OR LONG-TERM,

UNFPA PROGRAMMING 1970 - 1972

APPROVED 168 REGIONAL AND INTERREGIONAL PROJECTS AND 153 PROJECTS  
IN 60 COUNTRIES, INCLUDING MAJOR COUNTRY PROGRAMMES IN

	<u>\$(MILLION)</u>	<u>DURATION</u>
PAKISTAN	1,746	1 YEAR
MAURITIUS	,584	2 YEARS
EGYPT	1,250	1 YEAR
IRAN	1,630	1 YEAR
THAILAND *	3,362	5 YEARS
PHILIPPINES	3,320	5 YEARS
INDIA	1,000	(INITIAL INPUT IN (SINGLE PROJECT

\* MEMORANDUM OF UNDERSTANDING

*Chile  
Ecuador  
Turkey  
Ceylon (maybe)*

SCOPE OF UNFPA PROGRAMME

BASIC DATA ON POPULATION

1. CENSUSES
2. VITAL STATISTICS
3. SAMPLE SURVEYS
4. OTHER DATA COLLECTION SCHEME

POPULATION DYNAMICS

1. INTERRELATION OF POPULATION AND DEVELOPMENT
2. FACTORS AFFECTING FERTILITY AND WAYS OF CONTROLLING IT
3. URBANIZATION AND MIGRATION
4. ENVIRONMENT

POLICY FORMULATION

1. ADVICE TO GOVERNMENTS ON POLICY FORMULATION
2. EXPLORATION OF MEASURES TO REDUCE FERTILITY OTHER THAN FAMILY PLANNING

FAMILY PLANNING

1. FERTILITY REGULATION TECHNIQUES
2. SUPPORT TO DELIVERY SYSTEMS INCLUDING COMPREHENSIVE PROGRAMMES OF ASSISTANCE

EDUCATION AND COMMUNICATION

1. FAMILY PLANNING SUPPORT COMMUNICATIONS
2. POPULATION AND SEX EDUCATION IN SCHOOLS
3. OUT-OF-SCHOOL EDUCATION

REASONS FOR UNFPA/IBRD COLLABORATION IN POPULATION PROGRAMMES

1. IBRD AND UNFPA ARE THE TWO LARGEST FUNDING AGENCIES<sup>ns</sup> IN THE POPULATION FIELD IN THE UN SYSTEM
2. THEY WILL PROBABLY SOON BE THE TWO LARGEST IN THE WORLD
3. IN ANY GIVEN COUNTRY:
  - A) IN COOPERATION THEIR IMPACT CAN BE EFFECTIVE
  - B) DISCOORDINATED THEIR OPERATIONS WILL BE WASTEFUL AND DISORIENTING TO GOVERNMENTS
4. BOTH DONORS AND RECIPIENTS WILL EXPECT UNFPA AND IBRD TO COORDINATE THEIR PROGRAMMES.

EFFORTS TO ESTABLISH UNFPA: / IBRD COLLABORATION

1. STARTING IN SEPTEMBER 1969 UNFPA OFFICERS HAVE DISCUSSED POSSIBLE MODES AND COLLABORATION WITH IBRD OFFICERS.
  
2. AT THE FIRST INDICATION OF A POSITIVE IBRD RESPONSE (IN THE CASE OF INDONESIA) UNFPA MERGED A SUBSTANTIAL PROPOSED PROGRAMME OF ITS OWN INTO A JOINT PROJECT WITH THE IBRD.



DIFFERENCES IN HABITUAL APPROACH BETWEEN UNFPA AND IBRD

I.

- A. UNLESS THERE IS REASON TO THE CONTRARY THE UNFPA PREFERS TO CHOOSE EXECUTING ORGANIZATIONS FROM WITHIN THE UN SYSTEM; TO MAKE THE SYSTEM AS A WHOLE MORE USEFUL IN THE POPULATION FIELD WAS ONE OF THE REASONS UNFPA WAS CREATED.
- B. THE IBRD HAS NO SUCH TERMS OF REFERENCE. *g*

II.

- A. THE UNFPA IS A GRANT-GIVING INSTITUTION AND IS USED TO ARRIVING AT ITS POSITIONS THROUGH AN OPEN PROCESS OF DIALOGUE WITH GOVERNMENTS AND THE UN AGENCIES.
- B. THE IBRD IS A LENDING ORGANIZATION AND ACCUSTOMED TO DOING ITS OWN PLANNING ON A CONFIDENTIAL BASIS. *g*

III.

- A. THE UNFPA WORKS EXCLUSIVELY IN THE POPULATION FIELD, WHERE NUMEROUS DONOR AGENCIES ARE OPERATING; IT IS THUS USED TO COORDINATION ITS PROGRAMMING WITH THAT OF OTHER AGENCIES.
- B. THE IBRD HAS USUALLY LENT MONEY IN FIELDS WHERE IT IS THE SOLE, OR AT LEAST MUCH THE MOST IMPORTANT LENDER; THUS COOPERATION WITH OTHER SOURCES OF FUNDS HAS NOT BEEN A MATTER REQUIRING SERIOUS CONSIDERATION. *g*

DIFFICULTIES ARISING IN CONNECTION WITH THE JOINT IBRD/UNFPA PROJECT  
IN INDONESIA

1. IN ITS ORIGINAL FORM THE PROJECT PUT IBRD BETWEEN UNFPA AND RELEVANT UN AGENCIES AND RELEGATED THE LATTER TO A SUBSIDIARY AND TECHNICAL ROLE. THIS OFFENDED THEM.
2. MOREOVER, THE UN AGENCIES ALREADY HAD SUBSTANTIAL PROGRAMMES IN INDONESIA IN POPULATION AND RELATED FIELDS AND THEY WERE UNCERTAIN HOW THE JOINT PROJECT MIGHT BE HARMONIZED WITH THEIR ONGOING PROGRAMMES.
3. THE UN AGENCIES TOOK OFFENCE AT WHAT THEY CONSIDERED TO BE INSUFFICIENT CONSULTATION WITH THEM BY THE IBRD AND THE UNFPA HELD BACK BY THE IBRD S POLICIES.
4. DESPITE IBRD CONCESSIONS FROM NORMAL PROCEDURES IN COURSE OF PROJECT DEVELOPMENT, THE UN AGENCIES REMAIN HIGHLY CRITICAL OF THE PROJECT, BOTH IN ITSELF AND AS A POSSIBLE PRECEDENT.

UNFPA IDEAS RE FUTURE IBRD/UNFPA COLLABORATION.

CONSULTATION ONLY: IBRD PROJECTS IN SOME SMALL COUNTRIES ON  
LESS THAN THE SCALE OF THE COUNTRY AS A WHOLE,

PARALLEL AND COORDINATED PROGRAMMING: IN IMPORTANT COUNTRIES WITH SUBSTANTIAL  
PROGRAMME IN PROCESS OR IN PROSPECT,

FULLY JOINT PROJECTS (WITH THE BANK AS PRINCIPAL EXECUTING ORGANIZATION):  
IN SMALL COUNTRIES OR ON A SCALE LESS THAN THAT OF A COUNTRY AS A  
WHOLE.

POSSIBLE DIFFERENTIATION OF ROLES IN COORDINATED PROGRAMMING  
(WITHIN A GIVEN COUNTRY)

A. GEOGRAPHICAL DIFFERENTIATION:

1. IBRD AND UNFPA WOULD TAKE PROJECTS IN DIFFERENT PROVINCES WITHIN A SINGLE COUNTRY, OR
2. THERE MIGHT BE SOME DIFFERENTIATION AMONG COUNTRIES - AT LEAST TO THE EXTENT THAT IBRD MIGHT NOT ATTEMPT MAJOR POPULATION PROGRAMMES IN "BANK" AS AGAINST "IDA" COUNTRIES.

(\* E.G. BRAZIL AND MEXICO)

B. FUNCTIONAL DIFFERENTIATION:

EXAMPLES

1. IBRD MIGHT TAKE:

INFRASTRUCTURE BASE (EDUCATION OR HEALTH) WHILE

UNFPA TOOK:

MORE SPECIFICALLY POPULATION PROJECTS

(UNFPA IS ADMINISTERING MONEY EARMARKED FOR POPULATION.)

OR

2. IBRD MIGHT TAKE:

CONSTRUCTION OR OTHER CAPITAL COMPONENTS, WHILE

UNFPA TOOK:

SOFTWARE AND RECURRENT EXPENSES.

OR

3. IBRD MIGHT TAKE COMPONENTS WITH

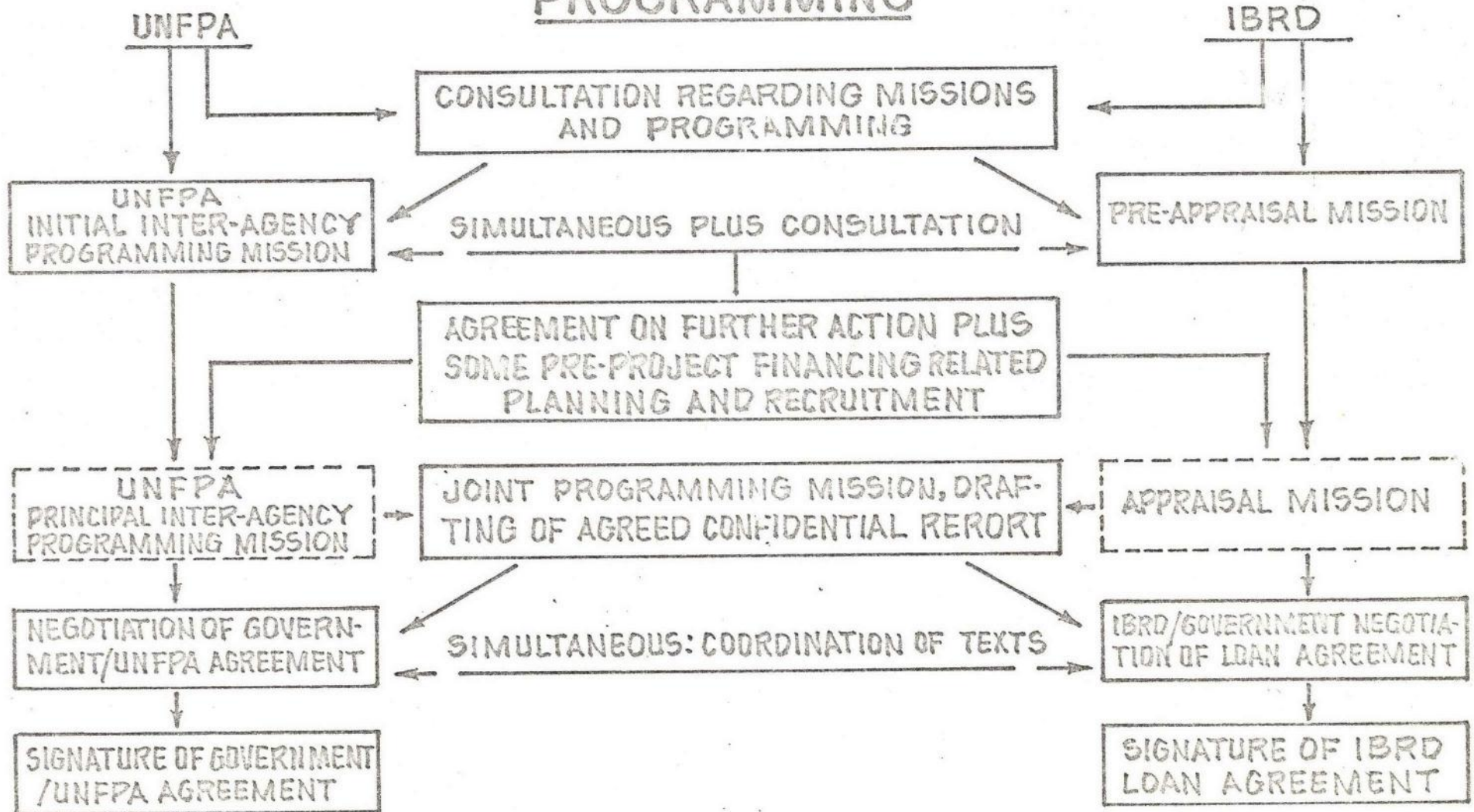
A) INVOLVING INTERNAL FINANCING (REVOLVING FUNDS, INCENTIVE LOANS, ETC.) OR

B) EXPERIMENTAL NATURE, WHILE

UNFPA TOOK:

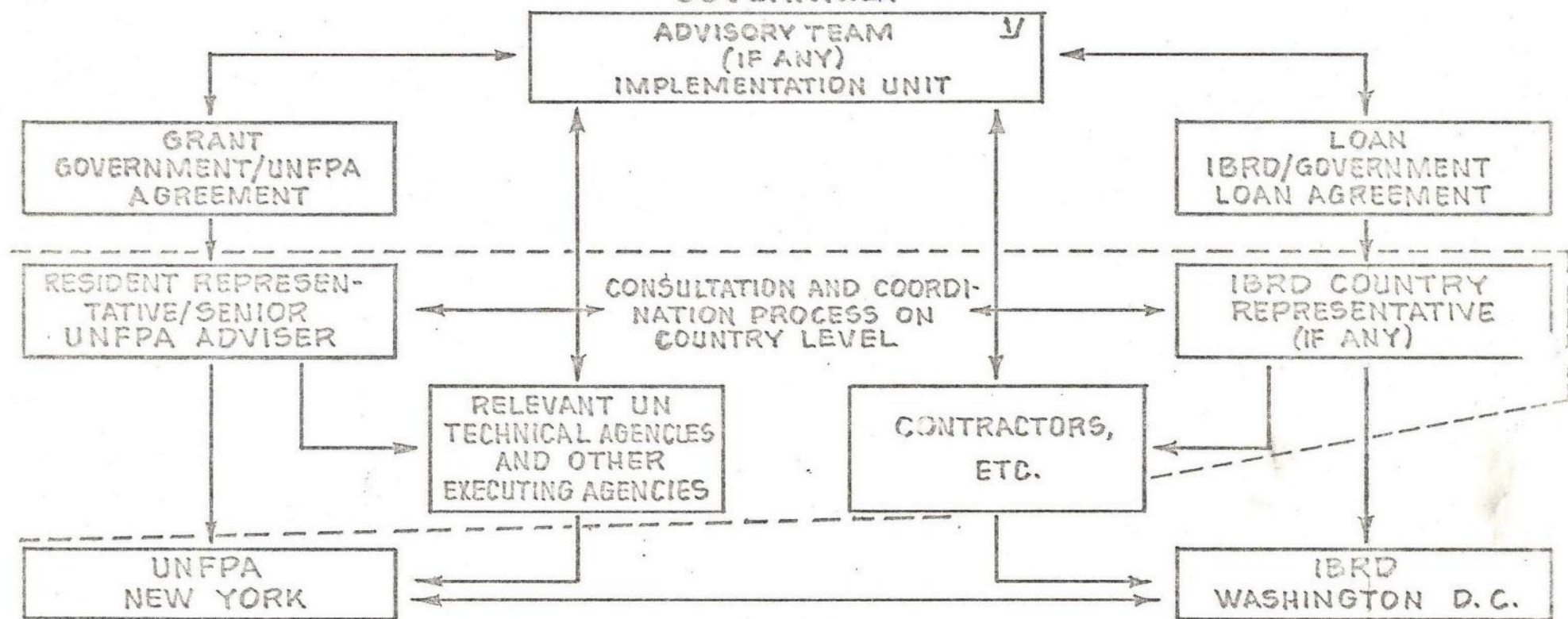
OTHER INITIAL AND RECURRENT EXPENDITURES.

# PARALLEL AND COORDINATED PROGRAMMING



# PARALLEL AND COORDINATED IMPLEMENTATION

## GOVERNMENT



✓ **TERMS OF REFERENCE AND IDENTITY OF MEMBERS ARE TO BE AGREED BETWEEN IBRD AND UNFPA WITH LATTER HAVING CONSULTED RELEVANT UN AGENCIES. TEAM AND UNIT TO BE JOINT IBRD/UNFPA PROJECT, GIVEN TO GOVERNMENT AND TO OPERATE UNDER GOVERNMENT'S INSTRUCTIONS ONLY.**