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Washington, D.C.

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McNamara Papers

Mr. McNamara's Chronological ^{file} Information
file from January - November, 1972 (incoming)

The World Bank Group
Archives
1771538
A1995-258 Other #: 2
President's papers - Robert S. McNamara Chronological files (incoming) - Chrons 08

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FOR IMMEDIATE RELEASE

MARCH 10, 1972



Office of the White House Press Secretary

THE WHITE HOUSE

STATEMENT BY THE PRESIDENT

Today I have signed into law three bills which are of special importance to our relations with the developing nations of Latin America, Asia and Africa. These bills authorize significant United States contributions to three multilateral development institutions -- the Inter-American Development Bank, the International Development Association and the Asian Development Bank.

The activities of these institutions over the past decade have clearly demonstrated how much can be accomplished by great multilateral endeavors toward constructive and peaceful goals. Their increasing capacity to deal with the complex problems of development promises even greater achievements during this decade. It is for these reasons that I have given my strong support to legislation increasing the resources of these international development lending organizations. And I believe that it is for these same reasons that the Congress approved my requests by substantial bipartisan majorities.

The reasons which underlie our support for the international financial institutions are well known; they include: the international burden-sharing that these institutions make possible, the experience and expertise that these institutions bring to development, and the very substantial long-range benefits to the United States from expanding markets and sources of supply in the developing countries.

These factors are consistent with the evolving world role I see for the United States in the decade ahead. They are the counterpart in the development field of the new approach we are charting in world monetary and trade policies -- an approach which calls upon all partners to contribute their fair share to a balanced international economy. This legislation reaffirms the willingness of the United States to play a constructive leadership role within that context.

The bill providing \$900 million of additional authority for the Fund for Special Operations of the Inter-American Development Bank is an important expression of our continued commitment to development in the Western Hemisphere. This action completes the authorizing phase of the arrangements which we and our Latin American partners worked out at Punta del Este in April of 1970. It clearly recognizes the high degree of importance which we and the Latin American people attach to this hemispheric institution and its work.

The funds authorized for the International Development Association of the World Bank will help that institution continue its work of providing credits to the poorest of the developing nations on suitable terms. The funds we provide to the IDA are essential to a broad international sharing of responsibility for the development effort, since other developed countries will provide more than 1-1/2 times the amount that we contribute. Prompt appropriation of our contributions is especially important at this time, when funds available for new lending by this important institution have been virtually exhausted.

For Asia, the authority that becomes effective today will provide an initial United States contribution to the special funds of the Asian Development Bank. This money will be especially important in the evolving pattern of United States relations with Asia, helping Asian nations to become economically self-sufficient. Other countries have already contributed substantial amounts to this institution, but our resources are needed to continue the momentum that has been established.

The legislation which I sign today is evidence of the willingness of the United States to provide the funds required to carry out these programs. The amounts called for are within our capabilities. They are consistent with and have been taken into account in our budgetary planning. They are essential if the idea of multilateral assistance is to remain a viable concept. And they are necessary if we are to continue to participate constructively in an international effort which has, in large part because of our past leadership, played such a major role in fostering progress in the developing world.

I urge that the Congress act promptly in appropriating the full amounts authorized by this legislation.

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The funds authorized for the International Development Association of the World Bank will help that institution continue its work of providing credits to the poorest of the developing nations on a flexible basis. The funds we provide to the IDA are essential to a broad international sharing of responsibility for the development effort, since that developed countries will provide more than 1-1/2 times the amount that we contribute. Prompt appropriation of our contribution is especially important at this time, when funds available for new lending by this important institution have been virtually exhausted.



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23 May 1972



Science
Jean Lab.

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If you have a moment you may care to glance through the attached letters.

Things proceed reasonably well - but, alas, the weather is not kind to us.

Yours sincerely,

Tacho

Mr. Robert S. McNamara
President
International Bank for
Reconstruction and Development
1818 H Street, N.W.
Washington, D.C. 20433

President has seen
~~President has seen~~



INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Cable Address - INTBAFRAD

INTERNATIONAL DEVELOPMENT ASSOCIATION

Cable Address - INDEVAS

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

Area Code 202 • Telephone - EXecutive 3-6360



May 16, 1972

Sir Robert Jackson
Under Secretary-General
In Charge of UN Relief Operations
Room 1827 United Nations Bldg.
United Nations Plaza
New York, New York 10017

Dear Jacko:

I got back from Dacca at the weekend and, as promised, am writing to you to give you my impressions.

From the Bank's point of view everything went very well indeed. Our reception was most cordial and we were able to reach agreement on the interim financing of our on-going projects, begin a discussion about the external debt problem and expedited the application for membership of the Fund, Bank and IDA. I would expect that the formalities for membership would be over well before the end of June. I am sure that the welcome for Umbricht will be just as warm. Naturally, since he was new to the situation, he took a few days to take stock of the position and had only just begun his rounds when I left. Abdel Meguid joined him last Saturday and I hope he will be helpful. Just Faaland, the Director of the Nichelsen Institute of Economic Development will be going to Dacca as our resident representative fairly soon. In the meantime, Shibusawa from my Department in the Bank is holding the fort.

I am particularly pleased that Faaland can go to Dacca fairly soon. He was in East Pakistan with the Harvard team some years ago and since then has been on the Board of advisors to the former Pakistan Institute of Development Economics of which Nurul Islam, now the Deputy Chairman of the Planning Commission, was Director. Consequently, he knows many of the key people responsible for economic policy making and I know enjoys their trust and confidence.

I am, however, still rather uncertain how you expect the Bank to be helpful to the UN operation. When you first came down to Washington, you suggested to McNamara and myself that the relationship should be similar to the Bank's relationship with the UNDP when the Bank acts as an executing agent. This, of course, was quite acceptable to us. Our responsibilities for doing work for the UNDP are set out in a Plan of Operations and, with regard to the UNDP itself, obliges us only to keep the UNDP informed of the progress of the project we are supervising and to account for money which we dispense on behalf of the UNDP. When you were in Delhi, you said at our various meetings that given pledges already made by a number of countries, you did not think that finance would be a constraint in carrying out the UN operations in Bangladesh. I perhaps wrongly construed this to mean that the UN would have money not only for the administration of relief work, but also for some of

the more urgent reconstruction tasks. Accordingly, when I met with Bengali officials and they enquired about the possibility of aid for various reconstruction works, I told them that until Bangladesh was a member of the Bank and IDA it would not be possible for us to finance such works but that the UN had finance for this purpose and the Bank would be willing to act as executing agent for the UN if asked to do so. Umbricht told me before I left that, in fact, he did not have at his disposal more money than was needed to administer the relief program for the next two months or so. He did tell me that you were engaged in discussions with major donor countries and expected to have more funds. If this expectation proves correct and you wish us to do something, I hope that you will let us know without delay as, for any major works to start in the next construction season, preliminary work will have to begin right away.

Umbricht seemed worried in a somewhat indefinite way about relations with the Bank and talked frequently of the need for "the UN family to talk with one voice" and for all agencies to operate under the "UN umbrella". I am not sure what these phrases mean. From the discussion we had with other agencies in New York, I have the impression that many of them could not venture into Bangladesh except under the aegis of the UN which was itself operating there on the strength of two resolutions in the Security Council last December. The Bank does not suffer from any such constraint. In the interval before Bangladesh becomes a member in its own right, we cannot, of course, make any loans or credits but we have no difficulty visiting Bangladesh and discussing our business with them and would have had no difficulty even if the Security Council resolutions had not been passed. Accordingly, we do not need in this sense to have the "UN umbrella" and, of course, must continue to conduct our normal business which is quite unrelated to the short-term problems confronting the UN. As to the question of the UN agencies speaking with one voice, I think this assumes importance only if two agencies are giving advice or operating in the same field. So far I see no possibility of conflict between the Bank and the UN in this respect because, by definition, we are concerned with the long-term problem of economic development extending far beyond March 31, 1973 which you have set as the terminal date for the UN operation. However, to guard against the risk of any conflict, I have impressed on Shibusawa and will impress on Faaland the need to keep Umbricht fully informed of our activities and of any discussions we have with the Bengalis which might have a bearing on the work of the UN. Also, as you know, Tadros is currently in the UN Headquarters in New York. With him there, with Abdel Meguid working for Umbricht and with Shibusawa present, there should, I believe, be excellent liaison between us.

Our first task is to convert the 12 existing loans for on-going projects into loans for Bangladesh instead of Pakistan. We have reached agreement on the procedure for this and a team is now in the field updating our information about these projects. One of these projects is for rehabilitation in the cyclone area. The credit is in an amount of \$25 million on IDA terms. The Bangladesh authorities have suggested that this credit might be in part at least broadened to cover works outside the cyclone area and we are inclined to consider this request sympathetically. If we should do this, we should be early in the field of reconstruction and this work would be extended even further if we make, as we expect, another credit of about \$50 million later this year.

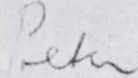
Sir Robert Jackson

- 3 -

May 16, 1972

I shall be leaving next Sunday for Europe for some weeks. My office can keep you informed of my movements and I would be grateful if you would contact me as may be convenient.

Yours sincerely,



I.P.M. Cargill
Director
South Asia Department

~~PERSONAL AND CONFIDENTIAL~~

22 May 1972

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Dear Peter,

I hope that this letter will reach you in London and that we will have the opportunity of meeting on either Thursday 8th or Friday 9th June before you go to Ireland.

Your letter of the 16th May, 1972, has just reached me in New York having taken six days to travel from Washington (despite the investment by the IBPD in express delivery!).

I am delighted to learn that everything went well in Dacca and I have had similar reports from Victor.

As to the third and fourth paragraphs of your letter, you will recall my constant emphasis in our earlier meetings, including those with Mr. McNamara, that I was not satisfied with the so-called "facts" that were being given to me. Hence as soon as I was able (by great good fortune) to obtain Victor's agreement to become my partner, and as soon as we could get the essential elements of the current operation brought under control, I turned my attention to the overall financial situation.

As a result of our preliminary analysis (as I explained to you on the telephone last week) I found that the UNROD position is not as satisfactory as I had been led to believe - and this for a variety of reasons. One of the reasons is that appreciable sums of money said to be allocated to "relief" have, in fact, already been committed under bi-lateral agreements to work which clearly falls into the reconstruction phase (it goes without saying that both of us agree that relief and reconstruction must overlap at particular points).

Thus, we are in the process of reviewing the overall financial position very carefully and this will be the substance of a meeting with the donor Governments on 31 May 1972. In all probability we will then inform them - depending on advice from Victor - of the intention of the Secretary-General to make a second and final appeal to cover the relief period to 31 March 1973. (It is because of the need for the Secretary-General to make this second appeal that I have thought it more logical to defer appeals for funds from any other source for the reconstruction phase until Governments could at least know what was needed with the

Mr. Peter Cargill
Director, South Asia Department
World Bank
New Zealand House
Haymarket
London, S.W.1, England

greatest urgency - in other words a policy of "first things first.") If we can get the relief phase adequately financed by interested Governments then those Governments (and indeed others) should be in a better position to assess the extent to which they are prepared to finance reconstruction.

The concept of "one voice" from Dacca was evolved during my first discussions with the Prime Minister at the beginning of April and willingly accepted by all members of the AOC on Monday, 10 April 1972. I think it unnecessary to review old skeletons in old closets and refer to the dismal record where the UN "non system" (here I refer to the evidence presented by Governments to the staff of the Capacity Study) have all too often spoken with a variety of voices to the general disadvantage both of donor and recipient Governments.

It is for this reason that, from the outset, I have been so keen to ensure that UN (in the widest sense) and the World Bank and the Fund were to interlock in their approach at any given time, thus demonstrating to the outside world that we can, in fact, work together. I know that this is the basic wish of the Heads of the three institutions concerned and I shall certainly do all I can to assist that process. In this sense I entirely agree with the latter portion of the fifth paragraph of your letter, which makes it clear that all concerned in Dacca should certainly achieve this objective. Equally I have no doubt that we will be able to preserve the same effective relationship between New York and Washington.

Within the next few days we should certainly have a pretty good analysis of the supplies, equipment and services etc. being provided to Bangladesh from all sources during the relief phase and these will be sent to you immediately they are available.

At this point I should like to emphasize that both Victor and I hope that the Bank can be used as an executing agent for UNROD for any suitable relief project or projects at the first opportunity.

Tadros leaves to join you in Paris tonight and I am having a meeting with him within the next few minutes to ensure that he is fully briefed on all matters that may be of interest to you.

After that I look forward very much to our rendez-vous in London on either 8th or 9th June; I have noted that you will be at Claridges and, as I mentioned on the telephone, I will be at the Hyde Park.

Yours sincerely,

May 11, 1972

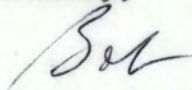
Dear John:

In your letter dated May 8 you expressed concern about the policy which the World Bank has been following for 15 years in recognizing preferential tariff arrangements in evaluating bids under Bank loans and credits. And you added that you hope this important issue can be brought to the Board promptly for an early resolution.

I share both your concern and your hope. It is my present plan to distribute a paper on the subject to the Board within the next two weeks, and I believe the Board should act upon the paper no later than early July.

With best wishes.

Sincerely,



Robert S. McNamara

Honorable John Connally
Secretary of the Treasury
Washington, D. C. 20220



THE SECRETARY OF THE TREASURY
WASHINGTON

MAY - 8 1972

Dear Bob:

I was disturbed to learn that the World Bank is allowing preferential tariff arrangements to be taken into account in evaluating competitive bids under World Bank loans and credits. It was also disturbing to find that this procedure -- which seems to rest on a staff memorandum circulated in April 1956, and not reviewed for policy since then -- was apparently not mentioned in the numerous discussions held in 1970 and 1971, between various U. S. Government representatives, our outside consultant and the Bank staff during our review of procurement procedures.

10
I see no reason why the Bank should recognize preferential arrangements in its procurement and no possibility that I could or would wish to defend the practice before the Congress. In my view, all foreign suppliers must be treated on an equal basis; no other arrangement is compatible with multilateral financial support of World Bank and IDA operations.

I strongly urge that you recommend that all tariffs be set aside when evaluating bids, and that while the staff is formulating recommendations, no loans of significance involving such preferences be brought to the Board. I hope this important issue can be brought to the Board promptly for an early resolution.

My warmest personal regards.

Sincerely,

John B. Connally

The Honorable
Robert McNamara
President
International Bank for
Reconstruction and Development
Washington, D. C.

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COMMUNICATIONS SECTION



THE SECRETARY OF THE TREASURY
WASHINGTON

MAY - 8 1972

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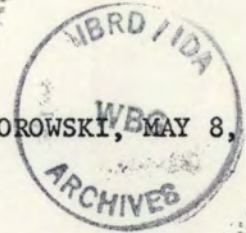
My warmest personal regards.

Sincerely,

RECEIVED
1972 MAY 10 AM 8:31
COMMUNICATIONS SECTION

The Honorable
Robert McNamara
President
International Bank for
Reconstruction and Development
Washington, D. C.

490/7/12



MEMORANDUM OF TELEPHONE CONVERSATION WITH MR. WIECZOROWSKI, MAY 8, 1972

1. I read to Mr. Wieczorowski the following extract from Mr. Merriam's memorandum, dated May 4:

"Mr. Wieczorowski said that while the future can't be foretold, he felt the Bank should take it as given now that the U.S. would not be able to participate in a 4th Replenishment of IDA until after Fiscal '75. He noted that he had advised Mr. McNamara of this."

2. I stated that when Mr. Wieczorowski had asked me my view of the effect on the 4th Replenishment of a possible delay in the deposit of the U.S. notes for the 3rd Replenishment, I replied the delay need not affect the 4th Replenishment. I said further I had not understood he had advised me that the U.S. Government would not be able to participate in a 4th Replenishment of IDA until after Fiscal '75.

3. Mr. Wieczorowski agreed that I had spoken as stated above but said he wanted me to know that the effect on the 4th Replenishment of a delay in the 3rd Replenishment was "in some people's minds." I said I did not believe I should accept an oral statement of what was "in some people's minds" as notice of the desire of the U.S. Government to modify in an important respect an international agreement.

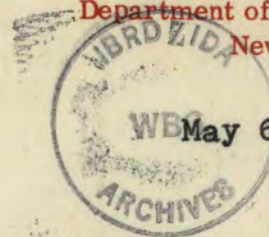
4. Mr. Wieczorowski agreed with my view that we should devote our energies now to obtaining ratification of the 3rd Replenishment, and if the U.S. Government wished to raise questions regarding the 4th Replenishment, they could do so after the ratification of the Third had been completed.

Robert S. McNamara



690/7/11

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
Department of Economic Affairs,
New Delhi.



May 6, 1972.

My dear McNamara,

You will recall our discussions during your recent visit to India on the procedure for the award of civil works contracts in IDA-financed projects. The aide memoire that you left with us has been studied carefully in the light of our discussions and I am now in a position to indicate our response.

2. Both the World Bank and the Government of India have always agreed on the importance of reaching an understanding on this question for developing a suitable programme of IDA lending to India. There were differences however in our respective approaches to this question. While the Bank has the problem of contending with the insistence from various quarters for following the orthodox methods of procurement outlined in Bank's policy, we also have particular problems in accepting, as a general policy, international competitive bidding for the award of civil works contracts. Our view has been, and continues to be, that what can obviously be done in India with reasonable efficiency and economy should not be subjected to international bidding. This is so because a job done in India by Indians has many side effects which contribute to further development and which are absent when that job is done by outsiders. This is the basic and primary reason for preferring local effort unless there are special reasons that argue to the contrary.

3. Moreover, the Government of India is committed to the promotion of economic development in a manner which would also minimise the disparities in incomes and standards of living. This objective cannot be fulfilled unless every opportunity is taken of maximising employment - and incomes - for the weaker sections of society. Irrigation, works, highways construction and other similar types of civil works are obviously the most useful and economically justifiable means of creating additional employment opportunities. It is this fact combined with the general scarcity of capital that has led us to encourage the adoption of relatively labour-intensive methods of civil works construction. We realise that contractors in the advanced countries with a totally different pattern of resource endowment cannot legitimately be expected to prefer labour-intensive methods of construction to which they are not accustomed. While it is arguable whether one or the other method of construction would provide a lower financial cost, we are convinced that the long-term economic and social well-being of the country can be advanced only by resort to comparatively labour-intensive methods of construction in civil works.

4. Another factor that has been weighing with us is the need to develop our own construction industry on sound, technical and economic lines and we feel this can best be achieved by allowing the industry actually to execute the works and not by grafting foreign contractors for specific items of work.

President has seen

5. While I have no doubt of your own personal sympathy with our approach, the Bank's aide memoire does not, in our view, show adequate appreciation of our point of view. However, no useful purpose is likely to be served by a prolongation of the argument and if we have to develop a suitable programme of IDA lending to India some reconciliation of our respective approaches has to be attempted. We are, therefore, prepared, I must admit with no little reluctance, to try out a compromise solution, which at this stage has necessarily to be experimental and should be subject to review after some experience is gained in its working.

6. Subject to the above consideration, viz., that our basic position remains unchanged and that whatever we accept now is on an experimental basis, we would like to suggest the following:

- (i) We would agree to major civil works contracts in irrigation and highway projects being awarded on the basis of international competitive tenders. Civil works, which are individually small or geographically dispersed, will be recognised as unsuitable for international competition and carried out only by local contractors. Apart from this, we would expect the Bank to concede, as in the case of equipment, that certain items of civil works upto a reasonable percentage of total cost could be reserved for local contractors. This would be necessary particularly in borderline cases where it would be difficult clearly to identify a particular piece of work as major or relatively minor, for putting out on global tender.
- (ii) The project authorities will be given the freedom to design the project in accordance with accepted Indian standards, which may provide for relatively labour-intensive methods of construction.
- (iii) Where major contracts are agreed to be put out on international tenders, there should be suitable 'slice and package' arrangements which would enable local contractors to participate adequately. While foreign contractors can bid for the package as a whole and local contractors for each of the segments, the foreign bids will be compared with the aggregate of the lowest indigenous bids for each of the segments.
- (iv) Although the Bank's aide memoire suggests shadow pricing of labour costs in the evaluation of bids we feel that this is a complicated procedure which would be difficult to implement in practice. There are also other considerations as I have mentioned earlier, why local effort has to be preferred if our purpose is to promote development and not merely to instal different structures of steel or concrete. We would therefore propose that there should be a straight price preference of 15% in favour of local bids without any further allowance for use of labour.

- (v) Foreign contractors competing in international tenders will be permitted to bring in their machinery and equipment on the usual condition that they pay the customs duty on the depreciation of the machinery during construction. They will have to take back the machinery after the construction is over. The foreign contractors will also be subject to the normal tax laws in respect of profits earned in the country.

7. We are proposing this solution as an experimental measure to be tried out initially in a few irrigation and highway projects. We hope the Bank will cooperate by adopting a flexible approach in working out the details of these arrangements in the context of individual projects. We would also expect that while the experiment is being tried out in these few projects, the question of international bidding for buildings and other civil works will not be raised in other projects like the one for agricultural universities and the procedures hitherto followed will continue to apply in such cases.

8. The second part of the Bank's aide memoire refers to development of the local construction industry. As you agreed during our discussions, this subject is not quite relevant to the issue of international bidding. We shall deal with this matter in accordance with our general policies.

9. I know that we can count on you to do your best to get this essentially compromise and experimental solution accepted by the Board of Directors. We have tried long enough to argue about the problem. But the solutions we have to seek if we are to get on with the job cannot await full agreement among all concerned. It is in this spirit that we have tried our best to find what appears to us to represent the maximum possible common ground between our point of view and, shall I say, the other point of view - for, I really do not know who upholds it to what extent. I am sorry we have taken some time in responding to the aide memoire you left with us. But you can rest assured that we wanted to respond after giving the matter the fullest consideration, bearing in mind not only our predilections but also the constraints under which an international institution has to function. I sincerely hope we can proceed now rapidly to secure Board approval for many irrigation projects in India which have been at various stages of consideration for some time.

With best regards to Margaret and yourself,

Yours sincerely,

I. G. Patel
(I.G. Patel)

Mr. Robert S. McNamara,
President,
International Bank for Reconstruction
and Development,
Washington D.C.

population sector

490/7/90



INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT
WASHINGTON, D. C. 20433, U.S.A.

OFFICE OF THE PRESIDENT

April 24, 1972



MEMORANDUM FOR MESSRS. DEMUTH AND CHADENET

I have received the following comments from neutral and experienced observers of our operations in the population sector:

Cooperation with the IBRD is a particular problem. As I see it in Tunisia, a crucial problem limiting the effectiveness of the UN, UN agencies and UNFPA, as of other donors, is their relationship to the World Bank. IBRD maintains the convenient fiction, presumably in order to simplify its programming, that its relations with the government are strictly bilateral, donor-to-particular-ministry, and private, hence information exchange and coordination with other donors is minimized, and little consideration is given as to how the latter's inputs might be well used. IBRD missions come to Tunis and do not, perhaps for lack of time, contact the UN Population Program Officer, nor other donors. Large measures, which radically affect the context of all other donors' inputs, are made on the basis of limited information and rare contact with the program, such as dictating the expulsion of one chief F.P. program administrator and designating which man should replace him. From its desire to mount impressive field-demonstrations of capital investment in family planning, World Bank programmed an extremely ambitious building plan whose operation would be highly dependent upon support of other donors, but has been reluctant to sit down to work out with other major donors, especially AID and UN agencies, the realistic alternative modalities for implementation of their programs. The Bank's position is that, since the Tunisian Ministry of Health accepted such an ambitious expansion of program, they will surely find a way to work it out. The actual result has been increase in administrative chaos in the F.P. program, loss of many good Tunisians from the central working team, and hampering of progress toward development of a larger and better used family planning services personnel system because of inordinate high level preoccupations with donor money, buildings and the considerations which derive therefrom. Although this is apparent from the field, the resident UNPPO has been unable to obtain adequate dialogue with IBRD officials about the impact of their program, their strategy, or their style of implementation upon his projects or upon the family planning program generally. IBRD should either establish a local representative or should arrange for effective coordination through UNPPO.

The director of the Indonesian national program has for well over a year been telling donor agencies, including those of the UN and UNFPA, that what he needs and wants most of all is competent help in administration. He still doesn't have any. A plan worked out by local representatives of UNDP, IBRD, AID, and Ford Foundation could have provided competent help eight or nine months ago, but it was sidetracked by disagreements between UNFPA and IBRD at headquarters level.

During the past year there have been in Indonesia among WHO, UNDP, UNFA, and IBRD deplorable evidences of mistrust, refusal to share information, lack of cooperation, and disregard of the views and preferences of Indonesians for their own program. One result has been that the Indonesian program director has been prevented for months in getting program and administrative help that he clearly requested many times, months that have been critical for program development since they came during the first full year of operation of the new program.

In Malaysia a first IBRD mission formulated a recommendation for a Population Studies Center at the University of Penang without knowing apparently that UNFPA is already negotiating to fund a smiliar Center at the University of Malaya.

I, myself, have observed similar situations involving the Population Projects Department. I would not be unduly disturbed if I felt we were moving promptly to overcome such problems since we must expect that any new department will face growing pains. Please investigate each of the incidents referred to above and make sure that we have taken corrective action and also that we have established procedures to avoid similar situations in the future.

15/1/67

Robert S. McNamara

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March 16, 1972

TO: Mr. Ernst Michanek

COPY TO:

Messrs. David E. Bell,
William D. Carmichael,
Wayne Fredericks, and
Eugene S. Staples

FROM: Oscar Harkavy

SUBJECT: Comments on UNFPA

Comments by Ford Foundation Population Advisors in the LDC's

You have received Lyle Saunders' memorandum of February 29. We now have further comments from our people in Indonesia, Ghana, Nigeria, Tunisia, Colombia, and Brazil. Our advisors in Mexico and Peru have indicated that they had no information on which to base comments, and Peter Bell, our Representative in Chile, noted that he has had relevant discussions with you on your recent visit to Santiago. We are expecting comments from our people in India and East Africa and will share these with you as they arrive.

In general, the comments of our other observers only serve to reinforce the points contained in Mr. Saunders' comprehensive memorandum. I have listed the dominant themes of their responses, together with some illustrative quotations from their memoranda.

1. UNFPA's grant making is handicapped by lack of long-term, highly qualified field staff. Its activities are sometimes hampered by failure to understand delicate and complicated inter- and intra-organizational situations within host countries. (The appointment of Senior Advisors should help alleviate this problem.)

The staff resources which have been available to UNFPA have been limited in quantity and quality. During the crucial period of UNFPA consideration of the Government of Indonesia's proposals, there was no resident representative of the UNDP in Indonesia and no population officer in the UNDP office in Djakarta.

The UNFPA has proven willing and able to fund projects presented to the Lagos UNDP office "ready to go." It has shown good judgment in rejecting bad proposals presented to it; and it has also made its willingness to accept family planning projects widely known within the appropriate Nigerian circles. The UNFPA's chief failing is its lack of ability to assist Nigerians to develop proposals, the most difficult aspect of program administration.

The UNDP Population Program Officer (PPO) responsible for Nigeria lives in Accra, visits Nigeria rarely, and is not well known in Nigeria, and has little influence among Nigerians and even less with the Lagos UNDP office.

2. There are problems of coordination with the several UN agencies operating in a given country. Cooperation with the IBRD is a particular problem. ←

As I see it in Tunisia, a crucial problem limiting the effectiveness of the UN, UN agencies and UNFPA, as of other donors, is their relationship to the World Bank. I.B.R.D. maintains the convenient fiction, presumably in order to simplify its programming, that its relations with the government are strictly bilateral, donor-to-particular-ministry, and private, hence information exchange and coordination with other donors is minimized, and little consideration is given as to how the latter's inputs might be well used. IBRD missions come to Tunis and do not, perhaps for lack of time, contact the UN Population Program Officer, nor other donors. Large measures, which radically affect the context of all other donors' inputs, are made on the basis of limited information and rare contact with the program, such as dictating the expulsion of one chief F. P. program administrator and designating which man should replace him. From its desire to mount impressive field-demonstrations of capital investment in family planning, World Bank programmed an extremely ambitious building plan whose operation would be highly dependent upon support of other donors, but has been reluctant to sit down to work out with other major donors, especially AID and UN agencies, the realistic alternative modalities for implementation of their programs. The Bank's position is that, since the Tunisian Ministry of Health accepted such an ambitious expansion of program, they will surely find a way to work it out. The actual result has been increase in administrative chaos in the F. P. program, loss of many good Tunisians from the central working team, and hampering of progress toward development of a larger and better used family planning services personnel system because of inordinate high level preoccupations with donor money, buildings and the considerations which derive therefrom. Although this is

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apparent from the field, the resident UNPPO has been unable to obtain adequate dialogue with IBRD officials about the impact of their program, their strategy, or their style of implementation upon his projects or upon the family planning program generally. I.B.R.D. should either establish a local representative or should arrange for effective coordination through U.N.P.P.O.

3. There are many complaints with respect to the UNFPA's slowness of response to funding requests.

The way the UNFPA support to Egypt has been handled strikes me as rather strange. Although the agreement for \$1,175,000 was signed last Spring or Summer, I am informed by Dr. Bindary that he still does not have access to any of these funds (as of February 19, 1972). In talking to people in Egypt as well as in the U.N. agencies, I find that the U.N. agencies are going over each project, under the "umbrella agreement," with a fine tooth comb. It seems to me it would be much better to do this before the agreement is signed. For example, when I last checked, the Central Agency for Public Mobilization and Statistics had not received the agreed U.N. support for a survey they were supposed to do because the latest draft of their interview schedule still had not been accepted. I agree to the need for controls, but if the U.N. agency involved does not feel that the CAPMAS has the ability to prepare an interview schedule, they should not agree to support the survey or should insist upon providing an expert who will take responsibility for the survey or who will work with an Egyptian counterpart.

The Ministry of Education (of Colombia) expressed its disillusionment with working with the U.N. observing that previous programs have been two or more years in the making and that they wanted a quicker response and were hopeful of interesting the Ford Foundation in taking on a larger portion of their budget for the family life/sex education program than that portion in which I had expressed initial interest.

4. UNFPA missions are sometimes regarded as faultfinding, rather than fact finding teams.

5. Recruitment of UNFPA field staff seems to be a very slow process, apparently because of the need to obtain approval from the expert's home country as well as to obtain acceptance by the host country.

6. UNFPA salaries are attractive to people from the developing countries, but they are less attractive to people from Western Europe and the United States. It is asserted that some experts are taken from a country starved for a particular technical talent to provide assistance in another country.

* * * * *

It must also be noted that a number of our people are optimistic as to the potential of UNFPA for effective operation in the developing world. For example,

the Government of Nigeria would be much more comfortable working with the United Nations in population and family planning than with any bilateral external aid agency, including the Ford Foundation. The UNFPA thus has a potentially central role to play as the Government of Nigeria's interest in external assistance for family planning increases.

We would love to see the UNFPA share the burden of Brazilian fellowships for population studies. I know they have a fellowship program of their own, but I don't know what degree of host country sponsorship is required. Several of our 1972 candidates come from federal government agencies (IPEA, BASA) and most of the rest from federal universities. What's more, they have already been through a fairly rigorous selection process. It would be an easy, noncontroversial way to get started in Brazil.

UNFPA Support of Research

You and George Brown have asked me to comment on the role of UNFPA in the support of population research. I would urge UNFPA to help finance research, particularly through support of intermediary organizations such as the WHO Expanded Program in Human Reproduction and the International Committee for Contraception Research that provide expert staff for development and monitoring of research programs. I believe that UNFPA would have to develop this capability itself--through addition of expert staff and advisory panels--if it plans direct financing of research programs in institutions in the developing world.

It is our experience that extensive collaboration between expert staff of the funding agency and the research group receiving support is required for the development and maintenance of effective research programs.

As promised, I submitted the biomedical research proposals included in the Egypt Country Project to my biomedical colleagues. It is their opinion that the proposals as they stand are not ready for consideration by a donor but require project site visits to evaluate the competence of staff and the facilities of potential grantees. Dr. Southam makes the following comments based on her experience with our grantees in reproductive biology research in Egypt.

I do not believe that the University of Cairo Department of Obstetrics and Gynecology has any members qualified to study the effect of antiadrenergic drugs on ovulation.

Another point to consider is the originality of the research. The effects of oral contraceptives on carbohydrate metabolism have been studied by a number of groups, and I believe that it is unlikely that much will be added by the proposed research. Carbohydrate metabolism in rats differs from that in humans and this project may not be relevant.

Do the investigators consider the reported literature when planning research? It has been shown that fallopian tubes cannot be blocked with silicone. Dr. Hefnawi published negative results following his work at the Population Council using rabbits. There are several publications concerned with the measurement of menstrual blood loss in women using different contraceptive methods. Many investigators have shown that tubal ligation by laparoscopy is safe and effective.

I hope this memorandum will be of some help to you. Please be assured of our continued cooperation.

THE FORD FOUNDATION

Inter-Office Memorandum

TO: Mr. David E. Bell
DATE: March 1, 1972

FROM: Lyle Saunders *LS*
COPY TO:

SUBJECT: Observations about UNFPA activity in Southeast Asia

I enclose a copy of a memorandum that I have prepared for and am sending to Ernst Michanek in response to a letter from him dated January 31 and your memo to dated January 21. Unfortunately I was away from Bangkok the first two weeks in February and did not see either communication until February 14.

Ideally I would have preferred to have sent copies to you, Bud, and others for comment and criticisms before sending the memo on to Michanek, but I gather from both your memo and his letter that he may be under some time pressure and that my comments will be useful to him only if received without delay. There is also the fact that I will be going on the road again this weekend, will not be back until March 25, and will probably miss Michanek if he comes to Bangkok in mid-March. To date I have had no definite information about his itinerary.

As you will note, I have not made any attempt at a chronological review of the Indonesian situation. The reason is that much of what happened there was the result of discussions and decisions in New York, Washington, and Geneva and I don't have enough information about what went on in those cities--or in Djakarta--to prepare a coherent account.

I hope to be in touch with Bud about the memo on UNFPA he is preparing; if there are further inputs I can make to his memo I'll be pleased to try.

Encl:

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THE FORB FOUNDATION

Inter-Office Memorandum

TO: Mr. Ernst Michanek, Director General DATE: February 29, 1972
Swedish International Development Authority

FROM: Lyle Saunders

SUBJECT: Observations about the program of the
United Nations Fund for Population
Activities (UNFPA) in Southeast Asia

COPY TO: ✓ Mr. David Bell
Mr. O. Harkavy
Mr. S. Bunker

This responds to your letter of January 31 raising certain general questions about the organization and operations of UNFPA in Southeast Asia and asking for an expression of my views. Your letter has caught me between two extended trips out of Thailand. This, coupled with your need for a reasonably rapid reply, has precluded extensive interviewing in countries of the region and especially with nationals concerned with population matters. I have found also that during the time available for preparing a reply to your inquiry the two population program officers (PPO's) resident in Bangkok, the resident representative of UNDP, and several other UN agency people to whom I should have liked to talk have been out of the country. Thus my sources of information and opinion have been limited, and I am compelled to rely largely on my own knowledge and impressions supplemented by the few documents that are at hand.

For convenience and brevity, I will organize this response in terms of the questions you asked, adding such other comments as may occur to me.

1. What are the main needs of the LDC's in relation to the UNFPA program, as the LDC's perceive them?

I interpret the question in two ways: what are the substantive program areas in which various individuals and agencies within LDC's want help from UNFPA and/or other donor organizations? And, what are the administrative arrangements and procedures that these agencies and individuals require or want in their dealings with UNFPA? To take the latter question first, they need or want arrangements or procedures that will enable them:

- to be better informed about how projects are initiated and move through UNFPA processing. Specifically, they need continuity of contact with some responsible person or office during the often extended period after initial negotiations when the project is passing.

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through the somewhat cumbersome series of reviews. In the case of the Demographic Institute of Indonesia, for example, there was a period of much more than a year in which the Institute had no information about the status of a project request. Only after the Institute was close to running out of operating funds and following a suggestion by the Institute that it withdraw its UNFPA request and seek support elsewhere did it receive word that its proposal had been approved. (How long it will take to receive any funds remains to be seen since these will probably have to be handled through one of the UN agencies as executing organization.) To take another example from Indonesia, a project for support of a research program at the National Institute for Social and Economic Research (LEKNAS) has finally been approved after having been under consideration for more than a year, but the responsible officials of LEKNAS who will receive and administer the project did not know, even after hearing it had been approved, how much or what kind of support they were receiving.

- to have more rapid decisions. The two Indonesia projects mentioned above were in the works for more than a year. The joint UNFPA-IBRD massive support program for the Indonesia national program has been developing since at least early 1970 and the country agreements are just now being signed in Washington. A package of projects for Thailand has been under discussion about a year. A country agreement has been signed but details of program implementation remain to be worked out with the executing organizations.

- to know whom they are dealing with. UNDP personnel, UN specialized agency personnel, PPO's employed by the UN Population Division, and program officers from UNFPA headquarters all deal, sometimes more or less independently, with UNFPA matters. There are many concerned people in the LDC's who do not clearly know how these agencies relate to each other.

In regard to substantive program areas, it is not always certain that individuals or agencies in the LDC's know clearly and precisely what they want or need. They are thus open to program ideas that may be opportunely presented to them by UNFPA or other donor agencies. Thailand's program is fairly new, and those of Indonesia and the Philippines are still in the stage of assessing the job to be done and tooling up for it. They know that they are going to be active in the usual fields of logistics, service, training, information-education, evaluation, but they do not yet have their organization fully developed or their procedures and priorities clearly formulated. In this situation, the approach of UNFPA, to the extent that it is vigorous and aggressive, initiating rather than responding to program ideas, and concerned with negotiating packages of numerous diverse projects, may be doing countries of the region a disservice by locking them into a long term commitment to untested programs and procedures that may or may not be the most appropriate ones.

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A few specific areas in which I have heard expressions of need for assistance can be mentioned:

Almost all family planning programs in this area need transport. There is a chronic shortage of vehicles almost everywhere, but especially in rural areas. Some UNFPA projects have made provision for transport; some agencies, e.g., UNICEF, AID, at times make heavy contributions in this area. But in no country yet has the problem received comprehensive, systematic attention.

In two countries, at least, there is a recognized need for help with program planning and administration. The Director of the Population Commission in the Philippines has put people trained in business administration in associate director posts in the Commission. The director of the Indonesian national program has for well over a year been telling donor agencies, including those of the UN and UNFPA, that what he needs and wants most of all is competent help in administration. He still doesn't have any. A plan worked out by local representatives of UNDP, IBRD, AID, and Ford Foundation could have provided competent help eight or nine months ago, but it was sidetracked by disagreements between UNFPA and IBRD at headquarters level.

Malaysia has expressed interest in developing a Population Studies Center at the University of Malaya. For a time, a PPO was delayed in getting to Kuala Lumpur to discuss this interest by his inability to get clearance to visit Malaysia from the local UNDP office. He has visited the University, and a project has been worked up and tentatively submitted to UNFPA. However, Malaysia's interest has now cooled and, since it is their next move, the proposal is inactive.

The Philippine Population Commission would like to use Filipino short term consultants to help develop specific program areas the Commission is interested in. Among the nations in this region, the Philippines is relatively rich in trained and talented people who could make valuable contributions to the national program. However, UN regulations will not permit UN funds to be used to hire Philippine nationals to work in their own country. The director thus has to turn to other agencies for help he much wants. (Philippine government funds are not yet available to the Commission, although an appropriation was authorized some months ago.)

It may be a fair inference that the perceived needs of countries in the region are reflected in packages of projects under negotiation with UNFPA -- although in the case of the UNFPA-IBRD package in Indonesia there is cause for doubt about how much some of the components represent what Indonesia wants. A project agreement has just been signed (January) between UNFPA and the Government of the Philippines calling for over \$3 million in assistance during the next five years. The package specified nine projects in the areas of evaluation, population education, communications, training, supplies and equipment, and

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fellowships. Seven additional projects are listed that UNFPA has indicated it may consider funding after further negotiations. Although the Population Commission is probably more immediately concerned with problems of program administration than any other program of the region (the concern is real and deep but not being implemented in Indonesia), there is no project in the UNFPA package dealing with administration. Projects included in the recently signed agreement between UNFPA and Thailand include those concerned with providing transport for field workers, an expanded sterilization program, population education, mass communications, expanded MCH services looking toward a trial of the Taylor-Berelson proposal in a limited area, and provision of field workers for the Bangkok municipality.

Laos, South Vietnam, and Cambodia are just beginning to be concerned about population growth. A government decree in Laos has recently stated at least the beginnings of a population policy and has set up a ministerial level group that, among other population activities, will begin to make family planning services available to those who want them. The Laotians are eager to establish contact with neighboring countries that have policies and programs and would like a seminar to spread awareness and develop broader interest in their country. Vietnam, with stimulation and help from AID, is beginning its own training for family planning, is arranging to send a group to Thailand to observe how family planning is organized there, and is starting to provide some training experiences to Cambodians. All three countries are participating in the developing programs of the Intergovernmental Coordinating Committee, Southeast Asia Regional Collaboration in Population and Family Planning. It may be expected that interest in these countries will continue to increase, and that they will soon be requesting external aid in the development of policies and programs.

2. What are the main needs of the LDC's in relation to the UNFPA program as I see them?

To again take first what I have called administrative needs, there is need for:

- Less competition and more cooperation among UN agencies active in population. This is essential if the UN agencies are going to be the major executing organizations for UNFPA programs. Rivalry and disagreement between UNDP's Development Support Communications Service and UNESCO may be hindering the development of implementation plans for the communications project UNFPA has agreed to fund in Thailand. During the past year there have been in Indonesia among WHO, UNDP, UNFPA, and IBRD deplorable evidences of mistrust, refusal to share information, lack of cooperation, and disregard of the views and preferences of Indonesians for their own program. One result has been that the

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Indonesian program director has been prevented for months in getting program and administrative help that he clearly requested many times, months that have been critical for program development since they came during the first full year of operation of the new program. As a result of the disagreement and the inability of top level agency leaders to resolve it, WHO may be planning to operate in Indonesia independently of IBRD, and UNFPA is apparently having second thoughts about the planned joint project arrangement with IBRD and is likely to sign a separate project agreement with the Indonesian government. In Malaysia a first IBRD mission formulated a recommendation for a Population Studies Center at the University of Penang without knowing apparently that UNFPA is already negotiating to fund a similar Center at the University of Malaya.

- More attention to project and program substance. It is my impression that projects tend to be stimulated and discussed by ad hoc missions and often worked up by UNFPA representatives who may not always have had extensive experience with the country or program concerned, and that negotiations and program reviews tend to be heavily oriented toward administrative and bureaucratic considerations rather than with program substance. Country agreements are signed before there is full and clear understanding between the executing organization and the recipient organization about details of project implementation. ECAFE, I understand, is presently working up a demographic project that will involve participation of several countries; the project will be designed and its purposes and procedures fairly well set and UNFPA will have been approached for funding approval before any of the participating countries is approached.

- Improved staffing arrangements and procedures at national and regional levels. It is doubtful that present staff strength is adequate for developing, negotiating, and monitoring projects on the scale at which UNFPA is beginning to operate. UNFPA has no field staff of its own and is largely dependent on those of other agencies. UNDP has few field people experienced or interested in population matters, and during a large part of the past year when UNFPA programs were being developed in Indonesia, there was no UNDP resident representative in the country. PPO's, whose task it is to develop and work up projects, are employed by the UN Population Division and it is largely left up to them to work out their own relationships with local UNDP and UN agency personnel. In a talk to a global meeting of UNDP representatives in India in February 1971, Mr. Salas mentioned that UNFPA should take considerably more initiative in originating projects and implied that, with the agreement of governments, UNFPA might undertake projects of its own. Either of these seem unlikely with present staffing.

On the substantive side -- and briefly -- my perceptions of

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the needs of LDC's (in general) are the following. Each could be argued at length. All are familiar for having been discussed by many people many times before.

- Better vital records and demographic data. Improving the system will be an expensive, long term job suitable for an agency with the large funds that UNFPA is likely to have.

- Expansion of interest and activity beyond family planning to include population planning, especially in relation to development plans and activities. I know of no UNFPA activity in this area.

- Better program management. Every country in the region, in my judgment, has management deficiencies. Not all programs are aware of their defects of management or concerned about management problems.

- More attention to creating demand for birth control services. Like the programs of many agencies, UNFPA projects include support for information and education activities. But the demand side remains relatively uncultivated almost everywhere. (The Ernakulam sterilization camp in India last year was a dramatic example of what can be done with massive coordinated demand creating techniques.) One aspect of demand creation is the need for increased professional direction of family planning communications programs.

- Attention to the development of commercial distribution schemes for contraceptives, both in public and private sectors. India and Ghana have programs; Indonesia is getting interested and will be sending a team to study the India experience. In most countries this remains a neglected area.

- Population education. There is now much interest and talk in the region and some activity. UNFPA funding for Thailand will probably support a new university faculty of education that will emphasize preparation of teachers for teaching population. A population education project is also included in the package for the Philippines. There is still a long way to go in all countries of the region.

- Social and demographic research. This is an area of considerable donor interest. There is movement and developing interest. But any significant increase in research output in the region will have to be preceded by a considerable strengthening and widening of research capability.

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- Attention to the development of new roles in the private sector. The private sector includes but should not be limited to local or national family planning associations. It was necessary, for family planning to have any chance of making a demographic difference, that governments enter the field; it is equally important that private sector individuals and organizations stay in or get in to perform supplementary services (not including the provision of contraceptive service in clinics), mobilize and bring to bear on political and administrative leaders the weight of public opinion, and keep national programs on their toes.

- There is also need to seek ways to redefine birth control and to remove it from the intellectual and managerial dominance of the health professions. The definition of family planning as a health matter and the dominance of the clinic approach were already being criticized ten years ago. But it remains the basic orientation in this part of the world and is the major orientation of UN agencies in their approach to population activity.

- There is need too for UNFPA to find ways to use the great prestige and political influence of the UN to move national political and administrative leaders toward greater commitment to population programs. The World Leaders' statements had enormous influence both within the UN system and in member countries. An agency such as UNFPA should be able to enlist and use the talents and convictions of some of the most prestigious people in the world to strengthen the will of national leaders to act more vigorously to reduce population growth.

3. Which are priority needs among the above?

The administrative problems mentioned above all point toward a need for some kind of re-structuring of UNFPA and its procedures. In such restructuring, I would think that attention needs to be given to:

- clarifying the role of UNFPA as exclusively a funding agency, an operating agency, or some combination of the two. UNFPA says that it is not an operating agency; yet its headquarters program people are often in the field developing projects and negotiating about activities that will have to be carried out by other agencies. Sometimes these activities are carried on without the knowledge of the agencies that will be involved in activities being planned (UNFPA-IBRD relations with WHO in Indonesia and with each other there is a case in point) or without awareness that another agency may be working already

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in the area under discussion. I doubt that UN agencies are especially happy to have projects worked up by UNFPA and then handed to them for implementation.

- developing a staff structure appropriate to its purposes and functions. There should especially be a cadre of people able to devote considerable time to day to day relationships with the other members of the UN family. Perhaps the proposed senior population advisors to UNDP resident representatives will constitute such a cadre.

- dealing with the thorny problems of inter-agency relations both at headquarters and field levels. As indicated in the preceding paragraph, progress in this area may require some new staff assignments.

Insofar as substantive areas are concerned, UNFPA has already demonstrated that it is capable of funding projects in many areas. Its own priorities, as reported by Mr. Salas in the February 1971 representatives meeting mentioned above, have been for general program support, advisory services, research, and education and training in that order, but with relatively little preference among them. Almost anyone working in population will have his own set of priorities. Mine would include, near the top of the list:

- improved program management;
- support of population planning, related to a shift of emphasis in development planning from an almost exclusive emphasis on economic values to broader human welfare values;
- more and better demographic data and people capable of analyzing and interpreting them.

4. What are the main deficiencies of UNFPA as perceived by LDC's?

Most of the countries of the region are still negotiating for their first round of support from UNFPA and, consequently, have not had a complete range of experience with that organization. Many of the deficiencies that might be noted in UNFPA performance thus far are aspects of the administrative needs mentioned under question 1 and 2. To rephrase some of them and perhaps add one or two more, the following list may serve. All the items on the list have been mentioned specifically or alluded to in conversations with LDC population people:

- too many agencies to deal with;

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- overlapping agency jurisdictions;
- difficulties in identifying who speaks for UNFPA;
- the slowness with which projects move through the system;
- the relative lack of feedback information about where projects stand at any given time;
- the ambiguous position of PPO's in relation to UNDP and UNFPA;
- rivalries among UN agencies at local levels;
- the "blockbuster" approach;
- the program rigidity built into long-term multi-project packages.

5. What are the main deficiencies of UNFPA as I see them?

My list would include all the above plus these:

- differing priorities as between UNFPA/UNDP and the other UN agencies that are expected to become executing organizations;
- too much centralized control;
- strong pressures to spend large sums too rapidly;
- some degree of insensitivity to the preferences and priorities of LDC's;
- restrictive recruitment regulations;
- the time consuming review and approval process.

6. What changes in UNFPA operations would you see as most badly needed?

UNFPA should probably have a thorough administrative review to clarify its program and operating procedures. With no field staff of its own, its performance is critically dependent on the quality of its relations with UNDP and with the specialized agencies in the UN system, as well as on the kinds of relationships those agencies have with each other. In this region, at least, none of these sets of relationships is ideally harmonious. And, if recent events in the development of a program of assistance for Indonesia are indicative,

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mutual understanding and consensus are something less than complete at headquarters levels. Such a review should direct attention, among other matters, to:

- the adequacy of local UNDP staffs to perform the variety of UNFPA tasks required of them. The resident representative is a key figure in the development, transmission, and review of projects whether they originate with governments, PPO's, or other UN agencies; he is also expected to coordinate projects, monitor them, and provide for their evaluation. PPO's and other UN agency personnel are involved in UNFPA affairs, but UNFPA has no administrative control over their actions.

- possibilities for decentralizing the processes of review and decision;

- clarification of the role and function of PPO's, especially in relation to the proposed senior population advisors;

- the administrative machinery intended to bring about harmonious coordination in population activities in the UN system. Perhaps the Inter-Agency Coordinating Committee has to meet more often; perhaps other ways need to be sought to achieve needed cooperation and coordination;

- providing for more continuity of relationship with recipient government (or other) institutions during stages of project development and review;

- devising ways to give more attention to the substantive aspect of projects in the review process; this might be done in this region by making better use of the technical expertise presently available in such agencies as the Population Division, ECAFE;

- the total field of talent -- skills and numbers -- needed for designing, operating, and evaluating projects of the number and magnitude of those now being funded by UNFPA;

- possibilities for channeling more funds into projects that are experimental, innovative, perhaps risky, and of short duration;

- finding ways to remove the pressures on UNFPA to allocate large sums in short time periods. This would permit more discrimination among projects nominated for funding and would help the agency shift its emphasis from how much needs to be spent towards what needs to be done. Perhaps this could be done through long term block allocations to the executing organizations and by giving them primary responsibility for initiating projects they would undertake after final approval by UNFPA;

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- assuring that professional and technical considerations are more influential in determining program directions than administrative or bureaucratic considerations.

The comments made above are almost entirely negative. This is due mainly to the nature of the questions addressed. But whatever the reason, they are highly personal, they are heavily biased in a direction unfavorable to UNFPA, they reflect the perspective of one outside the UNFPA system who sees events at field level and is largely uninformed about what happens within the system, they are judgmental rather than factual and they are unfair in that they make no allowances for several situational factors that undoubtedly affect the performance of UNFPA. For example:

- UNFPA is a relatively new agency saddled with a difficult and complex problem. Its program has just begun. In most countries in which it is active it is still negotiating its first round of projects. The results of those projects are not yet in, so there can be no fair evaluation of them.

- UNFPA operates under two heavy handicaps. It has to allocate large amounts of money faster perhaps than good projects can be developed and staffed. (This problem is likely to grow worse.) And, since it is not an operating agency, it has to depend for project development and implementation on agencies over which its only means of control is the leverage of funds to disburse. Most of those aspects of the UNFPA program that can be pointed to as deficiencies are defects not of UNFPA in particular but of the UN system as a whole. A number of UNFPA planning documents recognize potential problem areas in relations with other UN agencies and indicate the intention of UNFPA to anticipate problems and defects and to develop procedures for minimizing them. That these procedures have not yet been entirely successful may be due both to the shortness of time for perfecting them and to the stubborn nature of the problems they seek to control.

7. An illustrative example: the case of Thailand

The following details were obtained from an expatriate who has been close to the entire process through which Thailand is moving to receive UNFPA funding. He sees the UNFPA as "locked into an incredibly complex bureaucracy that includes its own UNDP lines" and thinks that the still incomplete negotiations between Thailand and UNFPA illustrate the problems that arise in working with UNFPA.

During the latter half of 1970 word came to Thailand that sizeable funds, in the order of \$1 million a year, would be available to

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Thailand if reasonable proposals were developed and submitted to UNFPA. About the same time a local UNICEF staff member learned that UNICEF could submit proposals to UNFPA and put in a request, calling for \$250,000-\$300,000 a year for three years for transport for auxiliary midwives and some training stipends. The project was approved by UNICEF, but a decision was then made that the proposal should be included as part of a package of several proposals Thailand was working up for UNFPA.

In January 1971, Mr. Salas came to Bangkok and reviewed five proposals, including the UNICEF one, that were presented to him unofficially for his opinion. He approved them all in principle and urged that formal requests be made as soon as possible. At about that time WHO was sending a two-man team to Thailand to review some health programs and UNFPA suggested that they look over the Thai proposals and that the Thais wait for their report before proceeding further. Their report was received in April and some of the proposals were rewritten to incorporate their recommendations.

During this period the Thais approached representatives of some of the specialized UN agencies to get their opinions. A regional UNESCO staff member prepared most of the original draft of a communications proposal on the basis of a personal relationship with one of the Thais in the national family planning program. Development Support Communications Service, which is part of UNDP, was sounded out on its interest in helping develop the Thai communications program. At first the director was reluctant to cooperate because he had no mandate to work in family planning and also because of some long standing disagreements with UNESCO. DSCS did eventually work with the Thais at the urging of UNFPA and the local UNDP office and a consequence has been a headquarters level dispute between UNESCO and UNFPA about the role of DSCS.

When most of the recommendations from the specialized agencies were incorporated in the appropriate proposals, the Thais proposed to send them, still unofficially, to UNFPA/NYC for review. The local UNDP office proposed instead that a mission be sent to Bangkok to resolve the issues that had been raised. The mission came in October, went over the projects with the Thais, made some useful recommendations (and some trivial ones), and Mr. Salas came from New York and signed a memorandum of agreement to fund the projects. The Thais then learned that, in accordance with UNDP procedures, the specialized agencies were to act as executing organizations, and that before funds could be made available, these agencies, together with the appropriate Thais, should write plans of action for each of the projects. These plans are now being developed; when they are ready they will require further review and approval from the local agency offices, regional and central offices of the respective agencies, and the UNDP system. The earliest that funds are likely to become available will be June or July, by which time the projects will have been around twenty months in negotiation and preparation.

UN
X3737

Coyne had a rotary of it
bounced sales -

Dublin connection with in Diller
at that rotary he would discuss
concert for Frank
new fund for Bangladesh
often on to Dacca about ~~4/27~~ ~~4/29~~ ~~4/29~~
what is date UN will be
dis. Enter report on NY

Coyne on Fri said he would
call back but hasn't -
was tough on sales re UN
shouldn't have tech. staff.

Hold up a separate appeal
for funds -

Prefer him not to be in Dacca
when he has all his people
in NY -

Faber

~~Get an agreed party lead~~
"This is the 3rd time Peter has
reinvolved me"

"don't leave him out on a
limb - sat in NY till 8:30 PM
Fri with people laughing
at him"

Votaw 3650339

Walker - 3564999

Jackson - London 01 - 6293816
is a - was Walker

I said I would call him
at Peter's ~~home~~
studio to meet them in
Delhi 513 + 514 -

- 1) Tried to call but Jackson in mess conf
- 2) Asked voters to call back
- 3) Called Eric

Peter
 Peter & attend 24/2/04
 New Delhi
 Nodis @
 funds at HWS

INTERNATIONAL BANK FOR
RECONSTRUCTION DEVELOPMENT

INTERNATIONAL DEVELOPMENT
ASSOCIATION

INTERNATIONAL FINANCE
CORPORATION

OFFICE OF THE PRESIDENT

Mr. McNamara:

April 14, 1972

Sir Robert Jackson will be in Washington Saturday evening until late Sunday and will be staying with the Rohrbachers (McKinsey & Co.) in Potomac. He asked if you could call him there Sunday at your convenience.

He has just returned from Bangladesh and was calling from Mr. Gunnar Jarring's office at UN.

Mr. Rohrbacher
299-9326

Muriel

OFFICE MEMORANDUM

TO: Mr. Robert S. McNamara

DATE: April 14, 1972

FROM: I.P.M. Cargill

CONFIDENTIAL

SUBJECT: Bangladesh: Bank Role in Reconstruction

1. I understand that Sir Robert Jackson is likely to see you Sunday evening, April 16. As you know, I am leaving for Europe today; I will spend next week in Vienna, and on April 24 and 25 I will be in Paris for the India Consortium working party meeting on debt rescheduling. I am scheduled to travel from Paris to Delhi on April 26 and to visit Dacca from April 28 to May 5. Jackson, with whom I spoke on the telephone this morning, asked me whether I could come back to New York after the India meeting in Paris, to meet on April 26 or 27 with him, Waldheim, Umbricht and the Swiss Chargé d'Affaires who represents several countries in Bangladesh. I understand Jackson on this occasion wants to discuss further the role the Bank might play in the reconstruction of Bangladesh.

2. Although I could of course change my present schedule and return from Paris to New York for these meetings, and then go to Dacca, I am inclined to follow my present schedule instead. I have not had an opportunity for any extensive discussions with the Dacca authorities, and indeed my only contact with them since the war has been the very brief visit that we paid to Dacca together on January 31. We have recently heard different stories about the attitude of the Bangladesh Government towards the Bank, and rather than continuing to obtain our information through Jackson and other UN people, I would like to visit Dacca and talk to the Government directly. I gather Jackson, Umbricht and Sales are planning to be in Delhi around May 1, and to fly to Dacca on May 3, which is within the period that I expect to stay there. We could therefore have any discussions with each other, and jointly with the Government, on May 4 and 5, just before my departure. However, if you feel, after your talks with Jackson earlier this week in Europe or over this week-end, that it would be better if I were to attend the meetings in New York on April 26 or 27, I could of course change my itinerary accordingly.

3. The report of Mrs. Sailer, to which nine Bank staff members contributed, is likely to be issued this week-end. It makes detailed recommendations as to the action to be taken most urgently in a number of important sectors of the Bangladesh economy. I expect that technically the strongest and most reliable parts of Mrs. Sailer's report will be for the sectors which our people covered (transport, telecommunications and agriculture), and that implementation of these recommendations could get under way very quickly. However, in other sectors (e.g., industry and power) some action is urgently needed too, and I believe that also in some of these fields a reasonable basis for starting with implementation already exists.

4. The question then arises how the funds required are to be raised, and what the best method of implementation would be. There is no question that the Government of Bangladesh requires very strong technical assistance

786

490/7/9



Umbricht
NY 4/15-4/27
week 4/28

Jackson
Umbricht
in Delhi
5/3+5/4
Umbricht
+ Sailer in
Dacca
5/5

April 14, 1972

in most sectors if effective reconstruction action is to be assured. The main point is that I believe all possible donor countries would hesitate making substantial amounts available unless they have the assurance that these funds are utilized efficiently. Maurice Williams has indicated clearly to me that the U.S. has in mind a far more active role for IBRD than the usual loose coordination of an aid group or consortium mechanism. The Canadians have made a similar point though in milder form. I believe some if not most of the donor countries will also expect the Bank to play a strong and responsible role, directly administering at least some of their reconstruction aid funds.

5. There are, of course, various alternatives how aid funds could be channelled, for example through regular bilateral agreements, but I think the most appropriate arrangement in this particular case would be to establish a reconstruction fund, similar to the Indus Basin Development Fund, into which donor countries could make payments. This would be administered by the Bank, with a provision for appropriate consultation with government authorities. Such a fund might attract assistance in the most unrestricted form (un-tied, useable for local currency expenditures, largely grant, etc.); however, it could also handle assistance which is tied or which cannot be used locally, and it would indeed provide the most effective mechanism to match the funds available with the most urgent needs across the economy.

6. A somewhat more restrictive role for the Bank would result if the fund's activities were limited to those sectors in which the Bank has the greatest expertise, and other areas such as health, housing, etc. were excluded from its operations. Clearly, the fund, or the Bank, should have absolutely nothing to do with the provision of food relief supplies.

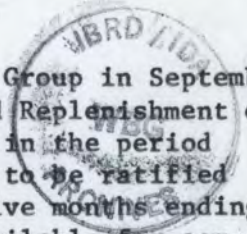
7. If such a fund is established, the actual execution of work would be handled through the operational departments of the Government of Bangladesh, with the necessary advisory assistance to be provided by the Bank, but the administrator of the fund would have an important role to play in the selection of the items to be financed from it, the selection of suppliers, contractors and consultants, the negotiation of contracts, and the supervision of implementation.

8. One alternative to setting up such a fund with the Bank as administrator would be for the United Nations to continue its present operations, where it receives some donations for the benefit of Bangladesh, which it channels into those areas which the UN considers most important, but where its major role consists of the attempt to assist the Bangladesh authorities in coordinating offers of bilateral assistance. While the manner in which the UN has operated so far may have been dictated by the circumstances, I believe it would be wrong to continue these operations in the present form. The UN has neither the necessary technical staff available nor the necessary experience in raising and administering large amounts of money. Furthermore, I doubt that they would have the confidence of the major donor countries.

9. It has been suggested by Jackson and some of his people that the Bank might provide some staff members and indeed may have responsibility for implementation of some small elements of a reconstruction program under UN management, but I have strong doubts that we should accept such responsibility with limited authority, especially if we were subject to direction from the United Nations team in Dacca.

490/7/9

THE THIRD REPLENISHMENT OF IDA



1. At the Annual Meeting of the Governors of the World Bank Group in September 1969, the Governors established a time schedule for the Third Replenishment of IDA: The formula for the replenishment was to be negotiated in the period October 1, 1969 and July 1, 1970; the negotiated formula was to be ratified by the legislatures of the member governments during the twelve months ending June 30, 1971; and the Third Replenishment funds would be available for commitment by the Bank Group July 1, 1971.

2. During the 9-month negotiating period, the U.S. Government took the lead in suggesting the size of the replenishment and in urging other governments to support it: The U.S. proposed a replenishment of \$1 billion per year, of which the U.S. share was to be \$400 million. Ultimately the 23 governments involved (including, for the first time, Ireland, Spain and Yugoslavia) agreed upon a replenishment of \$800 million per year, with a U.S. share of \$320 million. In accordance with the original schedule, negotiations were completed in July 1970.

3. Early in 1971 it became apparent that although the legislatures of other governments would be in a position to ratify the agreement by July 1, 1971, the U.S. Congress would not. At that time I discussed the matter with Secretary Connally who, on April 8, 1971, authorized me to say to the Executive Directors of the Bank:

At the present time there appears to be virtually no chance that the necessary IDA legislation will have been passed by the U.S. Congress by June 30th, 1971. I have, however, discussed the matter with the Secretary of the United States Treasury who has assured me:

(a) that President Nixon continues to attach the greatest importance to the replenishment of IDA at the agreed level and will use his influence to the full to secure the passage of the legislation -- the Administration expects passage not later than December 31st, 1971;

(b) that, in the meantime, the U.S. Administration would strongly welcome any steps which other Part I countries are able to take to ensure that IDA is not left without further commitment authority by July 1st next.

4. Acting on the statement of the Secretary, I personally approached the responsible authorities of member governments (including Messrs. Heath, Sato, D'Estaing, Schiller and Benson) to urge them to voluntarily contribute to IDA to permit its operation after July 1, 1971.

In recognition of the President's assurance that he would "use his influence to the full to secure the passage of the legislation" and that "the U.S. Administration would strongly welcome any steps which other Part I countries are able to take to ensure that IDA is not left without further commitment authority", 14 governments took executive and legislative action to advance \$379 million to the Association. That sum, plus the transfer of \$110 million of Bank profits, plus the net gain on revaluation, has permitted IDA to operate until today.

Today, in essence, we lack further commitment authority and must stop operations (the first victim was Turkey, for which a project to provide financial assistance to raise the income of 12,000 livestock farmers in 250 villages was passed this morning by our Board of Directors -- the project cannot be implemented until further funds are available).

5. It is obvious that the cessation of IDA operations will severely penalize development in the 40 or 45 nations which are so dependent upon it for external support -- nations in which mortality rates are high, illiteracy widespread, unemployment rising, and external debts already at critical levels and increasing.

6. What is not so obvious, but of more immediate importance to the U.S., is that a failure to ratify an agreement negotiated in good faith with the major nations of the world cannot help but undermine the credibility of U.S. foreign policy.

RMcN

4/4/72



MAR 27 1972

Ambassador Edwin M. Martin
Chairman, Development Assistance
Committee
Organisation for Economic Co-operation
and Development
2, rue Andre-Pascal
Paris 16^e, France

Dear Ed:

Thank you for your thoughtful letter of March 13 concerning the Special Fund which is being created in order to enable the African Development Bank to make loans on concessional terms, particularly to the least developed African countries. You ask whether the Bank Group could make funds available to this Special Fund for relending. This would, as you imply, have to take the form of an IDA credit to the Special Fund, since loans from the Bank itself would not put the Special Fund in a position to relend on concessional terms.

I have given careful consideration to your suggestion and have concluded that, at least at the present time, any such credit would not be desirable from the standpoint of the African countries concerned. You will appreciate that, if IDA should make a loan to the Special Fund, this would not add to the total amount of concessional financing available to the African countries, since the amount loaned would have to be taken from the programs which IDA would otherwise carry out in those countries. Thus, the effect of such a transfer would simply be to substitute one channel of finance for another. This would not necessarily be objectionable if there were reason to believe that the African Development Bank could use the funds loaned to the Special Fund more effectively than could IDA itself. Unfortunately, this is not likely to be the case.

As you probably know, the African Development Bank has been having difficulty in building up the kind of experienced, skilled technical staff which it needs and, as a result, it has not built up any substantial pipeline of projects ready for financing. We have been trying to help the African Bank in this build-up stage by providing a good deal of technical assistance, by including AfDB personnel in IBRD economic and appraisal missions, by accepting AfDB participants for EDI project courses, and by engaging in several loan operations in parallel with the AfDB. Indeed, because of the AfDB's shortage of projects in its pipeline, we have recently transferred to that bank for preparation and financing several projects

which IBRD staff had identified as potentially productive investments. But despite this assistance, and despite the able leadership which is being provided to AfDB by Mr. Labidi, it seems likely that the African Bank will have its hands full to invest effectively the additional \$20-25 million per year which the OECD countries expect to contribute to the Special Fund. Obviously, if IDA were to supplement the Special Fund to any significant degree and as a consequence the resources loaned were to remain immobilized for any considerable period, the African developing countries themselves would be the principal losers.

This situation will, I hope, change in time and when it does we can reconsider the matter.

With kind regards,

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

cc - Office of the President (2)

cleared in substance with and cc - Messrs. Broches, Chadenet, Chaufournier and Lejeune.

RHDemuth:jg

OCDE

ORGANISATION DE COOPÉRATION
ET DE DÉVELOPPEMENT ÉCONOMIQUES

Téléphone : 524 90-70

Comité d'Aide au Développement
Le Président

MAR 16 REC'D

Télégrammes : DEVELOPECONOMIE
Télex : 62.160 OCDE PARIS

3712 To Mr. Demuth
for draft reply
OECD
ORGANISATION FOR ECONOMIC
CO-OPERATION AND DEVELOPMENT

2, rue André-Pascal, PARIS-XVI^e

Development Assistance Committee
The Chairman

13th March, 1972

Mr. Robert McNamara,
President,
I.B.R.D.,
1818 H Street, N.W.
Washington, D.C. 20433.

Dear Bob,

As you may or may not know, D.A.C. facilities have been used over the past year to hold a series of informal meetings between some D.A.C. Members and the President of the African Development Bank for the purpose of drafting a Charter for a Special Fund, from which loans could be made on concessional terms. It would be largely financed by non-African donors who would share authority over its operation with the African Executive Directors of the Bank in a special Board of Directors.

The I.B.R.D. has given invaluable help in these negotiations through its office of the General Counsel.

D.A.C. sponsorship of such an effort, even though informal, is quite unusual. We have done so in part because the A.D.B. is the poorest of the regional banks, and it particularly needs soft loan funds for its members, half of whom are considered least-developed countries. In fact, at a meeting which I had with the Executive Directors of the Bank in Abidjan in January, they assured me that, though it could obviously not be put in writing, it was their intention to use the Special Fund to help only these "least-developed" countries.

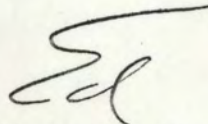
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Moreover, regional institutions are weak in Africa, including the Bank, and we felt this might be an opportunity to strengthen one of them.

Agreement on the text of a Charter for the Fund will probably be reached in Paris next month. The Charter would then be submitted for formal approval to the Annual Meeting of the Bank Governors in July and to prospective donors shortly thereafter. The \$60 to \$75 million total expected to be contributed by O.E.C.D. countries for the first three years of the Fund's operation, however, is substantially below both the expectations of the Bank's Governors and the level Bank President, Labidi, has said the Fund could commit efficiently.

I have wondered whether to strengthen the Bank and its role in the region there was any way by which the I.B.R.D., as a further reflection of its concern for the poorer of the developing nations, could make funds available to such a Special Fund for relending, preferably in association with the resources it has from other sources, but perhaps as an independent operation. Any such funds would, I assume, have to be made available at least on IDA terms.

Sincerely,

A handwritten signature in dark ink, appearing to be 'Ed', written in a cursive style.

Edwin M. Martin

497/7/14

3/10 To Ambassador Chate

OCDE

ORGANISATION DE COOPÉRATION
ET DE DÉVELOPPEMENT ÉCONOMIQUES

Téléphone: 524 90-70

Télégrammes: DEVELOPECONOMIE
Télex: 62.160 OCDE PARIS

Comité d'Aide au Développement
Le Président

OECD

ORGANISATION FOR ECONOMIC
CO-OPERATION AND DEVELOPMENT

2, rue André-Pascal, PARIS-XVI^e

Development Assistance Committee
The Chairman



1st March, 1972

Mr. Robert McNamara,
President,
I.B.R.D.,
1818 H Street, N.W.,
Washington, D.C. 20433.

Ed, I would be most interested in discussing this subject with you when you are next in Washington. Let's lunch or drink together.

Dear Bob,

I attach a summary of replies received up to now to my letter and note on U.N. development activity.

Where do these comments leave me? I am not entirely sure. I do want to stress, however, that I have no package of reforms to sell. Not only is my knowledge of the U.N. system too superficial, but I also am convinced that the problem demands the concentrated thought of a group of able, experienced and objective "wise men".

Moreover, I should perhaps make clear that in referring to the need for U.N. leadership in dealing with certain key development problems, I am thinking of intellectual and moral leadership and not new financing arrangements, though there may be rare cases where control of funds may be useful too. I continue to feel that the U.N., with all its problems, has the, at present, unique potential of harnessing the capabilities of all countries to the development task, valuable for developing countries and perhaps helpful in the long run in promoting better Big Five cooperation in other important areas.

I tend to support the suggestion that a quiet exploration of a possible series of moves, starting modestly perhaps, but with rather radical goals for 1980, say, might be a good way to start. How to promote action on the suggestions which such a group may propose might best be left for later.

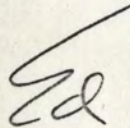
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This implies that no blessing be sought now from the new U.N. Secretary-General, but I would be reluctant to keep him in the dark on what is seen to be the problem and what is being done to examine reform measures that might be taken. I would think that he should also be assured that no public steps would be taken without advance consultation with him. This would not mean giving him a veto.

Such a low-key activity should not be permitted to delay steps now in train to strengthen the ECOSOC, UNDP, CDP, or to provide adequate U.N. machinery to deal with environmental problems or other key issues as they may arise.

In the next couple of months I expect to hear from several more to whom I sent the original letter, to get further comments from you in the light of this summary, and to be able to talk over possible ways to proceed with a number of you whom I will be seeing for one reason or another. I will depend heavily on your frank comments on the above tentative appraisal of what might be done next.

Sincerely,



Edwin M. Martin

Enc.

I sent out letters identical to the one you received from me on reorganisation of the U.N. development functions to 21 people. So far, I have received replies from 17 of them.

The content of these replies may be summarised as follows:

1. No one argued that there was no problem, though there was a considerable difference of view as to how serious it was.
2. Only one objected specifically to the suggestion that a small group be asked to study solutions. That one thought the situation hopeless in the U.N. and, in any case, the whole attitude in developed countries toward developing countries so unsatisfactory that radical changes were called for at national levels before tinkering with the U.N. could do any good. Two others were also very sceptical about the feasibility of U.N. reform, but one of them agreed that we must study the problem anyway. Several others expressed more optimistic views.
3. Two said they agreed there was problem, wanted to discuss the question with me at an early opportunity, but preferred not to comment until they knew more about what solutions I proposed.
4. One said he thought problem so serious, and obstacles to action so great, that he needed time for more reflection before making a substantive response.
5. A number, however, made comments on substance of what might be done within the U.N. system.
 - a. One said whole institutional structure for international cooperation was illogical and functioning badly, and it might be as easy, or perhaps even easier, to start over completely than just try to improve U.N. capacity to deal with the problems of developing countries.

- b. Five were disposed to think that the best chance of meeting the need for U.N. leadership in the several critical fields was in a series of individual steps to strengthen further the capacity and role of one or more of ECOSOC, the Committee for Development Planning, and the Department of Economic and Social Affairs, the latter to become more a broad policy and planning staff and less an operational group. Two of these would have also sought help from a more policy-oriented UNDP. For one, such steps were recommended only pending the achievement of more radical reforms.
 - c. Another thought that the ACC could be built up to fill the gap.
 - d. Two thought the UNDP might be strengthened to take the leadership role in the U.N. family on key issues of development policy and operations. One of these carried this idea further by suggesting a merger of UNDP and IBRD, latter having added China and countries with centrally-planned economies. A third suggested that larger leadership roles for the UNDP and the IBRD, cooperating but independent, might be best we could hope for.
 - e. Two suggested tentatively that, in addition to other steps, a build-up of the roles of regional institutions might help solve some of the problems I had posed.
5. Fewer respondents dealt with specific question of how to arrange for study of problem.
- a. Three thought subsequent action would only be possible if initiative for examination of problem came from new Secretary-General. However, one of these was also ready to endorse a first quiet study of problem before broaching matter formally with Secretary-General.
 - b. Another suggested there might best be several task forces, examining different aspects of the problem, but again within the U.N. system, though perhaps financed by special contributions from outside.

- c. On membership of study group, one thought there would be little chance of action unless study group included people with political power from each of the Big Five. He and one other stressed importance of group not being too "Western" in its composition.
 - d. One suggested that this problem might usefully be discussed at next meeting of Tidewater Group.
6. Two made the point that with respect to action on development issues, one need not show excessive deference to the Big Five. Middle-sized and even smaller powers had influence - one need not consider Security Council-type confrontation as inevitable. However, two were disposed to take the opposite view, one insisting that China and U.S.S.R. were committed to oppose any increase in U.N. effectiveness.
 7. One doubted if loss of respect for its political role had or would seriously prejudice U.N. developmental functions. The problems of the latter arose from the imperfections of the economic and developmental agencies themselves. Another doubted whether a clear separation was a realistic goal.
 8. On the question of which areas needed cross-disciplinary, or cross-sectional, leadership from the U.N., no one questioned the three I listed, but Science and Technology transfer, Family Planning, and Environment were each suggested by one correspondent as additional candidates.



497/7/3

CANADIAN INTERNATIONAL DEVELOPMENT AGENCY
AGENCE CANADIENNE DE DÉVELOPPEMENT INTERNATIONAL
OTTAWA 4



PRESIDENT
PRÉSIDENT

Ottawa, Ontario
K1A 0G4

February 28, 1972

Mr. R.S. McNamara,
President,
International Bank for Reconstruction
and Development,
1818 H Street, N.W.,
Washington' D.C. 20433

Dear Mr. McNamara: *Bob:*

I am writing with a specific proposal to follow up the discussions which have taken place from time to time between CIDA and the Bank concerning possible methods of cooperation. The most recent of these discussions occurred during Mr. Tansley's visit to the Bank last fall when the possibility of staff exchanges between the two institutions was considered in positive terms. I continue to believe that exchanges of staff between bilateral and multilateral institutions would represent a valuable means of cooperation with benefits to both sides, and would encourage the bringing to bear of wider perspectives.

From CIDA's point of view an early secondment of a Bank staff member to CIDA would be particularly welcome as I have recently established a Policy Branch. I have informed the Agency that the function of the new Branch is to:

"examine our present programme, to evaluate it, to look ahead, to accept and initiate new ideas, to harmonize policies, to act as a catalyst, a gathering place for new thought, analysis and criticism".

We are seeking an experienced officer to serve as the Senior Advisor to Mr. H.J. Hodder who is Vice-President of the Policy Branch and who reports directly to me.

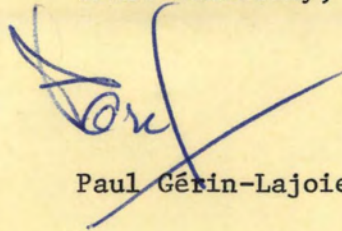
The particular Bank staff member which we have in mind is Mr. Ben King who has been known to us for many years. With his talents and experience we believe Mr. King would be of invaluable assistance to the Branch during the crucial early years of its operation.

President has seen

The type of arrangement I would propose is that Mr. King would remain on the Bank's payroll, but that CIDA would compensate the Bank for the direct costs of salary, allowances and benefits etc. The term would be for two years. If this general approach commends itself to you, my staff could work out the details with your Director of Personnel.

I recognize that this request comes at a time when the Bank is undergoing expansion and has a need for qualified staff resources. We would nevertheless greatly benefit from the secondment we have proposed. It would be very much appreciated if this arrangement should prove acceptable.

Yours sincerely,

A handwritten signature in blue ink, appearing to read "Gérin-Lajoie", is written over the typed name. The signature is stylized and includes a large flourish that extends to the right.

Paul Gérin-Lajoie

Mr. George
TO McNamee

490/7/72

House vote on IDA comma S-2010 comma
scheduled for Tuesday stop Your support would go for
I assume passage with benefits both to labor in
the United States and in developing countries stop
Hope you can help stop
next weeks

J

OVT000000000000

JAN 28 7 2 AM



DA 183 NEWDELHI 250 29 0540Z =

Bob McNamee

LTF
UNMOGIP
RAWALPINDI =

Sent 1/30
AJ

PASS FOLLOWING TO WORLD BANK ISLAMABAD QUOTE .

ROBERT S MCNAMARA

SEVEN RULES COMMITTEE HAS SCHEDULED THREE IFI BILLS FOR SERIATIM
VOTES BEGINNING NEXT TUESDAY, ONE HOUR OPEN RULE FOR EACH BILL.
ORDER OF PRESENTATION. IADB, ADB, IDA. IADB BELIEVED EASIEST
TO MOVE.=

International
Telegraph Office
Fakara Court
Parliament St

P2=

COMMITTEE HOPES MOMENTUM WILL BUILD. SO IDA CAN FOLLOW.
TREASURY REQUESTING PRESIDENTIAL STATEMENT EMPHASIZING INTER
ALIA IMPORTANCE IFI AS TO PRESIDENTS ' QUEST FOR PEACE '
IN ASIA.

NEITHER TREASURY NOR HILL FULLY CONFIDENT ALL THREE CAN PASS.
STRATEGY IS TO MOVE QUICKLY, SUPPRESS CRITICS IN ADVANCE.
REPORTEDLY =

P3=

PASSMAN WILL BE ASKED TO STAY WAY. NELSON SAYS BILLS WILL BE
TAKEN FROM FLOOR IF PROSPECTS APPEAR UNFAVORABLE.
RISKS FOR 3IDA APPARENT. SHOULD TREASURY AND COMMITTEE
CONCLUDE VOTES ARE NOT PRESENT NOW AND BILL BE TAKEN FROM
FLOOR, WE MAY NOT GET IT BACK AGAIN=



P4=

THIS YEAR.

ABOUT 70 REPUBLICANS AND 100 LIBERAL DEMOCRATIC VOTES CAN BE
QUICKLY LINED UP. KEY IS ADDITIONAL SUPPORT FROM CONSERVATIVE
SOUTHERN AND PRO-LABOR DEMOCRATS.

ADMINISTRATION UNABLE APPROACH AFL-CIO AND WELCOMES OUR HELP.
HAVE CONTACTED STAFF BUT AM TOLD NO ONE MOVES WITHOUT MEANY.
WOULD =

P5/50=

HELP IF YOU COULD WIRE HIM NOTING THAT IDA, S-2010 (PLEASE
REFER TO BILL NUMBER), COMES UP NEXT WEEK AND ASKING
FOR SUPPORT, AS GIVEN IN PAST. CABLE ADDRESS IS AFL-CIO, WASHINGTON.
ACTION BY MEANY MIGHT MEAN TEN TO TWENTY VOTES=

MERRIAM UNQUOTE

MCDIARMID +

COL IADB ADB IDA IDA 3IDA 70 100 AFL-CIO IDA, S-2010 AFL-CIO +

490/712

DECLASSIFIED
SEP 2 1992
PERSONAL
WBG ARCHIVES

January 19, 1972



Mr. McNamara:

Re: INDIA

1. With due apologies I want to mention two topics "for your eyes only", supplementing already voluminous material in the briefing book.

Public Sector Management

2. In India in November 1968 you expressed concern about efficiency in public sector enterprises - particularly in connection with our proposed lending to fertilizer factories. The G.O.I. was concerned with the ideological point - will IDA money be made available to finance public sector factories. You said, "Yes" but stressed management. In subsequent talks with G.O.I. we agreed to "parallel but unlinked" discussions on management problems. Not without difficulty, we have now made good on your promise to lend to worthwhile fertilizer projects in the public sector. It is time India showed more willingness to work with us - and perhaps small teams of foreign consultants - to improve management performance and operating efficiency, particularly in the fertilizer industry (where we are lending) and in steel (where they have so much invested) and, as the recent history of the India Iron and Steel Company shows, the private sector is no paragon of efficiency either.

3. I think the topic is so important that you should, if at all possible, take a reading from Mrs. Gandhi to see if she is at all willing to have Bank Group cooperation in this field now, and if so how she thinks we can be most effective. I would expect she wants more efficiency than she is now getting with her socialism; but it is unclear how we can intervene, if at all, without doing more harm than good.

Civil Works Contracting

4. You will have so much to do in Delhi on the larger political issues that there may be no time for civil works. Certainly, that was Peter's prognosis before he left Washington. Nevertheless, the Indians may raise it with you, since they seem to feel that only your active intervention can bring about a satisfactory solution within the Bank-- a view which I share. Therefore, this personal note supplementing material in the brief.

5. In my view we are striving too hard for a decision in principle without adequate attention to practical possibilities. In our staff level discussions it is frequently said that we must persuade G.O.I. to state to us their willingness to adhere to international competitive bidding (ICB) whenever required by the Bank staff. This statement of principle is one

thing G.O.I. cannot give; many of their policies in recent years, approved at Cabinet level, go in exactly the opposite direction, resisting any risk of foreign exchange payments unless absolutely necessary.

6. In any case, it is the form in which general principles are applied to specific cases that really matters in this issue. We have three types of cases:

(a) On many projects construction is financed with other-than-Bank Group funds and there is no ICB (railways, fertilizer factories, etc.).

(b) On roads we started an intensive dialogue several years ago. Knox and I made a proposal in March 1971 to which the G.O.I. responded in May. The response seemed to me forthcoming but stopped short of agreeing to admit foreign contractors (or contractors in which foreign partners held a majority interest). The next logical step after that exchange was to agree to invite contractors to submit information required to prequalify them for by then well-defined road works proposed for IDA financing. This invitation would have been worldwide; it would call for qualifications from contractors interested in bidding on "slices" of \$500,000 and/or "packages" of \$3-5 million. After such a prequalification exercise we and the Indians would know just who was bidding, what foreigners were interested and with what sort of joint venture arrangements. If, on the basis of these real and specific offers, G.O.I. insisted on excluding qualified contractors just because they were too "foreign", we would have to refuse IDA financing and stop further processing of the project. I doubt that it would come to this, but at least we would have a decision.

(c) On irrigation works the situation - at least from G.O.I.'s point of view - is different. We did not raise the ICB issue until this year - in fact in Warren's statement to the Board after Sen's criticism of an education project in Jamaica. Up to that point we had left India with the impression that their ongoing arrangements for construction of irrigation works were acceptable to IDA, although these arrangements did not include ICB. The reasons were (i) that we had taken up a group of ongoing irrigation projects in an effort to help G.O.I. implement its decision, based partly on IBRD advice, to complete such works quickly (rather than have much unfruitful investment in works-in-progress) and (ii) that those arrangements, while not perfect, allowed fairly quick execution at reasonable cost.

Once the issue was raised - and again I am speaking from the Indian point of view, as I understand it, in order to try to help us all understand what is bugging them - it came to our Board in what seemed unnecessarily provocative form. In order to illustrate this point, Attachment I gives wording suggested by this Department and wording actually used.

One otherwise appraised irrigation project, Tawa, has been held up for many months now pending settlement of general principles on ICB. In

the \$43 million IDA credit proposed for that project, contracts totalling \$13 million were considered suitable for ICB. Of this \$13 million, \$6 million worth of contracts were expected to be signed by state authorities by March 31, 1972, leaving \$7 million to be vetted on the basis of arrangements to be agreed during negotiations. Of that \$7 million, one contract of \$1.5 million would be for the installation of gates, \$2.5 million (one or more contracts) would be for canals and drains and \$2.7 million for village roads. So far as I know these figures were never given to G.O.I. pending discussions on the broader issue. Alternative ways of handling this problem were discussed in my memo of November 15 (Attachment II). The amounts are so small it is hard for me to see how either IDA or G.O.I. was justified in holding up an otherwise acceptable project simply to agree on the "principle" of ICB.

7. I continue to believe that we would receive a more constructive response from G.O.I. regarding acceptable procedures for projects still to be appraised, if we dealt with those that are far-advanced in a more flexible and pragmatic manner. In fact, I have argued that all ongoing irrigation projects given top priority for IDA lending by the reconnaissance mission of 1969 should be handled in this way - which would include only Jayakwadi, still to be appraised, since Cauvery, Krishna-Godavari, Godavari Barrage and Upper Krishna of the original eight seem to have been withdrawn or indefinitely delayed by India for other reasons. Of course, one reason for arguing this way is that I think we have many other contributions to make to proper design and execution of these projects without disrupting well-established PWD procedures for construction, for which Indian authorities have already staffed up.

8. Having given all these details, I should not end without saying that ultimately the issue of principle must be faced. The Indians are not the only ones in South Asia - and I suspect elsewhere - among the LDC's who are restless about what appears to be a hardening of the Bank's position on ICB for civil works. This "hardening" may only be apparent - the result of growing sophistication. But many borrowers seem to fear that we are prepared to distort otherwise acceptable procurement arrangements to make contracts attractive to foreigners. If foreigners do not bid, competition may actually be lessened (and costs increased) because so few local contractors are large enough to play in that league and under those rules. If foreigners do win, it often seems to be at the expense of the development of local technical and managerial skills.

9. Although it does not affect any projects so immediately (except perhaps in fertilizers) there is one other important consideration behind my plea for a pragmatic rather than an apparently dogmatic approach to ICB. So long as we appear to insist on ICB whenever possible, it is difficult for G.O.I. to distinguish those cases where we are saying ICB is absolutely necessary to proper project execution. We know, for example, that Madras authorities wanted wider competition among foreign contractors for their water supply project now being implemented; it was not referred to IDA

Mr. McNamara

- 4 -

January 19, 1972

partly because state government officials thought it would weaken their plea for ICB if IDA got into the act, because Delhi thinks IDA's judgement is biased on these matters. This is a pity. I believe we are not so biased and our engineers can distinguish between cases where foreign expertise is essential and those where it should not be excluded only because of pressures from Part I countries. We must strive to restore our credibility on this point - as we have now done on the question of public vs. private sector.


Gregory B. Votaw

Attachments

ATTACHMENT I

ALTERNATIVE WORDING FROM THE PRESIDENT'S REPORT ON THE
POCHAMPAD IRRIGATION PROJECT (P-974)

A. Wording proposed by the South Asia Department:
(to be added to paragraph 15)

".....Of this balance, US\$30.2 million would be disbursed on civil works contracts awarded under local competitive bidding, and an amount limited to US\$4 million would be available to finance force account work. The procedure agreed upon for bidding on construction works requires contracts for canal excavation to be let in minimum amounts of Rs 2.5 million and for bids to be invited and evaluated in groups of at least three. In this way, it is expected that both small and large contractors can compete. Irrigation projects involve quite small amounts of foreign expenditure, and in order that the Bank Group may make a significant contribution to projects in this vital sector, about 75 percent of the proceeds of the credit will meet local costs.

" 16. Traditionally, India has arranged for construction work on irrigation projects largely through force account procedures. The agreement reached for civil works in this project represents one step in a gradual movement toward larger contracts which would overcome some of the disadvantages of the force account method of contracting. The GOI recognizes the need to build up the local construction contracting industry and is in the process of creating conditions which will enable contractors to increase their capacity. I consider it important to assist the GOI during this development phase, and the procedure explained in paragraph 15 will have the effect of raising the minimum size of contracts while making possible further increases in future as the capacity of contractors develops. In addition, the credit provides for imported machinery which will be rented to contractors. I am satisfied that construction carried out in this way will be at reasonable cost. In future, where international competitive bidding would be a technically appropriate procurement procedure, we are proposing to the GOI that it request state governments to adopt procedures and to prepare contracts of a size more likely to attract bids internationally. In this way I expect that the association can contribute to developing the local contracting industry on a broad base while at the same time assisting in timely conception of high priority irrigation projects where civil works represent a large portion of total costs."

B. Actual text used in the Report:

"15. Procurement of imported equipment, machinery, and spares (US\$3.5 million) would be largely on the basis of international competitive bidding in which local manufacturers would receive a preference of 15 percent. (Actual customs duties for most of these items are presently higher at about 30 percent.) Minor items of equipment (US\$1.3 million) would be purchased locally under regular Government procedures. The balance of US\$34.2 million would be allocated for civil works.

"16. Traditionally, India has arranged for construction work on irrigation projects largely through force account procedures. In this case, however, only US\$4 million equivalent would be used to pay for force account work and the balance of US\$30.2 million would be disbursed on civil works contracts awarded under local competitive bidding. There would be a variety of large and small contracts which would be designed to offer opportunities for both large and small contractors to compete. These procedures represent part of the effort which is being made by the Government of India, supported by the Bank, to build up the capacity of the local contracting industry in the construction field.

"17. Attention is called to the fact that these arrangements contemplate the award of civil works contracts entirely on the basis of local competition rather than having resort to international competitive bidding. It is the judgment of our staff that there are a number of Indian contractors who have the technical and managerial capacity to execute the works in question and that they would be likely to win most if not all of the contracts concerned even under conditions of international competitive bidding. Nonetheless, the results of bidding cannot be predicted in advance and under the Bank's normal procedures we would have regarded a large portion of the civil works on this project as suitable for international competitive bidding, and we would normally have required that contracts for these civil works be put out to international competitive bidding in order to ensure that the project is carried out in the most economic and efficient manner. We have not pressed this requirement upon the Indian Government in this particular case since we have felt it desirable to gain more experience with the problem and to pursue further discussions with the Indian Government as to what terms and conditions might be appropriate to secure effective competition between Indian and foreign contractors."

OFFICE MEMORANDUM

TO: Mr. I. P. M. Cargill

DATE: November 15, 1971

FROM: Gregory Votaw *gv*SUBJECT: INDIA - Tawa Irrigation Project

1. The yellow appraisal, originally due last spring, was finally issued October 8. We are unable to act on it because of your instructions, and Knapp's, to do nothing involving civil works until the broad issue can be discussed toward the end of this month.
2. I would urge that the Tawa project be processed for negotiation immediately. Cunningham's memo of October 22 (attached) makes clear the difficulty of applying ICB in the special circumstances of Tawa. I also attach an earlier memo he wrote (August 17), including some other issues, for reference.
3. Construction of the Tawa irrigation project is already well advanced and is continuing. This is consistent with government policy, repeatedly endorsed by Bank economic and technical staff, to take all possible steps to complete ongoing schemes expeditiously before taking up new works. This policy lay behind the agreed 1969-74 IDA operations program for irrigation-financing up until this spring, when McNamara and Banni changed signals on the I.C.B. question, for reasons which I have never understood.
4. There are various ways to estimate total project cost. Using Rs. 7.5 to \$1, the appraisal report estimates the cost of the present phase of development at \$91 million, of which \$20 million had been spent by March 31, 1971; a credit of \$43 million is recommended to help complete this phase - i.e., just over 50 percent of total costs through December 1976 (as presently estimated), but two-thirds of expenditures to be incurred from April 1, 1971. Obviously, these figures will change as different cut-off dates are used and as cost estimates are revised; there may also be a problem of how to assess farmers' own contributions to on-farm development, which is an important part of total investment in the "project". But these are clearly the correct orders of magnitude, although the final details will change by the time a credit is ready for presentation.
5. It seems to me there are broadly three alternatives at the moment; or perhaps four.

(a) To follow the logic of Cunningham's memo of October 22 and accept that at this late date very few contracts are really suitable for ICB. This would mean dropping this issue in this one case, since it is irrelevant to Tawa. Tactically, I do not think GOI would consider IDA

November 15, 1971

any less serious about the long-term civil works problem and would probably respect a commonsense compromise by IDA during this interim period while the "bigger issue" is under study.

(b) Take a "hard-line" - insist that \$13 million in contracts would be technically suitable as of now (or as of the time the issue was first raised with GOI) and if GOI/GOM(?) refuse to put these contracts to ICB, reduce the credit amount to \$30 million. (If this line is taken, we will need better answers than the appraisal report gives to questions GOI will certainly raise - e.g., how \$2.7 million in village roads to be constructed over a 3 to 4-year period can be considered "suitable" for ICB.)

(c) Proceed on the basis McNamara outlined to Chavan at Annual Meeting - i.e., no projects with civil works until the general issue is resolved toward June of next year. If this approach is taken, the project may need to be reappraised next spring and there will be a much smaller portion of total project costs remaining for IDA to help refinance.

(d) Which brings us to the fourth alternative - in my mind really the logical outcome of (a) - namely, to tell GOI now that IDA is unlikely to contribute much to Tawa and that we are therefore deleting the project from the list of schemes still under active consideration.

6. It follows from all this that although Tawa may well illustrate some of the absurdities the civil works issue has created, I think we should settle the Tawa question on its own merits, in terms of its own peculiarities, without prejudice to the final outcome of discussion on the broader, general civil works issue.

7. Whatever we plan to do, IDA should make up its mind quickly - in the interest of maintaining constructive working relationships in India and also saving further unfruitful expenditure of staff time. Tawa has a long history, having been first rejected by IDA in 1962, re-identified in the reconnaissance three years ago and appraised twelve months ago. And incidentally there may be other difficult project issues besides civil works to negotiate, judging from some recommendations in the yellow cover. I would urge you to try to get some decision before I reach Delhi, December 8. In any case, I would appreciate hearing from you there on what we propose to do next, since I will almost certainly be asked by GOI what is taking us so long.

Many thanks.

GBVotaw:jw (typed after his departure)

cc: Messrs. Kraske, Cunningham (o/r)
Delhi Office

MAR 29 REC'D 490/7/7



THE SECRETARY OF THE TREASURY
WASHINGTON
MAR 27 1972



Dear Bob:

I wanted to inform you directly of my concern over the recent IDA loan to India to finance the construction and purchase of oil tankers.

3/29
The economic justification of the loan provided by the Bank was inadequate in our view. Bob Wieczorowski went into this in some detail at the Board discussion. Let me simply say that I do not believe oil tankers to be a high priority item in India's development and such financing seems to be a poor use of IDA's very scarce resources.

The procedure followed in approving the loan also raises an important policy issue. As you know, when the loan was proposed, we recommended that rather than vote on this particular loan, the Bank should first discuss whether or not IDA should engage in tanker financing at all, since it represented new policy. We were surprised that this procedure was not followed and the tanker loan was brought forward for a vote, particularly since management had committed itself to follow just such a procedure after several similar cases in the recent past.

I believe we must work harder at reconciling what seems to be a growing number of U.S. differences with Bank decisions and policy. The recent agreement by the Bank to provide Directors with detailed information on loans well prior to negotiations with the borrowing country and before any Board consideration of the loan should be an important help.

I intend to spend more time myself during the present year working on international institutions and hope to have closer contact with you on the many substantive issues facing the Bank.

Sincerely,

The Honorable
Robert S. McNamara
President
International Bank for
Reconstruction and Development
Washington, D. C. 20433

WORLD HEALTH
ORGANIZATION



490/716

ORGANISATION MONDIALE
DE LA SANTÉ

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Telegr.: UNISANTE-Geneva

Tél. 34 60 61 Télex. 22335

1211 GENÈVE 27 SUISSE
Télégr.: UNISANTE-Genève



In reply please refer to: P13/372/5
Prière de rappeler la référence:

22 March 1972

Dear Mr McNamara,

No doubt Mr Hoffman, Dr Kanagaratnam and Mr Hawkins have informed you of the detailed discussions they have had with Dr Mahler, Dr Zahra, Dr Sacks, and other WHO staff members on matters of mutual concern while in Geneva for the meeting of the ACC Sub-Committee on Population. I was pleased to give my endorsement to the proposal which emerged from these discussions that there be organized, between our staffs, regular meetings on an ad hoc basis to undertake joint reviews of our operations in the field of population and family planning in order to more closely co-ordinate our work in this area. The visits of your collaborators in recent months have been most valuable and I believe that such consultations, if regularly held, could contribute greatly to mutual understanding and better service.

I was also glad to learn that you have initiated a focal point in the Population Projects Department for work in nutrition. As this field has important repercussions for health planning at the country level, I should be pleased to work out such arrangements for collaboration as will be mutually beneficial.

I had occasion to reiterate to your group the importance I attach to the development of health manpower and the corresponding need for relevant national infrastructures. I understand from Mr Hoffman that the Bank would be prepared to make arrangements for a visit of your specialists dealing with education and I would certainly welcome any steps that could be taken in that direction.

With kind regards,

Yours sincerely,

M. G. Candau, M.D.
Director-General

Mr Robert S. McNamara
President
International Bank for Reconstruction
and Development
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

N 90/7/16

ORGANISATION MONDIALE
DE LA SANTÉ



WORLD HEALTH
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1211 GENEVA 27 - SWITZERLAND
Telegr.: UNISANTE-Geneva



In reply please refer to: P13/372/5
Prière de rappeler la référence:

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With kind regards,

Yours sincerely,

M. G. Candau, M.D.
Director-General

Mr Robert S. McNamara
President
International Bank for Reconstruction
and Development
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

18 MAR 27 PM 5:58