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McNamara papers

Contacts  
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## OFFICE MEMORANDUM

TO: Mr. McNamara (through William Clark)

DATE: January 7, 1977

FROM: Shirley Boskey *SB*SUBJECT: Lunch with Secretary-General Waldheim  
January 10, 1977

This initiative of Waldheim is not entirely unexpected. The political nature of the office of the Secretary-General, combined with Waldheim's background and personal interest has more or less limited his priorities to purely political matters. But now that he has been reappointed, he plans to expand his sphere of influence to include economic issues. His supporters during the election process obtained an understanding from him that he would spend more time on economic issues and use his good offices to facilitate north-south dialogue. One of his efforts in this connection will be to keep in touch, on a personal basis, with leaders in the development field, including selected agency heads. You are the first on his list. He considers the institution of the ACC a waste of time for somewhat different reasons than yours - it takes his time away from urgent political issues.

He would most likely discuss with you, and seek your advice on, the current state of international economic relationships, how the development process can be strengthened and expanded, and how the UN system can play a more effective role in this area. He is aware of the idea of a Brandt Commission, but is not familiar with the details of your thinking.

As you will remember, he was in the chair at the October ACC meeting when you proposed that the Committee should spend some time at its next meeting discussing development issues, in particular a review of global targets, of agency resources to meet the targets, and better coordination within the UN system.

ACC Paper

You will recall that EPR (Mahbub ul Haq) is preparing a paper for the April 1977 ACC meeting. The UN Economic and Social Affairs Department (ESA - van Laethem's office) is technically charged with gathering information from the agencies on issues related to the ACC paper. We will be sending our contribution to ESA by mid-January, as requested. We don't think ESA is capable of preparing the "think piece" you had in mind. The EPR paper, which will be submitted by the Bank, is intended to serve that purpose in April.

The Third Development Decade (1980-90):

Preparatory work on the 3rd Decade should begin in 1977 at the UN Secretariat level, and completed in 1978, so that the year of 1979 can be spent in political bargaining. So far no one at the UN, including the Secretary-General, has thought about the content of the 3rd Decade, mainly because it is not politic to talk about the new Decade when national delegations are still

preoccupied about the review of the 2nd Decade, and its deficiencies. However, in talking with ESA staff, we gather that the preparation will include a systematic analysis of alternate growth targets for 1980-90, based on 1960-1975 time series data. The Leontief model will be transferred to the UN computer center soon and work will proceed to complete and expand the model, as part of the Project 2000 - some of the work on the Leontief model would be relevant for the 3rd Decade.

The <sup>3</sup>Secretary-General might ask for the Bank's cooperation in the preparation for the Decade. A number of studies in the DPS work program could serve as important input, and you might wish to be forthcoming, cautiously, regarding Bank cooperation, subject to a review at appropriate staff level, when an initial outline of the scope and content of the Decade has been prepared by the ESA.

#### Brandt Commission

The Secretary-General would like to hear from you about the thinking behind the idea and about the Commission's broad terms of reference. He will also be interested in discussing the nature of the association of his office and of the UN with the Commission's work at various stages, including implementation. As you know, we believe that we should seek the political support of the Secretary-General's office, without getting involved in UN bureaucracy. We think that he would be forthcoming in supporting this effort, as this would fit well with his plans for an expanded role in the development area. He might be receptive to a suggestion that he assign a person close to him, with whom we could maintain contact at this (preparatory) stage. It would be particularly important, however, to assure that he does not designate van Laethem or van Laethem's deputy. Diego Cordovez, the Secretary of ECOSOC, would be excellent, if we could get him. You met him last January in Washington. He could be extremely useful in keeping the Secretary-General adequately informed, help in seeking support from key delegations at the UN at appropriate times, and might even be a candidate for the Secretariat of the Commission. He would also be a person capable of assuring that there would not be undue UN (including the ESA) involvement in the work of the Commission.

You might wish to show the Secretary-General that part of your Boston speech which deals with the Brandt Commission.

#### Thirty-First General Assembly:

The Assembly decided to suspend its regular session, and to resume it sometime this year, so that it could review the decisions reached at CIEC in March/April 1976. A note on the session of the Assembly is attached.

Attachment  
MAB *WAB*



A Glimpse of the Thirty-first General Assembly Session  
New York, September 21 to December 22, 1976

Over 120 member states participated in the general debate on the 31st session of the General Assembly, as well as in the debate of the Financial and Economic Committee of the Assembly. Some 50 resolutions were adopted by the Assembly on economic and social issues and there were many more on political issues; most covered familiar ground. South Africa's policies, Rhodesia, Middle East, Cyprus, disarmament, Viet Nam membership in the UN, were some of the most emphasized issues in the political area, with overwhelming condemnation of South Africa by most speakers. In economic field, most speakers from the developing countries expressed disappointment at the slow, or no, progress at UNCTAD IV, at the Conference on International Economic Co-operation (CIEC) and other fora, which they attributed to the lack of political will in important industrialized countries. Many industrialized countries, while admitting slow progress, cautioned against abandoning the ongoing dialogue and hoped for concrete results at Geneva and Paris.

Since CIEC was postponed, the Assembly decided to suspend its session and resume it this year to take into account the results achieved at Paris. If CIEC continues to be deadlocked, or ends without achieving minimum expectable to the "77", the "77" are likely to hold a meeting at an "appropriately high level" to review the situation, and then call for a resumed or a special session of the Assembly just before the 32nd session next fall.

On the whole, the achievements of the 31st session were even less than those of previous years. Discussions on political and economic issues reflected the status of current international relationships - impasse. Under most favorable conditions, one should not expect any concrete actions by the Assembly, as it has no mandatory powers and it cannot take binding action. At best, the Assembly serves as an open and accessible forum for countries, big and small, to express their views. Heads of delegations having made their speeches returned to their capitals: the rest of the committee work was carried out

by New York-based junior diplomats, who had no specific instructions on issues on various agenda items, and they could only shadow-box and repeat known positions. The timing of this session could help explain this malaise. While the Assembly was in session, CIEC in Paris was limping along without any goal in sight, and three major industrialized countries (USA, Federal Republic of Germany and Japan) were pre-occupied with national elections. Then the developing countries could not demonstrate a unified position, which they did in the previous two to three years while preparing for the International Development Strategy and for UNCTAD IV. In fact, they were suffering from political, ideological and even economic controversies within the Group (77)- including disenchantment with surplus OPEC countries. This weakened the leadership role of the "progressive" or forward-looking developed countries, which has often been of critical importance in directing international effort in a positive direction, or saving it from disaster.

Given this bleak background, there were a few matters of interest to the Bank discussed and acted upon during the recently concluded Assembly. Generally speaking there was widespread support for the Bank and IDA. Many delegates from the developed and developing countries made specific references to the speech of the President of the Bank at Manila and they urged that Mr. McNamara's appeal for an increase in the Bank and IDA resources be given urgent attention. Some of those who strongly supported the Bank's role as a financing and development institution and thus the need for its expanded resources, were the Prime Minister of Sri Lanka, Mrs. Bandaranike (speaking as the Chairman of the non-aligned countries), the Minister for Development Cooperation of the Netherlands, Mr. Jan Pronk (he said, "top priority must be given to the fifth

replenishment of IDA. My country is in favor of a target figure of \$9 billion or more...") Others who explicitly spoke in favor of the Bank and IDA were Norway, Sweden, India, Pakistan, Malaysia, Portugal, Sudan. A resolution was unanimously adopted for the recapitalization of the Bank and for the replenishment of IDA V. This is an evidence of the expanding and open political support for the Bank in a forum which has often been critical of the Bank's "rigid policies," its "limited membership" and "non-democratic" decision-making process. Such support has had an effect of at least neutralizing attacks from the communist countries, including China. There has also been new interest in the Bank from some non-member communist countries - Poland for instance.

Political support was also given to medium and long-term recovery and rehabilitation of the Sudano-Sahelian region, and to providing economic and financial assistance to the newly independent peoples of Mozambique, Comoros, Sao Tome and Principe and Angola. A decision - although controversial - was also made to transfer funds from the empty and ineffective UN Special Fund, to the International Fund for Agricultural Development, enabling the latter to reach the \$1000 million pledge target necessary for it to become operational.

In spite of meager achievements, most speeches were moderate and concilliatory in tone, thus leaving the door open for a continuation of the dialogue. But, the continuation and success of the dialogue will depend on clarification of the issues, the objectives to which the international community should give priority, and on a change in the attitude of a number of countries, rich and poor, towards aid and development. Perhaps this feeling was best expressed by Minister Pronk in his speech at the Financial and Economic Committee of the Assembly, when he expressed disappointment on the overall progress of developing countries and focussed on the basic needs of the poorest. "In spite of so many resolutions and agreements," he said, "there is still so much poverty, inequality and injustice in the world." He attributed the lack of implementation to the absence of political will and commitment on the part of the

governments - rich or poor. He added, "whatever the shortcomings of the past, the first priority of international community today is to carry out existing commitments and urgent tasks which cannot wait." He suggested that an independent group of politicians and experts should help clarify the issues which are at the center of the deadlock and to mobilize political commitment to tackle fundamental and urgent problems of poverty: "We may call on the wisest and most experienced among us, teachers and thinkers of today, to advise the world on the future."

If the climate becomes more conducive, helped by the attitude of new administrations, one can expect the 32nd and subsequent Assemblies to play a more meaningful role in providing, slowly but steadily, political support for international negotiations within and outside the UN system. Although the UN is neither authorized nor capable of taking definitive decisions binding on its membership, it is the only global forum which could provide broad political support - or withdraw such support - on economic and political issues that concern a large number of countries.

MAB



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## OFFICE MEMORANDUM

cc. ① Mr. Pontiguen  
 ② Mr. Peter Wright

TO: Mr. C. Willoughby, Director, TRP  
 FROM: Shirley Boskey, Director, IRD *SB*  
 SUBJECT: Mr. McNamara's Meeting with Mr. Srivastava

DATE: March 21, 1977

*x file**clw 3/21*

Mr. McNamara met with Mr. Srivastava, Secretary General of the Inter-Governmental Maritime Consultative Organization (IMCO) at six o'clock on Tuesday, March 15.

Mr. Srivastava had no specific request to make. He simply wanted to bring to Mr. McNamara's attention the fact that IMCO, while in a position to provide technical advice to developing countries concerned to build up their shipping and to implement standards set by IMCO, was not able to follow up with financial support, and he expressed the hope that the Bank might be a source of such funding. He offered one specific illustration: he said that the West Coast of Africa lacks adequate ship repair facilities. Ghana has facilities, in particular a dry dock, which need upgrading; unless that is done soon, the facilities will fall apart. IMCO can advise Ghana on what to do, but cannot finance the work. If the necessary improvements were made, he said, Ghana could probably attract sufficient business to enable any Bank loan for the upgrading to be repaid out of revenues. (No figures were mentioned.)

Mr. Srivastava explained that IMCO has only about 100 technical staff; it provides its services primarily by drawing on world-wide contacts with governments and by recourse to lists of experts it has built up through these contacts. In its advice to developing countries, IMCO emphasizes the importance of (a) developing a training program for nationals of the country, so that there are competent staff able to take over administration of a domestic fleet once the expatriate advisors have departed; (b) establishing a proper maritime administration; and (c) adopting appropriate maritime legislation. He left with Mr. McNamara a study of developing country shipping (from the technical, not the economic, aspect). Mr. McNamara noted that the Bank had done considerable financing of ports, but nothing like as much for shipping.

The balance of the visit was devoted to an exposition of the difference between "open" and "closed" conferences, the advantages and obligations of conference membership, etc.

\* SEBoskey/rob

cc: Mr. McNamara  
 Mr. Carmichael  
 Mr. Masoni

*968*  
 MAR 21 1977

TO: Mr. McNamara

DATE: February 1, 1977

TO: Mr. McNamara

DATE: February 1, 1977

FROM: Shirley Boskey, Director, IRD *SB*

SUBJECT: Visit of Secretary-General of IMCO

I have been informed that the Secretary-General of the Inter-Governmental Maritime Consultative Organization (IMCO), Mr. C.P. Srivastava, plans to be in Washington in a few weeks time, primarily for discussions with the U.S. State Department, and would very much like to have an appointment with you, preferably either Thursday, February 17 or Friday, February 18.

IMCO is a specialized agency of the United Nations. It is concerned with (a) facilitating cooperation and exchange of information among governments on technical matters affecting international merchant shipping; (b) the setting of standards of maritime safety and efficient navigation, and (c) the marine environment. Most of its work is done through technical assistance, helping governments to find, and sometimes financing, technically qualified persons. The Bank is working with IMCO now in Indonesia, in several projects under which IMCO is helping the Government to find experts and is meeting some of the costs.

Mr. Srivastava, an Indian national, has been Secretary-General of IMCO since 1974. Before that, he held a number of government positions associated with shipping. He was Chairman of the Board and Managing Director of the Shipping Corporation of India in 1972 when an IDA credit (\$83 million) was made to India for the purchase of vessels -- the first Bank operation for that purpose in a developing country. He negotiated the credit for the borrower.

IMCO's Director of Technical Cooperation, who passed on the request for an appointment, is not certain what Mr. Srivastava wishes to raise with you. My best guess, based on remarks Mr. Srivastava has made to William Clark and to me at recent ACC meetings, is that he may want to consider with you possibilities for further Bank/IMCO cooperation now that a number of developing countries are giving increasingly greater priority to strengthening their merchant marine.

I know that you may be involved, during the third week of February, in meetings in Europe on the Brandt Commission. But if you are here, I hope you will agree to see Mr. Srivastava. (He is well thought of by Bank staff who have dealt with him. Moreover, he is a very amiable person.) If you do see him, you might want to recall that IMCO, which has its headquarters in London, has offered to be host to an ACC meeting next year.

SEBoskey/rob

cc: Messrs.: Grenfell/Burney, IRD  
Willoughby/Carmichael, TRP  
Bain, AEP





## OFFICE MEMORANDUM

TO: Mr. Robert S. McNamara (through Warren <sup>WWS</sup>Baum, CPSVP) DATE: March 17, 1977  
 FROM: Montague Yudelman, AGP, and Shirley <sup>SLB</sup>Boskey, IRD  
 SUBJECT: Visit of Mr. Saouma

Mr. Saouma will be accompanied by Mr. West, the Assistant Director-General of Programming and Budgeting and by Dr. Kimmel, Director of FAO's North American Liaison office. Mr. West, a British national, has become one of Saouma's closest advisers; Dr. Kimmel is an American who has been FAO's representative in Washington for the past two years. He has always been most cooperative and forthcoming.

We have no really substantive points of friction with FAO at the moment. Mr. Saouma will -- in all likelihood -- wish to discuss some or all of the following:

1. The FAO/IBRD Cooperative Program. As you know, the FAO budget is based on a biennium, at present calendar years 1976-77. During this biennium the CP has an establishment of 76 posts, and a total budget of \$12 million (of which \$9.0 million is the Bank's share). During FY77 we expect actual (Bank) expenditures of \$3.5 million; during FY78 we are budgeting \$4.1 million. The Bank's contribution for FY77 has been under utilized by around \$500,000. About half of this is from increased lire availability due to an unexpected favorable dollar/lire exchange rate; the remainder arises from a lag in filling 12 authorized positions. A factor contributing to this lag has been Saouma's insistence on personally approving all candidates for all positions in FAO's Investment Centre. We have been pressuring Saouma to approve a list of candidates endorsed by the Bank; we were advised last week that he has finally authorized the management of the CP to proceed with hiring of candidates from the Bank-approved list. It is not inconceivable that this action was timed to enable Saouma to mention it to you on Monday.

It has become customary for the Director-General of FAO to communicate with the President of the Bank on the level of the proposed biennium budget when the Director-General is ready to make his budget proposals to his governing body. We have been told by our FAO colleagues that Saouma may say to you either that he intends to hold the CP to its present 76-post level for 1978-79 or that he wishes to expand it slightly. Contrary to earlier impressions, he has no intention of reducing the size of the joint program.

2. Strengthening the Investment Center. Saouma will probably advise you of his intention to strengthen substantially the Investment Center, which houses the CP. At present non-CP staff is around one-quarter the size of the CP staff. The objective of the expansion would be to strengthen FAO's capacity to help prepare projects for regional banks and for IFAD. In this regard Saouma may emphasize the importance of FAO-Bank cooperation in the project cycle in helping IFAD.

March 17, 1977

3. IFAD. We should have no major differences on IFAD. The Bank will be represented at the next (April 4) meeting of the Preparatory Commission, in Rome. The Bank and FAO have submitted draft agreements on cooperation with IFAD. One major difference between the two is that we insist that we treat IFAD projects just as we would our own, by providing complete missions and undertaking all activities up to the Loan Committee stage, and then having a Bank staff member present at negotiations. FAO, on the other hand, is willing to provide staff to support IFAD-led operations -- a notion which we are resisting. A further but minor difference is that we propose to undertake activities on a cost-reimbursable basis; FAO is considering cost-sharing with IFAD and, at no cost to IFAD, will prepare projects where the project has been identified at FAO's initiative, and have been accepted by IFAD as project possibilities.

In connection with these three items -- the CP, strengthening the Investment Center, and arrangements with IFAD -- it may be useful to tell Saouma that we appreciate the value of the CP (now preparing around 30 to 35% of Bank projects in agriculture and rural development), and that we would be satisfied if it continued at its present level, but that we might prefer a modest expansion in the next biennium, the extent of the expansion to be agreed upon following our review, towards the middle of the year, of the scale of our own agricultural lending program.

However, one point needs to be stressed. Regardless of plans for expanding the Investment Center, working with IFAD and the like, we feel very strongly that we must follow the principle of having a Cooperative Program that has a clearly designated director who can be held accountable for its operations and a clearly identified staff. While we recognize the need for some flexibility, we do not want staff diverted to other activities or substitutions made for existing staff members without discussion with us.

4. Nutrition. Saouma might refer to the difference of view between FAO, on the one hand, and UNICEF, WHO and the Bank, on the other hand, concerning the form of proposed new institutional arrangements in the U.N. system for dealing with nutrition. Governments made plain at last summer's ECOSOC that they want something in place of the present Protein Advisory Group (PAG), which FAO and the Bank (and UNICEF and WHO) sponsor. But FAO opposes a proposal for a small standing "advisory group on nutrition", which is supported by the other agencies. FAO agrees that the funding agencies need technical advice on nutrition, but insists that the secretariat for the subcommittee (which would also serve the proposed advisory group) should be housed in Rome; the other agencies, based on experience with PAG, feel strongly that it should not be placed in Rome but rather in New York, preferably in UNICEF.

The Preparatory Committee for the ACC is now discussing these issues; the agencies are hoping to resolve them before ACC meets. Although FAO has been standing firm and alone in PrepCom so far, there is some reason to hope that Saouma might give way. Julian Grenfell and representatives of UNICEF, WHO and FAO will meet in Geneva next week, on a day when PrepCom is in recess (and after you see Saouma) in an effort to reach some accommodation.

March 17, 1977

5. Rural Development. FAO is offering to take over from ILO as lead agency for the ACC Task Force on Rural Development. It has now (in the Preparatory Committee for the ACC) committed itself to accept the "prime recommendation" of the Task Force report, to give a poverty orientation to its operational definition of rural development. ILO has so far not formally proposed that its one-year designation be extended.
6. Conference on Agrarian Reform and Rural Development. Saouma has become increasingly concerned about FAO's taking a leading role in matters relating to rural development.

A further manifestation of FAO's interest, in addition to its ACC Task Force candidacy, is that a proposed World Conference on Agrarian Reform is now to be a Conference on Agrarian Reform and Rural Development. This will be held at FAO in July 1979 and is likely to be a massive affair with an attendance of some 500 persons. The Bank declined to be a sponsor but agreed to cooperate with FAO in helping to make the Conference a success. It participated in the first preparatory meeting last month. The Preparatory Committee recommended that the Conference focus on four major areas:

- i) governmental policies relating to agrarian reform and rural development;
- ii) institutional arrangements necessary for agrarian reform and rural development;
- iii) problems relating to productivity and employment, and
- iv) basic needs and social services.

The Preparatory Committee accepted -- without question -- that "rural development" means "poverty-oriented programs in rural areas".

The Conference will be dealing with many concepts and problems that are central to our activities, and we should be prepared to make a substantial intellectual input into it if we are asked to do so.

7. CGFPI. Saouma will probably raise a question about the future of this group and Ed Martin in particular.

The next meeting of the CGFPI will be early in September. At that time there should be a determination by the members whether the CG itself should continue. However, it is probable that Ed Martin will step down. At the moment he is on half-time until September. We expect that if the CGFPI continues, Mensah, formerly an Assistant Director-General of FAO and now Executive Secretary of CGFPI, will take over as Chairman.

Our impression is that the CGFPI secretariat is doing a creditable job; however, we cannot pass judgment on the quality of its work until we see the documentation for the September meeting.

March 17, 1977

8. "Agriculture towards 2,000". Saouma may wish to raise this topic which is expected to be FAO's contribution to the U.N.'s work on "futurology". It will be an expansion of the Indicative World Plan prepared more than 10 years ago. Thus far there has been no request for us to help in this other than to attend a meeting to discuss the content of the proposal. We are somewhat skeptical about FAO's capacity to do a good job, and feel that this effort will probably evolve into a relatively general and somewhat mechanical exercise. We believe that any results will only be of limited value. We do have some unique information on investments in agriculture and output derived from our own studies that may be of great value to FAO in this study and a gesture of goodwill might include an offer to make this material available to them.

9. CGIAR/TAC. We seem to have improved cooperation with FAO on matters related to TAC. We believe, though, that we should continue to stress that it is very important that the TAC have adequate resources to fulfill its mandate.

(It may be worthwhile to bear in mind that the first person Saouma demoted was Peter Oram, formerly the secretary of TAC, partly because he felt that Oram was too close to the Bank. Oram is now at the International Food Policy Research Institute, working on a CGFPI-sponsored study on capital requirements for agriculture in the 1980's.)

10. FAO Training Course. A letter from Saouma has just come in, saying that FAO contemplates organizing a training course on project preparation for officials of governments in the Near East, and asking for Bank suggestions, materials, etc. This is a matter which is already under discussion between FAO officials and EDI at a working level. EDI is of course disposed to be helpful and to explore the question further.

11. UNDP - Experimental Inter-Agency Task Force. Brad Morse has floated the idea of a standing inter-agency task force to be stationed at UNDP headquarters as a means of insuring that agency views on policy matters are readily available to UNDP. Our initial reaction has been very cool, largely because it is not clear what issues require the full-time attention of senior agency officials and because UNDP has apparently given no thought to the costs involved. We understand that Saouma is likewise unenthusiastic about the proposal. If he mentions it, he would likely say he agrees with the line we have taken. The agencies generally have been unresponsive, and the proposal may just fade away.

MYudeIman/SEBoskey/rob

cc: Mr. Baum  
Mr. Clark  
Mr. Veraart



## OFFICE MEMORANDUM

TO: Memorandum for the Record

FROM: E. Peter Wright *EPW*

SUBJECT: Meeting with Dr. Candau

DATE: April 18, 1977

1. Dr. Candau, Independent Chairman of the Joint Coordinating Committee for riverblindness, called on Mr. McNamara at 6.25 p.m. on Friday, April 15. I was also present.
2. Mr. McNamara welcomed Dr. Candau and enquired about the progress of the riverblindness program. Dr. Candau said that the program was going well, and that the interest of the participating African countries was evidenced by growing pressure for the extension of vector control operations to new areas. This pressure had not so far met with any resistance from the donors. In addition to extensions within the territories of the presently participating countries, Senegal and Guinea were two countries bordering on the program areas where riverblindness was a serious problem. A good deal was known about the incidence of the disease in Senegal but very little in Guinea. Elsewhere in Africa, riverblindness was a major problem in the Sudan, but no serious investigations had been carried out there. The Kuwait Development Fund which had been most cooperative in the financing of the West African program had indicated that Arab financing agencies would be particularly interested in a program for the control of riverblindness in the Sudan or Yemen.
3. Dr. Candau commented on the progress being made in chemotherapeutic research. He thought it possible that new drugs might be discovered for the treatment of riverblindness within a few years.
4. Mr. McNamara asked Dr. Candau to consider whether there were any other programs for the control of disease or health improvements which could contribute directly to economic development and which might be suitable for collective action by governments. He would like to discuss any ideas Dr. Candau might have on the subject when the latter was next in Washington.

cc: Mr. Chaufournier  
Mrs. Boskey  
Dr. Lee  
Mr. Steckhan  
Mr. Denning/Sharpston

EPW:cbk

## OFFICE MEMORANDUM

4/14 To Mr. Wright  
 What is being done  
 to overcome the  
 political problem &  
 DATE: April 11, 1977  
 when will Phase 3  
 operations start in Benin  
 L. W. C.

TO: Mr. Robert S. McNamara,  
 through Mr. R. Chaufourrier  
 FROM: E. Peter Wright EPW  
 SUBJECT: Progress of Riverblindness Program

1. This note is prepared as background for your meeting with Dr. Candau at 6.30 p.m. on Friday, April 15. Dr. Candau's report of the proceedings at the last meeting of the Joint Coordinating Committee in Ouagadougou in December is attached for reference. The next meeting of the JCC will be held in Kuwait at the end of this year, and Dr. Candau recently visited Kuwait to discuss the arrangements with the Government.
2. Vector control operations are proceeding more or less according to plan, and the change-over of aircraft contractors from Evergreen of the United States to Viking of Canada appears to have gone fairly smoothly. Phase 3 operations recently started in Togo and Mali, but have been temporarily held up in Benin for political reasons. Once Phase 3 is fully under way, with operations covering the whole program zone, it should be possible to form a more reliable estimate of the annual expenditures that will have to be incurred in keeping the blackfly under control during the remainder of the twenty-year period. At the same time consideration will have to be given to the possibilities of extending the program area southwards in Ivory Coast, Ghana, Togo and Benin and westwards in Mali, since the governments are pressing for these extensions, and in continuing their financial support beyond 1979 donors will have to decide whether the additional expenditures can be justified. Dr. Candau has been particularly concerned over the question of future extensions, and you may like to sound him out about this.
3. You might also inquire about WHO's intentions with respect to the Africanisation of program management. Mr. Bazin's appointment as Program Director was to be a preliminary step in this direction, with an African to be brought in as his deputy and eventually to succeed him. However, so far as we know, WHO has not yet found a suitable African candidate, although reasonable progress has been made in bringing Africans in at the lower professional levels. Meanwhile, the Program Director, who now reports directly to the WHO Regional Office in Brazzaville, has taken over a number of the functions previously carried out in Geneva and is not finding it easy to get qualified staff to stay in Ouagadougou. In fact, several of the key people in the program are expected to leave in the next twelve months, including Dr. Le Berre, who is presently Mr. Bazin's deputy in charge of vector control operations.
4. On the financing side, the contributions now more or less assured for the first six-year phase total around \$54.7 million as follows (some amounts may vary with exchange rate adjustments):

	<u>\$ Million</u>
African Development Bank	1.08
Belgium	1.95
Canada	3.01
France	5.44
Germany	5.18
Iraq	0.05
Japan	5.00
Kuwait	6.00
Netherlands	6.00
Norway	1.00
United Kingdom	5.83
United States	6.00
IBRD/IDA	6.00
UNDP	<u>2.15</u>
Total	<u>54.69</u>

An additional \$1 million may be found from investment income and contributions of participating governments (Ghana and hopefully also Ivory Coast). Expenditures through 1979, originally projected at just under \$54 million, are now estimated at \$61 million, so that there is a financing gap of just over \$5 million still to be covered, this being divided more or less equally between the two years 1978 and 1979. The European Development Fund has promised a contribution, but is difficult to pin down; the Saudis are also proving elusive. However, we should be able to get the money from somewhere. (At one time or another, the Americans, Canadians and Germans have all said that they might be prepared to consider adding to their contributions if necessary, but we want to get the European Development Fund and the Saudi Fund tied down first.)

EPW:cbk

cc: Mr. Steckhan  
Mr. de la Renaudiere  
Mrs. Boskey  
Mr. Denning/Sharpston



60

# OFFICE MEMORANDUM

TO: Mr. Robert S. McNamara, through Mr. William Clark

DATE: April 13, 1977

FROM: Shirley Boskey, Director, IRI *852*

SUBJECT: Visit of Mr. Francis Blanchard

Francis Blanchard, ILO's Director-General, will be in Washington May 3 - 6 and has asked, through his Washington Liaison Office, for an appointment with you. On the assumption that you would wish to see him at the end of the day, we have ascertained that the 4th, 5th and 6th are all available, and that the 3rd would be, too, except he has a dinner engagement that evening.

I do not now know what Blanchard wants to talk about, but I imagine he will want to follow up on the ACC discussions. I understand he mentioned to you in Paris that he expected to be in Washington soon.

*X* I had dinner with him in Paris & arranged that I would also give him a meal to meet some Bank members he wants to know (e.g. Leff. or Peral Rev.) I think he would very much like to lunch with you alone if possible. *WML*

*4/14*

*Lunch Tuesday 5/3  
Loral*

SEBoskey/rob

*4/14 Mrs. Boskey's office to confirm  
S.*

61

## OFFICE MEMORANDUM

TO: Mr. R. McNamara

DATE: July 15, 1977

FROM: J. Tixhon

SUBJECT: Visit - Mr. de Rosen - Director for Industry - UNEP

1. Mr. de Rosen feels the World Bank is not doing enough in the environmental field, taking into account what is promised in the Stockholm meeting.
2. We are now checking every industrial project in the fields of safety, occupational health and environment, before the loan agreement is signed. We are also following up the projects where serious problems occur in one of the three fields.
3. It is possible to do more than we do but is it wise, possible or useful? We cannot substitute ourselves for national governments and become some sort of World Wide E.P.A. Even if we wanted to do it the resources in manpower and money would be enormous. The results of our action would be doubtful without national legislations in this field or the infrastructure to monitor and enforce these legislations.
4. We could improve the quality of what we are doing now by devoting more time to indepth analysis of some projects. There, Mr. de Rosen may have a point. It is up to the Bank management to decide if allocation of manpower and resources is possible to better the present work.
5. The Bank may not do enough but the other financial agencies do practically nothing. IDB, ADB (Manila), BEI (Luxembourg) KFW (Frankfurt) have no environmental departments. What is Mr. de Rosen going to do about them?
6. Mr. de Rosen also requests the Bank's help to build case studies specifically in non-ferrous metallurgy, steel and chemicals.
7. UNEP has been making similar demands for the last two years. We have told them that we did not have the time nor the personnel to do it. We added that we also felt that our primary concern was and should be Bank projects. The situation has not changed.
8. The danger of saying yes to Mr. de Rosen will be that other UNEP divisions, and even other UN agencies, when knowing of his success will be asking the same services from us. We may end up devoting a lot of time doing secretarial jobs for other UN members.
9. Mr. de Rosen asks also that Bank internal documents be sent to him, (appraisal reports, follow up reports, etc.). We feel these documents are too sensitive to leave the Bank. If this is done, any leak could contribute to more difficult relations between the Bank and the country involved.

cc: Dr. J. A. Lee

J.Tixhon/md

62

## OFFICE MEMORANDUM

TO: Mr. Robert S. McNamara

DATE: July 8, 1977

FROM: Montague Yudelman *mj.*SUBJECT: Visit of Mr. Bong Tanco

1. Mr. Tanco, currently Secretary of Agriculture in the Philippines has just been appointed President of the World Food Council. He will be replacing Mr. Sayed Marei of Egypt.
2. The recent meeting of the WFC held in Manila from June 20 to 24 appears to have been a useful meeting; there was a constructive dialogue on food and nutrition in a relatively harmonious atmosphere. The meeting seems to have been a modest but nonetheless welcome step forward in meeting the objectives of eradicating hunger and malnutrition. (A summary report on the meeting is attached).
3. I have been advised that the White House is now very actively considering making food and nutrition a major thrust for the remainder of the President's term. We have been marginally involved in helping and I attach a copy of a brief memo which indicates White House thinking at this time. According to Dale Hathaway, Assistant Secretary for Agriculture, the administration is so pleased about the way things went at the meeting of the WFC, that they may well use it as a major forum for the North-South dialogue on food. Should this happen then obviously the Chairman will be important and it will be essential that he is supported by a good Secretariat.
4. Mr. Tanco may well seek your advice on selecting an Executive Director to replace Dr. Hannah who will be stepping down before the end of the year. He is seeking a Latin American and I have recommended that he consider Enrique Pennalosa the former head of land reform and Minister of Agriculture in Colombia who was also a manager at the Inter-American Development Bank and Director of Habitat, and who was once offered a senior position by the World Bank. (The U.S. would rather see a European in this position. A possible European candidate could be ~~Micheanek~~ of Sweden who hopes to be the next head of UNICEF, but I've been informed will probably lose out to Jim Grant).
5. Tanco may also wish to raise the question of the Bank's continued support for Harry Walters, currently a Bank staff member seconded to the WFC and serving as the Assistant Executive Secretary. As you know the Bank agreed to pay Walters salary until "other arrangements could be made". There is no doubt in my mind that Walters has held the Secretariat of the WFC together and

Mr. Robert S. McNamara

- 2 -

July 8, 1977

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T.R.S.*

has produced all the substantive work that they have put out. He will only continue at the WFC though if he is clearly delegated as the Deputy Executive Director (replacing Aziz who will move to IFAD). Tanco, however, has ideas about appointing a number two who can deal with "political issues". You may wish to advise Mr. Tanco that he might lose Mr. Walters and that we believe that this would be very unfortunate for the WFC. He would be very hard to replace.

6. I believe we should not continue to pay the salary of a staff member working for the WFC. The WFC is now funded by the United Nations. However, it may well be that you may wish to use the Bank's willingness to pay Walter's salary to encourage Tanco to put Walters in the number two position.

7. You may also wish to assure Mr. Tanco that we will continue our close collaboration with the WFC. Thus far we have supported their work by making our studies available to them as well as by providing guidance and advice on their own studies.

cc: Mr. Baum

MYudelman:lkt

Summary of the Meeting of the  
World Food Council held in Manila 20-24 June

A Program of Action to Eradicate Hunger and Malnutrition

The Third Session of the World Food Council was held in Manila during 20-24 June and issued a Communique on World Food Policy - the first comprehensive statement since the 1974 World Food Conference. Mr. A. R. Tanco, Jr., Secretary of Agriculture of the Philippines was elected President of the World Food Council.

33 out of 36 members attended the Conference of which some 22 representatives were at Cabinet level. The fact that there were more representatives from the capitals and fewer Ambassadors to the FAO at Manila than at the previous sessions in Rome, undoubtedly contributed to the outcome of the Conference. Again, unlike previous sessions the "Group of 77" did not submit separate Resolutions and happily there was no North-South confrontation in Manila.

The main agenda items were: increasing food production, international system of food security, food aid, policies and programs to improve nutrition, food trade, and the eradication of hunger and malnutrition.

The Council considered FAO's assessment of the World Food situation which stated that the world supply of food grains had improved in 1975 and 1976 mainly due to good weather, resulting in lower prices and the rebuilding of grain stocks in some countries. While this increase in food production has been shared by both developed and developing countries, the long-term trend in food production of most food deficit countries remained unsatisfactory. During 1971-76 developing countries as a whole registered a growth rate in agricultural production of 2.9 percent per year, while the most seriously affected countries registered an annual increase of only 2 percent resulting in further lowering of per capita food production.

The Secretariat warned the Council in the most unambiguous terms that unless action was taken soon there was no assurance that the current favorable food supply situation would continue. A bad harvest and/or action by leading exporters to curtail production in response to current low prices would reverse the situation. It also pointed out that the international community had been slow to create an adequate food reserve, to expand and improve food aid, to accelerate food production in the most affected food deficit countries, to improve human nutrition and to liberalize and improve food trade.

When the Conference came to discuss the details of the Communique, it became clear that the donor countries were not to be committed to specific targets or policies. However it now appears that the developed countries have come to accept in principle that, action should be taken on a broad and



related set of issues including the establishment of a nationally held international reserve system. In this respect, the Manila Communique could be regarded as a step forward in strengthening the will of the international community to solve the food problem.

One matter that came out of the Manila meeting is the crucial catalytic role which the Communique proposed be assigned to the international agencies including the World Bank in the area of increasing production and improving nutrition. The agencies are requested to help determine the resource, program and policy requirements on a country by country basis to achieve the desired increase in food production and the elimination of hunger and malnutrition.

The main points of the Communique could be summarized as follows:

(1) To increase food production, priority is to be given to the food deficit countries. These countries are to determine a package of intermediate inputs required to achieve a 4 percent rate of production growth. The minimum package of fertilizers, pesticides, modern seed varieties and irrigation water that could be financed by external donors is to be estimated separately. Food priority countries assisted, upon their request, by the international agencies including the World Bank are to initiate or develop proposals for increasing their food production and to determine as quickly as possible (i) the internal and external investment requirements to achieve the minimum 4 percent rate of growth of food production, and (ii) the internal and external policy and other constraints to be overcome to achieve this production growth. The Conference failed, however, to commit the donor countries to providing \$8.3 billion annually as the external assistance element, estimated by the Secretariat, to achieve a 4 percent rate of growth in food production. The EEC opposed any target figure as they were unconvinced about its accuracy.

(2) To improve and ensure World Food Security, negotiations are to proceed to establish an international system of nationally held reserves bearing in mind the need for a fair and just price to producers and consumers as well as a fair cost-sharing formula between exporters and importers. As negotiations will commence at the end of the current wheat agreement, it was intended that the leading exporters convert a portion of their stocks into international reserves in 1977. Because the EEC and Japan were unable to agree to this proposal, the Council left the matter open. At the initiative of Mr. Tanco and with the support of the U.S. and Asian delegations, the bureau was requested to consult with producers and importers if rice could be included in the negotiations for international agreement. In this connection it was noted that Mainland China was a very substantial producer of rice.

(3) To increase and improve the use of food aid, traditional and other potential donors are to do their utmost to ensure that the minimum annual level of 10 million tons in cereals is reached in 1977/79. Furthermore a food aid convention should be negotiated and that the negotiations cover provisions for the movement of larger amounts of food aid through

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the World Food program. In this regard, the recipient countries had wished for a commitment, which they were unable to secure, of the 10 million ton target by the donor countries.

(4) To improve nutrition, the Council recommended that the poor countries give high priority to nutrition in their development plans, that they be assisted by the international agencies to develop and implement their nutrition plans and programs and that the international agencies develop their capacity to respond to requests by governments to provide direct and speedy assistance to populations in greatest need. The agencies, including the World Bank, were requested to evaluate their experiences in the field of nutrition and submit their findings to the World Food Council. The FAO was specially requested to formulate programs and projects in the field of nutrition to be ready for the next session of the World Food Council.

(5) To improve the contribution of trade to the solution of food problems, the Council considered the issue of access to developed country markets. The Secretariat wanted the Council to make positive recommendations on adjustments of developed countries agricultural policies so that exports of developing countries will have access to their markets. This was clearly unacceptable, particularly to the EEC countries and Japan.

SOME NEXT STEPS ON WORLD HUNGER AND MALNUTRITION

Although the U.S. alone cannot solve this complex and enormously important problem, the President can choose to commit the energies and ingenuity of this Government to increase massively U.S. influence on the basic right of adults and children at home and abroad to have enough to eat in order to live better, grow better, learn better and work productively. This does not mean that we are not interested in other problems facing the world, but there are other institutions and other sources of help. Some of the steps that the President can take are subject to his initiatives. Others can only be effected, if at all, by encouraging decisions of other governments and of private organizations.

The President must first tell the executive agencies what he wants to be able to report in 1980 as his Administration's progress on hunger and malnutrition overseas and in the United States. For example (and there may be other and better examples), he might wish to report at that time:

- A redeployment of U.S. foreign assistance resources that reflects the highest priority he has accorded to helping poor countries solve their most pressing food consumption problems. His redeployment might include a "food and nutrition discretionary fund" to allow quick response to crises and to targets of opportunity. It might require consolidating and rationalizing foreign aid, food-for-peace, and other legislation and agencies.
- A significant and measurable decrease in malnutrition-related child mortality in prospect in selected recipient countries as a result of this redeployment of foreign aid resources.
- A procedure to test proposed U.S. policies and programs in terms of their effect on food consumption and nutritional effects (e.g.; trade policies that may encourage inappropriate food exports from food-poor countries). This test could also be applied by U.S. Government representatives to policies, programs and projects of international organizations.
- A set of U.S. trade policies (e.g., sugar quotas, most favored nation treatment) that take into account opportunities for encouraging countries to adopt equitable food and nutrition policies in their own countries.
- Special food and nutrition consortia of donor countries in place and working with, say, five countries with serious nutrition problems that are committed to actions on food production, distribution and consumption policies, programs and projects.

- An efficiently operating international grain supply and price stabilization system of demonstrable benefit to the poorest countries in backing up national food reserves arrangements.
- A vigorous internationally co-ordinated food and nutrition research program under way in the U.S. and in developing countries dealing with those technical and scientific issues that represent potential breakthroughs towards solutions of key problems.
- Machinery with public and private sector representation in place and at work in recommending and overseeing the implementation of changes in the U.S. food systems that will harmonize conflicting interests and objectives -- as they relate to broad policies, key commodities, and the balancing of economic, health and social policy considerations.

Having told the agencies where he wants to be in 1980, he must then ask them to tell him what must be done now to get there.

- Refining objectives
- Organization
- Legislation
- Assignment of responsibility
- Mobilizing private sector efforts
- Public understanding and support



## OFFICE MEMORANDUM

TO: Mr. Robert S. McNamara (through Mr. William Clark) *mc.*

DATE: July 27, 1977

FROM: Shirley Boskey, Director, IRD *SB*SUBJECT: Your Meeting with the Director-General of ILO

1. I believe that Mr. Blanchard has asked for the meeting you will be having with him at 5:30 tomorrow (Thursday) to talk with you about the situation with respect to U.S. membership in ILO. The impression in ILO's Washington liaison office is that the U.S. will leave when the two-year period of notice of intention to withdraw expires in November.

On July 19, when the report of the conference committee on the State-Justice-Commerce-Judiciary and Related Agencies Appropriations bill came before the Senate, the manager of the bill, Senator Hollings (S.C.), pointed out that no provision was made for funds for the ILO, "as the United States has decided to withdraw from this organization". Senator Moynihan, who was the U.S. Ambassador to the U.N. at the time the withdrawal notice was given, then spoke at some length, ending by saying that the U.S. is "now to leave", expressing regret at a conclusion which he obviously felt was correct, but saying that he hoped that the President would state the conditions on which the U.S. could rejoin. Hollings added that the decision was not a split decision, but the unanimous conclusion of all sectors of the economy. On July 21, Senator Javits, who had attended the recent ILO Conference in Geneva, also spoke to the question of withdrawal, but in a less categorical way. He said that it had been made "extremely difficult" for the U.S. to stay in, and commented that although another year of continued pressure from within might produce some progress, the U.S. had only the alternatives of leaving in November or remaining and serving another two-year notice of withdrawal. The latter, he said, would call into question U.S. credibility not only in the ILO but in all the specialized agencies. I am told that Blanchard has not really faced up to the budgetary implications of the real possibility that the U.S. will withdraw.

2. Against the chance that Blanchard might refer to more immediate Bank/ILO relations, you should know that his staff raised with me again, when I was in Geneva, the matter of a more formal relationship, something akin to our various cooperative programs. Bank staff have been making more frequent requests for ILO support on missions, now that we are more involved in manpower development and employment promotion. ILO is eager to cooperate but says it is difficult to do so since it would often be necessary to withdraw ILO staff from other duties. Moreover, it is concerned that there is overlapping and duplication of work, and it sees the possibility of conflicting advice to governments in the absence of more effective coordination. So it is proposing budgetary and organizational arrangements which would enable it to create some new posts, with the Bank meeting part of the costs. Since the greatest consumers of ILO services seem to be Dave Gordon's department and Kim Jaycox's Urban Projects, I shall be talking over the ILO proposals with them. It appears that not all the experience with ILO has been good; there is some feeling that the ILO approach is too academic and research-oriented, not practical enough for us. But ILO has a point and some equities on its side, and we should at least consider the proposal carefully.

July 27, 1977

3. Finally, I would remind you that ILO was one of the agencies which privately expressed disappointment at our decision not to lead the ACC Task Force. I understand that Blanchard considered calling you from Geneva, to see whether he could persuade you to accept the commission, but that his staff advised him not to. As in the case of the other agencies, his reaction derives in part from the conviction that the Bank would have done a good job and is the only U.N. agency which could do so, and in part from an equally strong feeling that the U.N. Department of Economic and Social Affairs, at least under van Laethem, will accomplish nothing. (Apropos of van Laethem, the question of his successor has not yet been publicly resolved, although the front runner, Jean Ripert, was recently introduced to the OECD government delegations at a luncheon given by the Secretary General in Geneva. It has been rumored for some time that van Laethem was to be appointed to Ambassador in London, but I saw the other day that a former French Foreign Minister, Sauvanargues, has been named and is to take up the post in November.)

SEBoskey/rob





Memorandum for the Record

September 13, 1977

K. Kanagaratnam, Director, Population Projects

Meeting on Population, September 8, 1977, 4 p.m., in Mr. McNamara's Office

Present:

USAID	- Mr. S. Levin	- Asst. Administrator for Population and Humanitarian Affairs
	- Mr. A. Furman	- Deputy Asst. Administrator
State Dept.	- Mr. Marshall Green	- Coordinator for Population Affairs
UNFPA	- Mr. R. Salas	- Executive Director
	- Mr. H. Gille	- Deputy Executive Director
	- Dr. N. Sadik	- Assistant Executive Director
Ford Foundation	- Mr. D. Bell	- Vice President
Bank	- Mr. R.S. McNamara	
	- Mr. J. Burke Knapp	
	- Mr. Warren C. Baum	
	- Mr. E. Stern	
	- Dr. K. Kanagaratnam	
	- Mr. S. Burmester	

The meeting, which lasted one hour and ten minutes, covered the following areas:

Coordination

1. Mr. Levin referred to his experience since taking office and found in his Agency inadequate knowledge of plans of other agencies and this brought home to him the need for better coordination. The cases of Mexico and Egypt were specifically referred to in the subsequent discussion, as in these two countries major programs of assistance were now being planned by USAID, UNFPA and the Bank; they were "key" countries with serious population problems. Mr. McNamara referred to the progress made between the Bank and UNFPA since they began formally structured semi-annual reviews. He invited USAID to undertake similar reviews with the Bank. In addition to such reviews, continuing consultations among the principal donors on an ad hoc basis, especially for key countries and major programs, were considered essential. In this connection Mr. McNamara referred to one outcome of the External Advisory Panel's Report -- the meeting in London between principal donors, planned for December 1977. This will focus on donor issues related to population assistance and the coordination of project financing among donors.

Exchange of Information

2. Mr. Salas referred to the substantial information which the Bank had, and hoped that the present exchange of information could be improved. The

Bank saw no problems in making available its population information to UNFPA and USAID and would be glad to do so. Ambassador Green added a caution that certain information and documentation which the U.S. had might involve judgment on individual officials and deal with classified material which would have to be excluded from such exchanges.

#### Priority Countries

3. Some discussion took place on the over-all objectives and priorities in the choice of countries in population assistance. Mr. McNamara emphasized the Bank's concern over population growth as a central objective and its emphasis to the 17 key countries in its work program. UNFPA representatives outlined their criteria for the choice of 40 priority countries which included factors such as population distribution, infant mortality, GNP, and population growth. Mr. Gille emphasized that the latter was not central to priority setting under their mandate. Ambassador Green referred to the 13 countries in the U.S. priority list that closely paralleled the Bank's 17 key countries, and noted that population growth issues were central to their concerns. Mr. McNamara emphasized that the Bank would focus its population activities in key countries and would be especially interested in ensuring satisfactory coordination in those countries.

#### Joint Missions

4. The efforts of UNFPA and the Bank to mount a joint mission to Bangladesh next month was referred to. It was agreed that where such an arrangement was acceptable to the government, as in Bangladesh, joint missions for developing information about programs and about the sector for subsequent operations by agencies will reduce the strain to the local government. Mr. Gille and Dr. Sadik also outlined UNFPA's "Basic Needs program" planned to cover 11 countries this year and 15 countries next year and hoped these could be coordinated with the Bank's work program. Mr. McNamara emphasized that the Bank would be interested in such missions for the key countries. Mr. Levin stated that there were many situations where the U.S. would wish to be associated with such missions but for reasons of political sensitivity in certain countries the U.S. would not wish to be formally associated with the multilateral programs.

5. Ambassador Green said that central to any needs study was the need to recognize the role of the national government in wanting to have sensible plans and be willing to implement them -- not just in population, but in other areas that impact on fertility. This will be consistent with paras. 31 and 32 of the World Population Plan of Action.

6. Dr. Kanagaratnam would submit as soon as feasible to Mr. McNamara a paper describing the UNFPA "needs assessments," which countries will be covered and the extent to which these overlap with the Bank's operational work, especially in key countries. He will work with UNFPA to prepare a plan by January 1978 for coordinating such missions.

#### Avoidance of Conflicting Advice

7. There was some discussion on the danger of conflicting advice that is at times given to governments by experts from different agencies. As total

national programming of population activities is not always practical, and as different agencies would not necessarily be expected to have the same perspectives and strategy objectives, it is essential that the principal donors ensure as a minimum that no advice that is likely to have a negative effect or be damaging to program goals be rendered. To ensure this, continuing consultation and exchange of views among the principal donors is essential. For instance, the provision of an effective contraceptive supply program was wholly consistent with a health and family planning approach. Dr. Kanagaratnam mentioned that it was hoped that there would be some useful discussion at the London meeting on the strategy approaches favored by the donors present, as well as on criteria used by different donors in the choice of priority countries and in the manner in which their assistance packages are selected.

#### Raising Additional Funds for Population Assistance

8. Mr. Levin said that the U.S. was expected to increase funds available for population assistance. He felt, however, that the U.S. did not wish to see the proportion of U.S. assistance to UNFPA go higher than at present (29%). He hoped the other industrialized countries should increase their contributions and asked if the Bank's good offices could be used to achieve this purpose. Mr. McNamara said it would be inappropriate for Bank staff to get involved in such efforts, but suggested that Mr. Levin use the presence of Bank Executive Directors of these countries in Washington to bring through to them the importance of and the need for such increased support. He was sure an informal meeting could be arranged through the office of the U.S. Executive Director.

#### Financing of Reproductive Biology

9. Mr. McNamara referred to his disappointment at Bellagio IV that not enough was being done in research in reproductive biology; he felt some \$150-300 million could be productively used. The present assistance was small. Mr. Levin agreed to give this closer consideration to see how USAID could contribute. Mr. Salas said that the question of UNFPA assistance to the program was discussed at the last UNDP Governing Council but, as no agreement was reached because of differences between national representatives, they could not assist.

#### POSTSCRIPT

- (i) A follow-up meeting with Mr. Levin and Mr. Furman has been arranged in the Bank for September 20, 1977 with Population staff;
- (ii) A UNFPA team will visit the Bank on September 15 to finalize arrangements for a joint mission to Bangladesh and our participation in the UNFPA needs assessment in the Philippines.

cc: Mr. Knapp  
Mr. Baum  
Mr. Stern

KK/jim

## OFFICE MEMORANDUM

TO: Mr. Warren C. Baum-VP CPS

DATE September 7, 1977

FROM: G.B. Baldwin - POP *GBB*SUBJECT: Tripartite Population Meeting in Mr. McNamara's Office - September 8, 1977 -  
USAID/UNFPA Agenda

1. I have had two telephone conversations with Mr. Allan Furman, Mr. Sander Levin's Deputy at USAID, to try to learn what they hope to discuss at the above meeting, so we could help Dr. Kanagaratnam decide whether or not to return (he will be here). The first talk was on September 1; the second was at noon today and reflected a conversation yesterday between Messrs. Levin and Salas, who agreed they would like to discuss, at minimum, the following three points:

- i. Mexico: USAID has requested approval of the Senate Appropriations Committee to fund the activities of two private U.S. voluntary agencies in Mexico (the International Fertility Research Program of North Carolina and Family Planning International Assistance). The selection of these two agencies has been done in cooperation with Mexican authorities on the basis of the agencies' recent work there. The proposed amount is \$4 million (term unknown). Ambassador Lucey (sp.?) has cabled Senator Inouye that he considers this an urgent matter and hopes for prompt Committee approval. USAID wants to make certain this proposed assistance would fit well with whatever the Bank and UNFPA are planning to do there. Mr. Furman said they accept the Mexican Government's reluctance to accept direct bilateral aid in population.
- ii. Aid Coordination: How can this objective best be achieved, at both program and project levels? Includes co-financing and is thus related to the population donors' meeting on co-financing to be held in London, December 5-6. The latter is being organized by the Bank's Population Projects Department.
- iii. Increasing the levels of donor funding: USAID expects its own levels of funding for population to increase for at least the next couple of years. It wants to discuss strategy for securing similar funding increases (for bilateral, multilateral, and "Multi-Bi" use), from other donors. UNFPA had earlier planned to convene a donors' meeting in New York this fall to explore the availability of such additional funds. Such timing no longer makes sense in view of the Bank-sponsored donors' meeting in London; but Mr. Furman indicated that Mr. Salas would still like to hold such a meeting, sometime in 1978.

2. The above items are matters which Messrs. Levin and Salas plan to raise. They hope others present will add to this agenda. Mr. Furman reminded us that USAID is now undergoing a reorganization of its population activities; Mr. Levin would probably be prepared to describe these changes if they would be of general interest.

cc: Dr. Kanagaratnam ✓  
Mr. Burmester (via Mr. Baum)  
Mr. Messenger

Files

August 8, 1977

L. V. Domingo

Semi-Annual IBRD-UNFPA Review Meeting, New York, July 12, 1977

1. The semi-annual IBRD-UNFPA review meeting was held in New York on July 12, 1977. The following matters were discussed:

- i. the respective country programs and activities of the two agencies;
- ii. possibility of joint "needs assessment" missions; and
- iii. the donors' meeting in London on December 5-6. An agenda of the meeting is attached (Annex 1).

2. Those present at the review meeting were:

UNFPA: Mr. Halvor Gille  
Dr. Nafis Sadik  
Mr. J. Van Arendonk  
Mr. Olivos  
Ms. I. Henkin

IBRD: Mr. Harold W. Messenger  
Mrs. L. V. Domingo

Country Programs

3. There was an exchange of information on the respective specific activities of the Bank and of the UNFPA in selected countries.

4. Bangladesh: Ms. Henkin described briefly UNFPA's population program in the country. UNFPA has a comprehensive country agreement with Bangladesh in the amount of \$10 million for a period of three years. The approved projects amounting to \$5.8 million include: support for census data processing; assistance to incorporate population concepts in the training and work programs or rural development cooperatives; support of family planning motivation and services in industry; support of population education and training of labor welfare officers; teaching human reproduction, population dynamics and family planning in medical colleges; etc. A recent tripartite review with UNICEF and ILO on the training, service delivery, census and transport projects, revealed that about \$3 million had been unprogrammed. The Government has now decided to use this fund for extension of the service delivery program, training, extension of the sterilization mobile teams, civil registration project, and support of training of union chairman Parishad. Support to these program areas would

mean that its first country agreement will be completed in mid-1979. UNFPA is now planning towards development of a second country agreement and they hope to do this in coordination with the Bank's development of a second project. Dr. Sadik commented that the donors' report prepared by the Bank recently is an excellent and comprehensive report and that she agreed, particularly, with the Bank's uneasiness about the recommended merger of the PCFP Division and the Directorate. (In the course of the discussion, Dr. Sadik very briefly mentioned UNFPA's plans to introduce population components in all UNDP development projects.)

5. Mr. Messenger reported on the progress of the first project and the status of the development of the second. He also informed them that a desk study of the Government's strategy plan for FY78-83 is being done in the Bank, to look into specific items like absorptive capacity, financial implications of the program needs, existing available resources, etc. A supervision cum identification mission is scheduled in October 1977, during which all the participating donors are, as usual, expected to join.

6. India: Since the political upheaval, UNFPA has adopted a wait-and-see stance, but is maintaining close contact with the Government. The sterilization program of the Government is far below the original target; consequently, UNFPA doubts whether the Government will be able to use all of the amount allocated by the UNFPA to support the Government's sterilization program. Progress on the UNFPA-supported orals supply project is not satisfactory; pill consumption is very low and the raw materials which UNFPA provided for the production of contraceptives have not even been used yet. Mr. Van Arendonk predicted that there will be a sharp reduction in the Government's sterilization program and a shift to a clinical program, more input in communication and organized sectors, support to population activities of the non-governmental sectors, and in improvement of program management. A "basic needs mission" is scheduled for next year to concentrate on one sector or one geographic area, rather than doing a nationwide needs analysis.

7. Mr. Messenger apprised them of the progress of the first project and the timetable for the development of the second. Like the UNFPA, the Bank is waiting for new developments in the country's population policy. A small project preparation mission is tentatively scheduled in September.

8. Indonesia: UNFPA is financing four sectors in the national program: population education, migration study, development of population activities in 11 outer islands and purchase of injectables. Their lending figure is \$3 million. Mr. Van Arendonk referred to the IEC component in the Bank-financed population project as the Bank's "biggest failure". He said that there are no IEC materials available to sustain family planning acceptors. He cited, for instance, the absence of IEC materials in Jogjakarta. He also said that the Department of Education which is providing technical back-up is too weak to implement the Government's population education project. He had doubts, for instance, on whether the curricula being drafted by DOE can be used by other educational agencies, particularly the Muhammadiyah. Consequently, UNFPA has engaged a UNESCO consultant and is looking for long-term advisors to help strengthen DOE. Mr. Van Arendonk reported on the excellent collaboration he has with Ihuw Jones on this project.

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9. Korea: UNFPA is at the end of its first phase of assistance and is developing its second phase. The second phase will involve two areas of support: support to the Department of Health in the development of family planning and support to PFFK on communication, particularly on face-to-face communication. UNFPA also plans to support clinical programs in cities and rural areas and the development of a central management cell in the Department of Health. Korea is not a high priority country in UNFPA's list.
10. In reply to UNFPA's request for a continuing exchange of project information in Korea, Mr. Messenger assured them that he would ask Dr. Ranganathan on his return to the Bank in early September to contact Mr. Van Arendonk.
11. Malaysia: UNFPA is at the end of its first phase of assistance. They are pleased with the progress of the program in spite of the two main existing problems: institutional, and sensitivity between two ethnic groups. A "basic needs mission" is being planned to identify what areas need further support, particularly on the fields of training, supervision, population education, population programs in universities, and clinical programs. Malaysia is a low priority country for the UNFPA.
12. A Bank mission is now in the field to prepare a second project.
13. Nepal: UNFPA has a \$2 million project which supports the national integrated health program, the independent project of the Ministry of Health on MCH/FP, population education in the organized sector, demographic statistics, civil registration and family planning communication. A "basic needs mission" is scheduled for next year. Nepal is a UNFPA priority country.
14. The Bank has no immediate plans for project development in the country.
15. Pakistan: Mr. Messenger summarized the findings of the Bank's reconnaissance mission and the timetable for project development. Dr. Sadiq agreed with Mr. Messenger's assessment of the problems and needs of the program and welcomed the Bank's assistance to the national program. She said that perhaps the Bank could indeed help change the discouraging performance of the program. She added, however, that the next party in power is unlikely to support family planning.
16. Philippines: Mr. Messenger summarized the progress of the first project and the status of the development of the second.
17. The first phase of the UNFPA's assistance in the country will be completed this year and development of the second phase is now being planned. They have received a \$7.2 million project request from the Government. UNFPA plans to send a "basic needs mission" in October-November 1977 and hopes to do it in collaboration with the Bank's development of a second project.

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18. Thailand: There were no outstanding issues discussed on Thailand. The Bank has continuously informed the UNFPA about its project plans. In reply to Dr. Sadik's request, however, Mr. Messenger promised to send her a copy of the working papers on the Thailand project. (This was sent to her on July 19.)
19. Mexico: UNFPA has been supporting an IEC project of the Government's Population Council since 1975. They decided, however, to discontinue financing the IEC sector upon learning that the Bank will be financing a mass communication program. Three weeks ago, a representative from the Government's Population Council (Mr. Cabrera) visited the UNFPA in New York and expressed their concern with the delay of the approval of the World Bank loan and asked UNFPA's financial assistance for the rest of the year, assuming that the Bank loan will be approved in January 1978. Mr. Olivos was therefore anxious to know no later than September or October 1977 when the loan would be approved.
20. Mr. Messenger explained that it was the new Government which had asked for postponement of loan negotiations. Loan negotiations will resume as soon as the Bank hears favorably from the Government.
21. Dominican Republic: Both agencies saw no problems in the offing. Mr. Olivos considered the Dominican Republic an "ideal example of distribution of work among agencies."
22. Other Latin American Countries: In reply to Dr. Sadik's question, Mr. Messenger said that the Bank would like very much to go into Brazil and Colombia but could not, unless the governments indicated their willingness to seek Bank's assistance on population. The Bank tentatively plans to develop a project in Peru sometime in FY80. UNEPA is also now moving slowly into Peru. The climate for external assistance in Peru seemed to have now improved, Mr. Olivos added.
23. Egypt and Tunisia: The UNFPA representatives in these two countries had informed Dr. Sadik that they were satisfied with the collaboration existing between the two agencies on Egypt and Tunisia.
24. Sudan: The Bank is developing a population education component in an education project in Sudan. The Bank has also recently received an expression of interest for Bank assistance in population from the Ministry of Social Affairs. A small reconnaissance mission will be sent as soon as a formal confirmation of the Government's interest is received by the Bank.
25. A "minimum program exercise" is scheduled for next year by UNFPA.

#### Joint Needs Assessment Missions

26. Mr. Gille explained the UNFPA Priorities and Minimum Program - a country programming exercise which the UNDP Governing Council has required UNFPA to undertake before a project is approved. UNFPA plans programs not



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only for their own funding but also for funding of other interested donors, starting from high to lower priority countries. Two basic needs program exercises are in the process now (Vietnam and Honduras) and about ten are planned before the end of the year. Through this exercise, UNFPA will take into account the policies of the governments, the objectives and stated targets, the plans how to meet these targets, the available infrastructure and resources and additional requirements to meet the objectives. Thereafter, in consultation with other donors, UNFPA will assess the type and level of assistance that will be made available by the UNFPA and the other donors. This planning exercise will be carried out by the UNFPA with the participation of outside expertise. Mr. Gille would like to see this planning effort coordinated with the Bank's efforts particularly on Bangladesh, Thailand and Mexico.

27. Mr. Messenger welcomed the basic program needs exercise being undertaken by the UNFPA. He acknowledged the usefulness to the Bank of the information contained in a "needs assessment". He also agreed that the two agencies should simultaneously explore how their respective activities could be coordinated to minimize the burden on the governments caused by frequent missions. Dr. Sadik suggested that a joint mission would be a good way of coordination particularly on Bangladesh and the Philippines where both agencies have mission plans in the next three months. They agreed, however, that there were some difficulties in joint missions, some of which were: who will lead the mission, who will write the report, how will the specific reporting requirements of the two agencies be met, etc. After some discussion of the advantages, problems and mechanism of joint missions, it became clear that a joint mission to Bangladesh is not possible. Three alternative courses of action were suggested: a) the two agencies will send separate missions; b) two of UNFPA staff (probably Ms. Satherwaite and Ms. Henkin) will participate in the Bank's October mission and identify their own project components. Reports of the respective agencies will be written separately; or c) the Bank will proceed with its October mission and immediately make its report (even in rough draft form) available to the UNFPA so that they could identify major gaps for them to finance.

28. UNFPA will discuss these with its Resident Representative and Mr. Messenger with Dr. Kanagaratnam. Mr. Messenger also promised to discuss the possibility of the UNFPA participating in the Bank's October mission to the Philippines with Dr. Kanagaratnam. (Please refer to Mr. Messenger's memo to Dr. Kanagaratnam, dated July 15, for details.)

Bank-sponsored Donors' Meeting in London, December 5-6, 1977

29. In reply to Mr. Gille's question, Mr. Messenger explained that the donors' meeting being arranged by the Bank in London on December 5-6, 1977, is a follow-up of one of the recommendations of the external Advisory Panel on Population. Most of the agencies which were invited have accepted.

Cleared with and cc: Mr. Messenger  
cc: Dr. Kanagaratnam, Mr. Baldwin, Mr. Kang, Mr. Jones,  
Miss Husain, Dr. Casazza, Mrs. Maraviglia, Dr. Ranganathan  
Mr. Hall

LVDomingo/rb

UNFPA/POD

INFORMATION NOTE ON THE MEETING ON CO-FINANCING IN POPULATION  
TO BE HELD AT NEW ZEALAND HOUSE, HAYMARKET, LONDON

DECEMBER 5-6, 1977

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In 1976 the Bank received a report on its overall population activities from an External Advisory Panel appointed by Mr. McNamara. Among the recommendations of the five-man panel was one urging the Bank to "explore the development of more satisfactory relationships with other donors." "The Bank should seek to stimulate an openness of communication and a coordinated involvement with all agencies when appropriate in the planning and implementation of projects, to foster a genuine partnership in dealing with the bilateral and other agencies on the local scene, and to sponsor with UNFPA an ongoing international dialogue aimed at better coordination of total population assistance." The London meeting is one response to this recommendation of the Advisory Panel. It coincides with a growing use of co-financing in projects assisted by the Bank and IDA, a process that involves new problems as well as new opportunities. Before deciding to hold the meeting we asked six leading donors if they shared our belief that the time is ripe for an informal discussion of co-financing and aid coordination. Responses showed strong support for such a meeting.

In its first seven years of lending for population (FY1970-77), the Bank (or IDA) has helped finance 14 projects which committed US\$164 million for projects costing US\$354 million. In seven of these, some form of co-financing has been involved. The co-financing has ranged from a very small USAID contribution for a single research study in the first Jamaica project to the large, complex project in Bangladesh where the Bank (IDA) is associated with six bilateral donors. In between are intermediate situations, such as India where the Bank and SIDA have been associated in joint financing; Indonesia, where IDA and UNFPA jointly financed US\$26 million of external assistance; Malaysia, where the Bank and UNFPA have had formally separate but carefully coordinated projects; Kenya, where five donors have carefully coordinated their separate aid activities; or Tunisia, where IDA financing has been supplemented, on a joint basis, by a NORAD grant.

The Bank has learned much about the co-financing of population projects since it entered the field. We know we have more to learn in order to improve our approach to potential financing partners and to provide our borrowers with better, less burdensome external assistance. We also feel that we have certain lessons from our experience which are worth reviewing with other donors. For these reasons, we feel the time is ripe for an informal discussion of philosophy, policies, and procedures among official donors interested in coordinating their population financing activities in developing countries.

We would like your views on topics that should be covered at the meeting. A tentative outline of discussion topics is enclosed but this is expected to change somewhat to reflect the expressed wishes of participating agencies. Each topic will be introduced by short (5-10 minutes only) presentations and will be followed by informal discussion. No verbatim transcript of remarks

will be kept, but notes will be taken so that a summary of the discussion can be prepared and made available to participants and others. As indicated by item VII on the draft outline, an attempt will be made to draft a statement of desirable objectives in the use of co-financing and aid coordination, if participants feel that such a statement would be useful to donor and recipient countries.

Since the discussions will be informal and off-the-record, no "formal" statements are expected from country representatives, although they will be free to make such presentations if they want to do so. The purpose of the meeting will be to identify problems and to work out solutions on the basis of free and candid personal discussions, unconstrained by the need to talk for the record.

The Bank will prepare and distribute, before the meeting, three or four short papers intended to provide useful background for the discussions. Any donors who wish to prepare short discussion papers of their own are welcome to do so (we expect 15-20 individuals to attend the meeting).

The World Bank  
Washington, D.C.

August 18, 1977

OUTLINE OF AREAS FOR DISCUSSION FOR LONDON MEETING ON CO-FINANCING  
(DECEMBER 5-6, 1977)

- I. An Overview of the Main Advantages, and Possible Disadvantages, of Co-Financing from the Viewpoints of:
  1. The host Government
  2. The World Bank
  3. Other potential donors
  
- II. The Principal Forms of Co-Financing in the Population Sector and Their Administrative Implications:
  1. Joint
  2. Parallel
  3. Co-ordinated
  
- III. Donor Constraints and Preferences:
  1. The frequent need to preserve donor identity and visibility
  2. National rules governing financing accountability
  3. Reporting requirements to national authorities
  4. Regional and country priorities
  5. Types of components and classes of expenditures preferred or forbidden
  6. Procurement regulations (tied, untied)
  7. Ability/inability to make multi-year commitments
  
- IV. The Host Government's Perspective:
  1. Reduction of confusion through coordination of donor strategies
  2. Possible loss of freedom to "shop around" for aid
  3. Trade-off of financial advantage vs. the apparent inconvenience of:
    - a. Multiple procurement rules
    - b. Multiple disbursement procedures
    - c. Multiple reporting requirements
    - d. Multiple appraisal and supervision mission
  4. The use of loan funds in the population sector
  
- V. Putting Together the Financing "Package":
  1. Respective roles of the Bank and of the Government
  2. Agreeing on the amount of co-financing desired and the optimum number of co-financing partners
  3. Scaling potential contributions; setting minimum contributions
  4. Sorting out which donors take which components (under parallel financing)
  5. Documentation desired by donors, and Bank's ability to supply it
  6. Decision-making procedures, and budgetary cycles, in donor agencies
  
- VI. Relation of UNFPA's Multi-Bi Program and World Bank Co-Financing:

To what extent are these two programs complementary or competitive?
  
- VII. A Statement of Desirable Objectives and Procedures:

An attempt will be made to develop a set of guidelines which can be made available to donor agencies and host-Government operating and financing agencies.

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## OFFICE MEMORANDUM

TO: Mr. Robert S. McNamara

FROM: Shirley Boskey *SB*

SUBJECT: Your Meeting with Gamani Corea  
September 14, New York

DATE: September 13, 1977

Corea is pleased that you could see him. He will also be seeing Dick Cooper in New York. (Cooper will be there for the Special Session.) Corea will be coming to Washington in October to talk to senior U.S. officials on the Common Fund, prior to the negotiating meeting on this matter to be held in Geneva in November. Corea is also planning to visit a number of Latin American countries in October (including Brazil, Colombia and Peru) for the same purpose.

The following matters might be touched on in your meeting:

1. The Brandt Commission - He is likely to reaffirm that he (or UNCTAD) are not opposed to the Commission; that he will cooperate with it and that the possibility of the Secretariat's being located in Geneva would facilitate this. If he were to be frank with you, he would explain why he has not publicly supported the proposal -- because he is walking a tight rope; his support from the 77 is eroding and he feels uncomfortable in giving unqualified support, while, as he believes, some developed and developing countries are still reluctant or luke warm. You may wish to suggest that, short of public support, he might, in his contacts in New York this week, endorse the proposal.
2. Common Fund - In spite of wide divergence in the positions of the North and the South the Common Fund remains UNCTAD's immediate preoccupation. With a negotiating conference imminent, he might ask your views on this matter. He is aware of the views of a few individual Bank staff, and might like to learn what position the Bank might take at the November conference. As you know, we have neither supported nor opposed the Common Fund proposals in UNCTAD so far.
3. Cooperation with the Bank - Corea realizes that a professional institution cannot live on slogans alone. Under increasing criticism from the developed and developing countries he is beginning to tighten the preparation of UNCTAD documents. He would like to increase informal consultation and exchange of views with the Bank in a number of areas such as debt, trade and aid flows. He might seek your concurrence for closer collaboration. It would be well, I think, to offer encouragement. The ways and means can be explored during Corea's October visit to Washington.

Julian will meet your plane and will brief you on the state of the restructuring exercise for your lunch with the Secretary-General.

cc: Mr. William Clark  
Mr. Grenfell

MB:slj

## OFFICE MEMORANDUM

TO: Mr. Robert S. McNamara

DATE: September 8, 1977

FROM: Shirley Boskey, Director, IRD *SB*

SUBJECT: Gamani Corea

I have just had word from Mahmud Burney, who is attending an UNCTAD Conference in Geneva, that Gamani Corea said to him that once the Brandt Commission is established, he and UNCTAD will cooperate with it, and that any initiative intended to assist the cause of the developing countries will have his support.

Corea will not be attending the Annual Meeting, because negotiations concerned with sugar will be going on at the same time in Geneva. However, he intends to be in New York next week. If you were going to be at the U.N. on the 14th, he would much appreciate an opportunity of meeting with you. If you are agreeable to this, we can try to work something out for the morning or afternoon, whichever suits you.

SEBoskey/rob





## OFFICE MEMORANDUM

IV

TO: Mr. Robert S. McNamara (through William Clark)

DATE: September 1, 1977

FROM: Shirley Boskey, Director, IRD *SB*SUBJECT: Meeting with the Secretary-General

At Mr. Clark's request, the Secretary-General's Chef de Cabinet was asked what dates prior to the opening of the General Assembly on September 20 would appear suitable for a meeting between you and the Secretary-General in New York. We are told that September 14, 15, or 16 (Wednesday, Thursday, Friday) are all now available. If you will let me know which, if any, of these dates would suit your convenience, and what would be your preference as to time of day (lunch, perhaps?), we will make appropriate arrangements.

You would, I assume, wish to take the occasion to enlist (or revive) the Secretary-General's support for the Brandt Commission. A meeting on any of the suggested dates would be particularly good timing since Brandt would, as now contemplated, be visiting the U.N. early the following week.

I would suggest that you might, in addition, explain to the Secretary-General what is envisaged by the "World Development Report": its objective, its audience, its timing, its term, how the work would be carried out, its relation to the Brandt Commission. It would be important to assure him, as you said to the Executive Directors in June, that the study would not conflict with or encroach on the work of other international organizations, and that indeed we would seek the cooperation of other parts of the U.N. system, to which the end product -- the report to be produced annually -- would ultimately be made available in any event; it could be a useful contribution to planning for the new development strategy.

Finally, on the touchy issue of the ACC Task Force, you might wish to say again what you wrote to him in July, that you regret the misunderstanding concerning your position with respect to a lead agency role for the Bank, and that the Bank intends to cooperate fully in the work of the Task Force. (The first meeting of the Task Force is now scheduled for mid-October, immediately following a meeting of the Committee for Development Planning. I have arranged with Mahbub ul Haq for appropriate and continuing representation at both meetings; in the case of the CDP, this is consistent with the view you expressed that the Bank should participate constructively in the Committee's work.)

As you know, responsibility for running the Task Force devolved upon the U.N. Department of Economic and Social Affairs, under van Laethem. The issue of van Laethem's successor, to which I alluded in my memorandum of July 11, has not yet been resolved. The Committee on Restructuring

September 1, 1977

may propose creation of the post of Director-General for Development, ranking just under the Secretary-General. If the proposal is made and acted on by the General Assembly, the authority and prestige of the position of Under-Secretary-General for Economic and Social Affairs would be diminished, and it is most unlikely that the French would still put forward Jean Ripert for appointment to that post. (Jean Carriere told us this morning that Ripert, in Paris, seems to feel that the establishment of the Director-General position now is unlikely, and seems to be envisaging himself as van Laethem's successor.) If any discernible progress is made on restructuring before you meet with the Secretary-General, I shall send you a supplemental note.

The subject of ACC meetings might be raised by the Secretary-General. The next ACC meeting will be in New York on Monday and Tuesday, October 31/November 1. The present schedule for the Spring meeting is April 5-7 in London.

SEBoskey/rob

cc: Mr. Grenfell  
Mr. Burney



## OFFICE MEMORANDUM

TO: Mr. McNamara's Files

DATE: November 2, 1977

FROM: Aklilu Habte *Aklilu Habte*SUBJECT: Meeting with Mr. D. Najman, Assistant Director General of Unesco,  
October 26, 1977

Present: Messrs. McNamara, Najman, Mrs. Boskey and Aklilu.

1. Mr. Najman informed Mr. McNamara that the report of the task force on the Bank/Unesco Cooperative Program had in many ways already achieved its aim, and that in general most of the recommendations have in one way or another been implemented, and that the task force report is acceptable to Unesco. Certain clarifications or refinements were observed, especially with regard to quality control and the need for some flexibility in meeting the target percentages allocated to different work areas. A written confirmation was requested by Mr. McNamara and agreed to by Mr. Najman.

2. Mr. Najman then proceeded to raise a number of points in an informal, preliminary way without any intention of putting them down on paper at this time. Among them the following seemed important:

- (a) In the view of Unesco, the Bank's policy of introducing sector policy covenants into specific education loan agreements poses serious problems. Such covenants, it was intimated, often surpass the reach of the specific projects in scope and in time. It was further stated that many of them, although readily agreed to by governments, are too often not implemented.
- (b) Mr. Najman expressed satisfaction in Unesco's involvement so far in the review of the Bank's Education Sector Policy Paper and hoped that this would continue in the future.
- (c) He then said that the role of science in development is being given more deserved attention in several quarters and that Unesco considers the development of "indigenous" science in LDCs a very important problem. In the light of this, he suggested that perhaps a small joint working party could be appointed to explore ways and suggest proposals of mutual interest to the two agencies. Mr. McNamara replied that in his opinion Unesco is perhaps better placed than the Bank in this field and that Unesco should appoint the working party and forward its proposal to the Bank.
- (d) Mr. Najman informed Mr. McNamara that Unesco is appointing a commission of high level experts, comparable to the Faure Education Commission, to examine with detachment and objectivity the "Role of Communication in Modern Society". It is expected that the commission will finalize its report in eight months' time.

- (e) Lastly, Mr. Najman expressed Unesco's skepticism about the basic human needs approach. He stated that Unesco still does not know what constitutes basic needs in its field of competence and that its Executive Board has requested it to study this question further. He stated that Unesco is already hearing some negative political undertones by LDCs that basic needs are being considered as a substitute for the international economic order. Mr. McNamara emphasized that what is of interest to the world is the development of strategies and an economical, efficient and effective delivery system that will address itself to the development needs of the illiterate, unfortunate millions. What is important is that we should not be sidetracked by the form or by confusion in the use of the term "basic needs". It is therefore important that Unesco and the Bank continue to work together.

cc: Mr. Baum  
Mrs. Boskey

AkliluHabte/hl

MEMORANDUM FOR THE RECORD

Meeting with Mr. Najman, Assistant Director-General of UNESCO, October 26, 1977

Present: Messrs. McNamara, Najman, Aklilu and Mrs. Boskey

Mr. Najman said that the report of the task force on the Bank/UNESCO Cooperative Program had achieved its major aim. Many measures had been put into effect; others had been overcome by events. He asked whether the Bank felt that, given its renewed interest in UNESCO services, more staff needed to be allocated by UNESCO to the Cooperative Program. He said that the report had recommended EFD to exercise greater control over the quality of reports submitted to the Bank. However, UNESCO considers the control of quality of reports to be a collective responsibility of the entire organization. Mr. McNamara asked for a written statement by UNESCO on these points. He said that budget constraints would probably not enable the Bank to request more staff for the Cooperative Program. He did not believe in the collectivization of responsibility for quality control. The Bank needed the name of the person responsible to exercise such control.

Mr. Najman said that he would like to raise a few more general issues which UNESCO did not want to put on paper at this time. First, in UNESCO's view, serious problems were posed by the Bank's policy of introducing sector policy covenants into Bank education loan agreements with member governments. Such conditions went far beyond the reach of individual projects, both in scope and time. These covenants, addressing major policy issues of the education sector, were agreed upon but for the most part not implemented by governments. Also, policy achievements in the education field were difficult to monitor because results could only be measured over very long periods of time, i.e., after completion of project implementation. Mr. McNamara said that, due to the nature of the Bank's work, many covenants had to reach beyond projects and address sectoral issues in order to create the environment for successful project implementation. These covenants were binding agreements. If they were not implemented, the Bank had to stop disbursements. On the other hand, it was bad management to introduce covenants which could not be monitored or not reasonably be expected to be implemented. If agreed sectoral covenants of education projects were in fact generally not implemented, as Mr. Najman had pointed out, he would consider this a very serious problem.

Mr. Najman said that UNESCO considered the development of indigenous science in LDCs to be an important problem. He suggested the Bank and UNESCO to work together on this by organizing a small working group to analyze the issues and develop proposals. Mr. McNamara said that the Bank did not have sufficient knowledge in this field and that he would prefer UNESCO first to formulate its own proposal.

As a third issue, Mr. Najman mentioned the development of communication. UNESCO was presently organizing a Commission on the Role of Communication in Modern Society. The first report could be expected in eight months' time. Mr. McNamara said that he had been discouraged by the way politics had shaped this discussion. It had to be taken out of the political arena. The Bank was only very indirectly involved in the communication field in LDCs.

Mr. Najman said that UNESCO was skeptical about the prospects of the basic human needs approach. UNESCO did not know what could be considered to constitute basic needs in the fields of education, science, communication and culture.

For example, experience had shown that literacy was clearly no basic need. There was also a problem of intercountry basic needs standards. Mr. McNamara urged UNESCO to assign two staff members to work on these basic issues. International agencies had probably perceived of priorities in an erroneous way. As demonstrated by the Chinese, fundamental priorities had to be established. As in the other sectors, the role of education in focusing on these fundamentals had to be determined. Resources spent on education sector studies were wasted unless there was agreement on the basic philosophy of education sector policies. Mr. Najman mentioned that there was widespread suspicion among LDCs that the basic needs approach, as promoted by developed countries and international agencies, did impinge on their sovereignty and that the concept had been designed by developed countries as a substitute for LDC demands for a new international economic order. Mr. McNamara said that he considered this to be an extremely important and dangerous political issue. UNESCO and the Bank should work on this together.

cc: Mr. Aklilu  
Mr. Haq

CKW  
October 31, 1977



## OFFICE MEMORANDUM

TO: Mr. Robert S. McNamara

DATE: October 25, 1977

FROM: Aklilu Habte (through Mr. Baum) *ms* *Aklilu*SUBJECT: Your meeting with Mr. Najman (Assistant Director-General, Unesco)

1. At your October 26 meeting with Mr. Najman, he will be delivering Mr. M'Bow's long-awaited response to the 1975-76 Study of our Cooperative Program, which you approved in February 1977. Staff at working level has been implementing the main recommendations as much as they could. The arrangement has been working somewhat better than before, but with problems that are periodically discussed. We expect that Mr. Najman will return for a full day of meetings with education staff in the week after the ACC for the purpose of airing problems, especially those of technical assistance (outside the CP).

10/26  
2. To refresh your recollection of the principal recommendations of the study, I attach Mr. Kearns' memo of February 4 in which "Unesco's Concerns" and the "Thrust of the Study" are outlined. The current status of implementation of the study's recommendations is summarized in para. 9 of the attached memo of September 30. You might also find interesting other paragraphs dealing with allocation of CP time.

3. A feature of Unesco's internal structure causes a problem. The CP, along with all other education matters, is under one ADG, Tanguiane; all external relations are under another ADG, Najman; but Najman was himself one of the two Unesco members of the Joint Steering Committee for the study, while Tanguiane was represented by the head of our CP. Technical assistance functions are partly under each ADG. As you can see, this might make for some internal friction.

4. Other matters may be raised, as mentioned in Mrs. Boskey's memo to you of October 19. Of those, only "Bank/Unesco activity in the transfer of technology" comes within the purview of the CP study. The study did not go into this field in depth, but did conclude that while existing cooperation in the science education field through the CP might be strengthened, it "was unable, in its brief survey, to identify existing or possible new areas of science that are highly complementary and which would lend themselves to near-term "joint venture" type cooperation ... of the type that takes place in the CP."

5. Apart from CP, Mr. Najman might raise the matter of basic human needs in education. In connection with our third Policy Paper in Education, and as a part of the Bank-wide study of basic human needs, we are working actively on this subject. A staff member is about to visit Unesco to learn what they are preparing in the BHN field.

Attachments

R.W. Van Wagenen:S. Boskey/mms

## OFFICE MEMORANDUM

TO: Mr. Robert S. McNamara

DATE: October 19, 1977

FROM: Shirley Boskey, Director, IRD *SB*SUBJECT: Visit of Assistant Director-General of UNESCO

Attached is a copy of a letter to you from the Director-General of UNESCO, saying that he had hoped to talk with you in New York or Washington at the time of the October ACC, and asking you whether you could see Mr. D. Najman, Assistant Director-General of UNESCO, who will be attending the ACC in his stead. (I am keeping the original for purposes of a reply to M'Bow in the light of your disposition of his request.)

Would it be possible for you to see Najman on Wednesday, October 26? *4*  
He will be coming to Washington at the end of the week following the ACC, and I am arranging for him to have discussions with the CPS and regional Education Projects staff, but you will not be in Washington at that time. Najman is coming to New York this weekend, and could come to meet you any day next week except Thursday or Friday, when he will be involved in other meetings at the U.N. As Monday is a holiday and since I understand you already have engagements for the end of the day on Tuesday, I have suggested Wednesday.

I have talked with Najman this morning, to inquire what he wishes to raise with you. The Director-General has asked him to convey (finally) his reactions to the recommendations of the "Joint Task Force Report on the Bank/UNESCO Cooperative Program". M'Bow also wants Najman to make a number of points for information purposes, conveying his views on basic needs and poverty, referring to Bank/UNESCO activity in the transfer of technology, and reporting on what UNESCO is doing in the communication field.

Najman remarked that UNESCO saw "a number of problems" in the basic needs area, which suggests that the question of the Bank's "institutional competence" in the education field may be raised, as UNESCO has raised it in the past, and he added that with respect to activities related to the transfer of technology, what is being done leaves much to be desired.

Mr. Aklilu and I hope that you will be able to see Najman. If you can, I will send you a note early next week to refresh your recollection on the recommendations of the Task Force Report on the C/P, although Najman, on behalf of M'Bow, will not be expecting any immediate reaction to any of the points he may make.

Attachment

SEBoskey/rob

cc: Mr. Clark  
Mr. Aklilu

*10/20*  
*D. Najman*  
*6:30 PM Wed*  
*SB*

CONFIDENTIAL I

## OFFICE MEMORANDUM

CONFIDENTIAL

DATE: February 4, 1977

TO: Mr. Robert S. McNamara  
 (Through: Messrs. W. Baum and J. B. Knapp)

FROM: James M. Kearney, Dir., OPD

SUBJECT: Bank/Unesco Cooperative Program Study

DECLASSIFIED

JUN 21 2013

WBG ARCHIVES

Here, after a long interval, is the report of the Cooperative Program between the Bank and Unesco. It is a sound piece of work, and I recommend that you approve it. The study was completed by the Task Force last July, but it took until November to get the Unesco Steering Committee members' initial comments and until January for their final comments. Part of the delay was due to the interruption of Unesco's Executive Board and General Conference meetings and part to their basic policy differences with the Bank, none of which are new, or prevent the CP from functioning satisfactorily or the Task Force's recommendations from being implemented.

Unesco Concerns

In the review of Task Force recommendations, Unesco raised (or re-raised) several policy issues that were outside the study's agreed terms of reference. These included the question of the respective agencies' "institutional competence" in education, the basis for (or, in their view, a lack of consultation on) the Bank's 1974 sector paper in education, the Bank's use of project financing as leverage in seeking institutional change, and their view that the increase in the Bank's education staff in recent years was a "unilateral" decision.

It is to discuss these and related matters that Mr. Najman, Assistant Director General for Cooperation for Development and External Relations of Unesco, would urge that you meet with Mr. M'Bow. As you can see, the transmittal letter for the report leaves this only as a suggestion. Neither the Bank staff concerned nor, privately, the Unesco CP unit's Director, who reports to the Assistant Director General for Education, would stress the need for such a meeting. (You will get a better flavor of Unesco's thinking by reading the attached letter received from Unesco in response to a draft of the report. Our reply is also attached.)

} not attached

Thrust of the Study

The report deals primarily with the work program of the CP; the relations between the two parties in carrying out education sector and project work; and needed improvements in the planning, administration, and communications within the CP, both in the Bank and in Unesco. The Task Force concludes that, unless adjustments are made, the CP would de facto shortly fall into disuse. This is due to a variety of reasons, including the rapid growth of Bank education staff, the closer relationship that Bank staff now have with countries since the reorganization (with, for example, project identification emerging from that direct relationship), and the decreasing relevance to the Bank of Unesco's traditional (and relatively unchanged approach to) project identification and preparation work.

February 4, 1977

The report recommends more emphasis by Unesco's Education Financing Division (the CP unit) on sector analysis and takes Unesco out of project identification per se. (The Bank would continue some sector work as well.) It recommends changing the form of Unesco's project preparation assistance from doing preparation for the government to assisting the government in its preparation. It would retain some Unesco CP involvement in all other phases of project cycle work as members of Bank missions. It specifically provides time for CP support to other related Unesco activities -- as part of the cost of doing business from a Unesco base. The other recommendations in program management and administration seek to reinforce or reestablish more of a partnership between the two agencies. In effect, no radical changes, but a number of basic adjustments and improvements, are proposed.

#### Current Status

Within the joint Steering Committee there are now no fundamental differences with the report or its recommendations. At the working level, a number of the recommendations have been (or are being) quietly implemented. For example, about 50% of the Bank education division chiefs' requests received so far for FY78 are for sector-related work. Mats Hultin has convened the division chiefs to look at CP planning on a Bank-wide basis. The Unesco CP staff members have been given country coverage assignments as recommended in the report. Overall, the process of doing the study has already served to clear the air at the working level and to begin to improve communications. The study has not, however, been a panacea and may simply have bought three to five years of continued operations for the CP. For this reason, I believe it will be important to keep an eye on its workings and to take stock again of its utility for all concerned no later than about three years from now.

I would be pleased to discuss the report or its implications further with you at your convenience.

Attachments

## OFFICE MEMORANDUM

TO: Regional Education Division Chiefs

DATE: September 30, 1977

FROM: Aklilu Habte *Aklilu Habte*SUBJECT: UNESCO/Cooperative Program--Some Aspects of FY77 ExperienceBackground

1. This report briefly compares the major recommendations of the Task Force Report with experience during the first year of operation since the appearance of that report.<sup>1/</sup> One cannot refer to the first year of operation under those recommendations because (a) the study did not appear until July 1976, although completed in the Spring of 1976; (b) it was not approved by the President of the Bank until February 1977 and has not yet been approved by the Director General of UNESCO; and (c) it was recognized by the Task Force that some of the recommendations would be phased in gradually and, therefore, cannot be regarded as fully in effect yet. However, both organizations have been operating generally under these recommendations, and in late May 1977 an informal oral understanding at the working level was expressed, with some later ambiguities.

Allocation of EFD Time

2. The attached Table compares the Task Force recommendations (Chapter II, Table 1 of that report) with actuality; it can be interpreted as follows:

3. Sector Work is within the recommendations. A corollary expectation was that "UNESCO/EFD could satisfy about two-thirds of the total projected sector work demand, following a phase-in period, with the Bank doing the remaining one-third, thereby maintaining the proportional involvement in such work by both organizations."<sup>2/</sup> For FY77 the ratio was about 59% UNESCO and 41% Bank, or three-fifths to two-fifths.

4. Identification cannot be measured in amount, but is now rarely done by UNESCO missions.

5. Preparation seems to be well below the proportion of UNESCO time recommended when it is noted that the 15% is overstated; it includes some time that is actually spent on Bank missions rather than UNESCO's own missions (footnote 3 of Table). If this low figure is caused by greater

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<sup>1/</sup> Cooperation between UNESCO and the World Bank, Report of the Joint Task Force to the Joint Steering Committee, July 1976. Both this and the July 1977 edition are marked "Discussion Draft," but the July 1977 is actually the final. It is identical with July 1976 except for the addition of one paragraph and one related Annex showing the benefits and implications of major recommendations. This Annex (XIII) could well form the basis for the review that is to take place in about two years from now.

<sup>2/</sup> Chapter II, para. 35.

borrower participation in preparation of projects, the result is even more favorable than expected, as another recommendation of the Report is that preparation should be done increasingly by the countries themselves. The cause has not been analyzed.

6. Participation in Bank missions is notably higher than recommended - perhaps 20%, climbing from around 10% in FY76.

7. Other Activities cannot be compared with the recommendations because a zero figure is unrealistic and perhaps unintended. It includes all miscellaneous activities, not simply "downtime", and it also includes work done for the rest of UNESCO. Cutting the FY76 figure in half is a good sign, however.

8. Participation in UNESCO Secretariat Activities is balanced with time given by Secretariat to EFD, and thus favors EFD over what was recommended by the Task Force. EFD prefers to keep the arrangement informal.

Fulfillment of Recommendations

9. Main recommendations could be lumped and summarized, coded as follows:

Generally well implemented already.	- A
Partly implemented but not as well as intended by Task Force.	- B
Not implemented noticeably as yet.	- C

- (a) Replace UNESCO PIMs by Sector Work of a type that does not include Project Identification. (Paras. 3 and 4 above) - A
- (b) EFD to perform two-thirds of Sector Work to Bank's one-third. (Para. 3 above) - A
- (c) Borrower to perform a greater proportion of project preparation work without excluding such help as UNESCO-assisted feasibility studies. (Para. 5 above) - B
- (d) EFD to continue participation in Bank missions at about the same level. (Para. 6 above) - B
- (e) Bank staff to participate more in EFD missions. - C
- (f) EFD to service UNESCO (non-EFD) to a net of about 10% of total time as a planned activity. (Para. 8 above) - B

- (g) Bank's Education Department "to reassert an effective central staff coordination role in the Bank", which Task Force called "a key need". (Practical ideas for improvement here are especially needed.) - B
- (h) EFD to become involved in Project Completion missions and in Evaluation work. (First cases of both took place this year.) - A
- (i) EFD to strengthen its administration by four means. One has been implemented, one partly implemented and partly rejected, and two have not been implemented. - B
- (j) Communication between Bank and EFD to be improved in various ways (apart from Education Department coordination role):
- Exchanges of personnel. (When last explored, EFD had no official interest because of understaffing, but Bank had some interest.) - C
  - Staff seminars by discipline. (First one may take place in October, at Unesco, by Bank staff member.) - C
  - More frequent visits to each agency by other agency staff. (Trend is toward more.) - B
- (k) Annual or semi-annual planning meetings to be used for "program review and analysis". (Should be done, but takes time of Division Chiefs especially.) - C

Next Step

10. To learn your views on the findings of this report, I propose that we discuss it at the next meeting of Division Chiefs on Tuesday, October 4, 1977.

cc: Messrs. Hultin, Lynn, de Capitani  
R.W. Van Wagenen/mms

Unesco/CP Manpower Allocation

Comparison of Task Force Proposal with Experience  
Before and After Publication of Report

	Actual FY-71-75 (Calculated by Task Force)	Actual FY76 (Calculated since Task Force Report)	Task Force Proposal (Ch. II, Table 1)	Actual FY77 (First year after Report published)*
Sector Work	41%	44-1/2%	50-60%	55-1/2%
Project Identification	12%	2/	0	2/
Project Preparation	18%	23-1/2%	20-30%	15%
Participation in Bank missions	10%	7% 3/	10%	16% 3/
Other activities/time spent 4/	19%	25%	0	12-1/2%
Participation in Unesco Secretariat activities	1/	1/	10%(net)	0(net) 5/
<u>Total 6/</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>

- 1/ Unknown and unavailable. Time spent on this activity is reported as part of "Other Activities" in this table.
- 2/ Included in "Sector Work" and in "Project Preparation", as it cannot be estimated after PIMS have been discontinued. It is considered to be very small, however.
- 3/ Estimated to be understated by around 4%, but is stated at this figure for comparability with Task Force Proposal, which is made up of CP participation in Bank missions other than sector work and preparation work.
- 4/ Includes "policy papers", "guidelines and standards", "analytical tools", "data and monitoring systems", "research" and "general". This is also the category in which "participation in Unesco secretariat activities" is reported.
- 5/ Nearly balanced: approx. 60 man-weeks imported from Unesco outside EFD and 58 man-weeks exported from EFD to rest of Unesco. The latter is included in "Other activities".
- 6/ All recorded time minus Leave time: FY71-75 = 5176 man-weeks; FY76= 1202 man-weeks; Fy77 = 1246 man-weeks.  
Time reported is that of regular CP staff, consultants, and non-EFD Unesco staff. The Director's time is not included, as it is not paid for by CP.

R.W. Van Wagenen  
September 19, 1977

\*"Report published" refers to the July '76 edition, not the almost identical January '77 edition.



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OFFICE MEMORANDUM

TO: Mr. Robert S. McNamara

DATE: October 26, 1977

FROM: Shirley Boskey, Director, IRD

SUBJECT: ACC Meeting

Attached is a briefing which Julian Grenfell, who has been attending the Preparatory Committee of the ACC, has prepared for your participation in the ACC next Monday, October 31. There is also attached a note which William left for you, concerning a proposal for a "U.N. Press Supplement", something the Secretary-General might mention to you outside the meeting.

Two documents are annexed to the briefing: the reports of the ACC Preparatory Committee and of the ACC Task Force on Long-Term Development Objectives, both of which will be before the ACC. As Julian notes, the ACC hopes that you will say something about the World Development Report and the Brandt Commission, at the end of the private session which means after lunch. (Julian has told the Secretariat that you will have to return to Washington Monday afternoon.) You may wish to read through the report of the Task Force, if only to see the evolution (if that is the right word) of your proposal at last autumn's ACC. In any case I think you will want to look at paragraphs 23-26, on pages 8-9, which deal with the World Development Report. The PrepCom report deals with this subject on pages 2-5.

Julian's reference (paragraph 6, page 2 of his note) to the agencies' concern over the timing of the Brandt Commission report could perhaps be amplified. The Committee for Development Planning is to begin "serious" discussion of the new economic strategy in March '78, and is expected to have a rough draft of the new strategy ready about a year later. If the Brandt Commission's report does not appear until June 1979, it may be too late, the agencies said, for it to have much impact on the formulation of the new strategy. Moreover, the agency representatives did not understand why, if the Commission is not intending to do independent research, it should take 18 months to formulate recommendations drawing on economic work already done.

I shall be in New York tomorrow, Thursday, for the IACB (the Inter-Agency Consultative Board, whose composition is the same as the ACC, but which advises the UNDP Administrator, who is its Chairman). I expect to be here Friday, but to return to New York over the weekend. If you will let me know which plane you plan to take to New York Monday morning, Julian and I (or one of us) will meet you at the entrance to the U.N. Secretariat building. There will be time for any last minute briefing (for example on the status of the restructuring exercise, about which the agencies will be told some time today), before the ACC begins. Julian's note mentions the Secretary-General's lunch, which you have said you would attend.

SEBoskey/rob

Attachments

cc: Mr. Grenfell

*Handwritten notes:*  
The WDR is very closely related to such work  
Some years ago we felt the need to develop an analytical framework  
for the purpose of our Bk looking - as you know it has been almost a fall in 10 yrs -  
some proposals for analysis were developed  
I'd like to gain support for them  
a global model projecting WDC for needs + for each  
of past 3 yrs have resulted a report to our  
33 member countries entitled Prospects for WDC's future  
growth thru '85 - because of the impact you've effected  
in outlook for trade + econ. dev. this yr we supplemented  
the Report with  
a Trade Debt -  
The WDR will  
be continued  
that report  
III Subj  
ago when  
the WDR  
Bk + Bank  
state + long  
stream + dev  
The Dev. Com  
has asked that  
a WDR be  
sent for  
disc. at its  
next mtg  
sent -  
it will  
come be  
avail for all  
throughout  
the WDR says  
+ all the  
tech. they  
hoped will be  
avail + your  
technicians'

10/26


C

*Handwritten notes at bottom:*  
Re WDR  
I'm very pleased with progress of ACC Task Force on Coord  
of 2-T Devl Obj - mtg of 10/13 + 10/14 + decision to  
A. Prepare  
2 reports for a 1978 mtg:  
a. identify conceptual + strategic shortcomings of WDR that  
b. identify historical devl targets + eval their extent + content  
B. write a report to coord + guide modelling + projections  
we will cooperate fully with WDR Task Force on both projects

## OFFICE MEMORANDUM

TO: Mrs. Shirley Boskey

DATE: October 25, 1977

FROM: Julian Grenfell SUBJECT: ACC, October 31 - November 1, 1977

1. The ACC will begin its business at 10:30 a.m. on Monday, October 31 in Conference Room 8 at the UN under the Secretary-General's chairmanship.
2. The first item of business will be the "private meeting" at which, as far as is currently known, the following items will be on the agenda:
  - (a) Secretary-General's political briefing;
  - (b) filling of membership vacancies on the International Civil Service Commission and the Joint Inspection Unit;
  - (c) (proposed by Dr. Mahler) the Dominican Republic's arrears in payment of assessed contributions to WHO and a number of other agencies; Dr. Mahler is seeking agreement on a common approach amongst affected agencies to the Dominican Republic on this question;
  - (d) (proposed by Dr. Mahler) the pooling of agency liaison offices' manpower resources at UN headquarters; WHO and ILO already have an informal agreement to be represented by a single liaison officer acting for both agencies in some General Assembly Committees. This was prompted by the 20% cut in personnel in WHO which would like to extend the practice at least to the agencies in the common system.
3. It is quite likely (though not confirmed) that Mr. Blanchard will give a status report on the question of U.S. membership in the ILO, the U.S. administration's decision being due by November 5.
4. It is expected that the "private meeting" will take up the entire morning. This will be followed by the Secretary-General's lunch at 1:15 p.m. in the Dag Hammerskjold Penthouse, adjacent to the Secretariat Building. (This will improve the chances of a reasonably punctual resumption of business in the afternoon scheduled for 3 p.m.)
5. Unless time permits its inclusion before lunch (unlikely), the first item of business in the afternoon will be the "general exchange of views" at which aides to executive heads are present. Under this item, it is the hope of executive heads (and the expectation) that Mr. McNamara will say a few words about the current status of the Brandt Commission and the World Development Report.

6. I have warned the Preparatory Committee that there may be little to add on the subject of the Brandt Commission beyond what Mr. McNamara has already put on the record at our Annual Meeting, whether or not Mr. Brandt succeeds (as originally intended) in finalizing and publishing his list of commissioners by the end of October. This will not, however, stop some executive heads from seeking Mr. McNamara's comments on the increasingly widespread view that a report published in 18 months' time will be either too late to be taken into consideration by the UN, given the timetable governments are thinking of for the UN's formulation of the new strategy, or alternatively that Brandt's timing will give some OECD countries the excuse to delay UN agreement on a strategy until after he has reported. Executive heads may also ask whether the commission will be seeking their views.

7. As manifested in the recent sessions of the Working Group of the UN's Committee on Development Planning (CDP, chaired by Under-Secretary-General van Laethem's intended successor, Jean Ripert), the ACC Task Force on Long-term Development Objectives, and the ACC's Preparatory Committee, there is much curiosity amongst agencies about the World Development Report. In all three fora we have explained the origins of the exercise, its overall purpose, the fact that the precise scope of the first report is still under discussion. In the Development Objectives Task Force in particular, fears were expressed that the Bank was not only attempting an "end-run" around the UN system's own intended efforts to make a co-ordinated input into the formulation of the next development strategy, but was also likely to produce a report based on fundamental assumptions different from those on which the New International Economic Order is based (see para. 25 of R.1247, the report of the Task Force). We sought to remove these misapprehensions by stressing that the reports would be "in-house" documents but with, we hoped, a potential value for a wider audience; that they would complement, and add to, rather than compete with the UN system's ongoing work; and that the orientation of the Bank's operations in recent years and as planned for the future were well in line with many of the most important decisions and aspirations enshrined in the resolutions of the Sixth and Seventh Special Sessions, which form the core of the NIEO; actions speak louder than slogans. In response to queries we explained that the report would not be available to the system until the Board had considered it (see para. 13, on page 5, of the PrepCom Report, R.1253).

8. Following the "exchange of views", there will be a discussion of the report of the Task Force on Long-term Development Objectives (R.1247) which met here in New York on 13 - 19 October. In brief, the Task Force drew up a work programme leading up to its second meeting scheduled for February 1978 (see para. 29 of the Task Force's report) and decided,

October 25, 1977

subject to ACC's concurrence, to set up a small interagency technical working group to review quantitative analytical work at the technical level, acting under the guidance of the Task Force (see paras. 17 - 22).

9. The remaining items on the agenda for the Monday afternoon include a meeting with the Rector of the UN University; a report from Mr. Labouisse on the progress in the preparations for the International Year of the Child; a report on the results of the Desertification Conference from Dr. Tolba; and a briefing from Diego Cordovez on the latest state of play in the Restructuring Committee. I assume Mr. McNamara will not be staying for these items and a second briefing paper on them and on the Tuesday's business is being prepared for you. The Tuesday morning session will be devoted to administrative and budgetary questions; the remaining items to be dealt with in the afternoon will be Brad Morse's report on preparations for the Conference on Technical Co-operation among Developing Countries; the ILO's progress report on the work of the ACC's Rural Development Task Force; and any other business.

Attachments

JG:sb

## OFFICE MEMORANDUM

TO: Mr. Robert S. McNamara

FROM: William Clark *W.C.*

SUBJECT: U.N. Press Supplement

DATE: October 21, 1977

At the A.C.C. the Secretary-General may raise the question of financial support for a supplement on U.N. economic affairs (including the agencies and World Bank) to be published with 20 or more papers in North and South. (They have talked to the Washington Post which is seriously considering).

This is not a hare-brained scheme, it has a good 'editorial' director in Schwoebel of Le Monde (who has interviewed you). But it is in danger of thinking that it can be made successful by spending money on paying advertising rates to get it published.

I have said that we would be interested and would try to support, but our financial support would be of the order of \$10,000, not more. Their talk was of a million dollar fund to launch - I think this needs caution.

WDCClark:sf

Mr Kurt Waldheim  
Secretary-General

(Draft of an agreement between several large newspapers of the world)

It is today quite clear that peace in the world will depend more and more in the future on the setting up of a new world economic order which would ensure the equitable distribution of the world's resources among all the members of the world community and would thus allow for the effective development of the least favoured of these members who represent a growing majority of the world population. The various negotiations which have taken place for more than three years at many levels, such as UNCTAD and have shown that the task of setting up this new economic order will be long and difficult. This will be so as long as public opinion in the industrialised countries, which is by and large unaware either of the general nature of the problem of underdevelopment or of the need for the far-reaching reforms which would enable it to be solved, continues to be underinformed in this respect.

In other words, meaningful information is the first key to the problem posed by the progressive setting up of a new world economic order. In this respect it is necessary today to take note of three main areas of insufficiency:-

A. In the industrialised countries, large information dailies very rarely acknowledge or expose the injustices of the system which presently rules international economic relations, or the ever more disastrous consequences for themselves of a system which jams up increasingly.

Tied narrowly to the economic interests of their countries, obsessed by the growing difficulties that these countries face, frightened by the claims made by the poor countries and the lack of efficiency shown by most of them, these newspapers are not yet either conscious or convinced that the increasing independence of the economies requires more and more joint action by all the members of the world community. Furthermore, as their existence depends to a large degree on income from advertising, national mass media are not particularly anxious to devote space to information or editorials which add to the worries of their readers and question at the same time the classical liberal conceptions and the good conscience of most of them.

B. In most of the developing countries information is almost non-existent for a variety of reasons:- shortage of material facilities, of professional staff, of a tradition in the information field, and also the illiteracy of a part of the population. Indeed, the new world economic order is often mentioned, but this subject for the most part is treated in the press only in a dogmatic, moralistic abstract fashion and with a passion generally indicative of a widespread ignorance of the infinite technical complexity of the problems to be resolved, and of the considerable social and psychological consequences which a far-reaching reform of the present economic system will have for the industrialised countries.

C. Where the numerous international organizations (most of which are in the UN system) are concerned, public opinion is not generally aware of the great task which these organizations are accomplishing in favour of the developing countries and in organizing this interdependence, the necessity of which is still not fully



recognised by many industrialised states. The press mentions them only occasionally to denounce their errors and more particularly the waste of resources, real or imaginary, of which they are supposedly guilty. As a consequence, their reputation is mediocre. Multi-lateralism is not well received in the West where, as far as development is concerned, bi-lateral and, therefore, national solutions are preferred even though it is well known that they are insufficient.

These three weaknesses in public information, which constitute serious obstacles to rapid progress on the road towards a new world economic order, could be greatly remedied in a way which would combine realism, prudence and moderation. This would be to try and convince a number of major newspapers in industrialised as well as in developing countries - about 30 to begin with - to enter into an agreement on an equality basis. These newspapers would be selected principally because of their wide distribution or their influence on governing circles in the countries in which they are published.

By entering into this proposed agreement, the chief editors of the contracting newspapers would undertake to publish periodically - every quarter for instance - an identical supplement of 4 to 8 pages which would be entirely devoted to the economic, financial, social, psychological and political aspects of a new world economic order.

This supplement would be in two separate parts: One part would be the responsibility of the newspapers themselves and it would deal with one or several subjects of current interest relating to the organization of world economic solidarity (development aid, standard commodity stocks, common fund, stabilisation of export revenues, commodity price indices, debt, transfer of technology,

brain drain etc.); it would provide a concrete account of the realities in, and the positions of, both North and South. The aim would be to give readers a precise knowledge of the realities of the world economic situation, of the urgent need to bring reforms to the present system, and of the difficulties to be overcome in this respect. Another aim would be to make better known the generally justified requests made by the developing countries as well as the fears and preoccupations, often equally justified, of the industrialised countries. This knowledge would be given to the readers in the form of a dialogue where equal space would be given to the representatives (journalists, experts, trade unionists, students) of the countries of the North and of the South. They would be called upon to utilise in this supplement clear and simple language accessible to the greatest possible number of readers.

The second part of the supplement, which would be the responsibility of the international organizations (UN, UNESCO, World Bank, IMF, UNDP, UNIDO, FAO etc.) would provide them with an opportunity to make known, in a language just as accessible to all the readers, the full range of their achievements. In this way they would be able to fight more efficiently the scepticism which they face and to obtain from public opinion much wider material and moral support.

This close co-operation between newspapers and the organizations constitutes the basis for this proposal. The motivations of the chief editors of the big newspapers and of the publishers who appoint them and often control them, are indeed very diverse. It is therefore important that the proposal which will be submitted to them is such that it awakens their interest for one or another of the various advantages or merits which it has.

In fact, the project of a common supplement which is hereby presented, could be gratifying for them in three ways:-

1. It will satisfy the part of idealism which can be found in any man if it is not smothered by considerations of power, vanity or gain. It combines closely the realism and the idealism which are both indispensable if any great enterprise is to be successful.
2. It is such that it can enhance the natural pride which publishers of big newspapers feel when the influence and the quality of the publication they control increases. The esteem in which they are held can only be reinforced by their belonging to a world club or order - the framework remains to be defined - which would bring together world newspapers, the reputations of which would soon place them among the best and the most conscious of their responsibilities towards mankind and its future. The links that they would forge in the midst of this club with their colleagues of the whole world in a perspective of progress and generosity, as well as with the leaders of the great international organizations (Mr Waldheim, Mr M'Bow, Mr MacNamara etc.) would on the other hand contribute to the widening of their knowledge and of their means of action.

3. Finally it would provide an answer to their principal, or even obsessive pre-occupation to see their resources grow in order to better secure the often difficult financial position of their enterprise. Where the industrialised countries of the North are concerned, this financial situation is built primarily upon income from advertising: as a consequence the press is naturally too tied to private interests and to the consumer society.

To counter-balance this influence, it would be advisable as well as auspicious to place both money and publicity at the service of the great causes. Why, for instance, would the large industrial organizations not devote an important part of their public information budgets to the realisation of a project of the kind we are proposing, rather than scatter it often by publishing bulletins with only a small distribution. It might even be desirable, if not indispensable, in order to obey the modern efficiency laws, to widen sizeably their advertising budget in the direction which we are proposing.

It goes without saying, however, that the newspapers, members of the club, should grant to the industrial organizations preferential rates as a testimony of the sincerity of their will to take part in this large two-fold enterprise of modern times, which a press worthy of its name has a strict duty to support: The setting-up of a new world economic order and also of a new public information order clamoured for in an increasingly insistent manner by 3/4 of humanity. Is it necessary to recall that one of the new demands of developing countries is to obtain that the world public information media, presently monopolised by the large industrial

countries, be more equitably distributed in order that, among other things, the developing nations may give the world an image of themselves more in conformity with their nature, their truth, their actual needs and their real pre-occupations. In this context one can perceive what could be contributed by common periodical supplements to newspapers of the North and of the South.

We have already discussed this project with three chief editors of large newspapers: in Paris with Mr Jacques Fauvet, chief editor of "Le Monde", in Belgrade with Mr Vukoje Bulatovitch, chief editor of "Politika" and in Milan with Mr Piero Ottone, chief editor of "Corriere delle Sera". All three have stated their interest and are prepared to consider this project as it takes shape. I have told them of your own interest in it; I intend to pursue this consultation on the basis of its first favourable results with the double condition, however, that you yourself remain interested in such an undertaking, and that the material means to do so be placed at my disposal.

Believing in principle that the realisation of an international periodical supplement on the subject of a new world order of the economy and of public information must be wanted and assumed on an equal footing by the representatives of the great world press and those of the large international organizations, I suggest that the idea be submitted to those concerned, jointly by myself and by my friend Leo Davico, Director of Information of UNESCO, and a former journalist. We are both ready to do so.

In other words, the implementation of such a project should involve the following stages:

1. An agreement by Mr Waldheim and Mr M'Bow to invite Jean Schwoebel and Leo Davico, with the support of your public information advisors, to pursue these initial consultations with a few more chief editors of newspapers and a few officials of international organizations in order to see how they would view an undertaking of this kind. Certain facilities, to be defined, would be granted to the two of them in order to accomplish this task.

2. Once an agreement in principle had been obtained on the part of eight large newspapers of the North and of the South, an initial informal meeting could take place in Paris at the headquarters of UNESCO between those chief editors and a few public information officials of the UN and UNESCO, in order to work out a draft structure, the purpose of which would be to deal with the preparation and the financing of the proposed supplement.

3. The decisive stage would then be reached, it would take the form of an invitation by the Secretary-General of the United Nations to the chief editors of thirty newspapers (the list of which is annexed to this paper) to participate in New York in a meeting with the directors of international organizations (to be defined) in order to arrive at agreements relating to the publication of a world supplement for the promotion of a new world economic order and to the financing of this supplement. This meeting, which should be held under your auspices, could also take place in Paris at the joint invitation of the UN and the French Government, if the latter were desirous of continuing

in a different way the effort which it made to organize the Paris Conference on international economic co-operation. The participants would be assisted by specialists.

The agreements could envisage the following structure:

- a Secretariat for programming and implementation, the seat of which could be at UNESCO, which would make contacts with all the organisations and foundations likely to support its effort. The Secretariat would be assisted by a financial commission.

- a quarterly meeting of economic or financial or political specialists of the newspapers members of the club would take place to prepare the forthcoming supplements. Such a meeting could be limited to specialists of two newspapers - one from the North and one from the South - designated by their colleagues to prepare a given supplement. These meetings would also be attended by representatives of those international organizations which would present in a given supplement an interesting account of their activities or of one of their achievements.

- a yearly or twice-yearly meeting of the chief editors of the newspapers themselves would be held at the headquarters of one of the international organizations to reinforce the knowledge and the mutual ties between the representatives of the great world press (who have decision-making powers) and the officials of the large international organizations which devote their efforts to the development of the Third World and the improvement of the terms of the North-South exchanges. At such meetings the experience acquired in publishing the supplement could be reviewed with a view to corrections, improvements or widening.

We have only wanted to present here in general terms a project which will evidently require numerous consultations with all the

possible participants before it is couched on paper in precise terms. Its implementation will undoubtedly face many difficulties, some of a psychological nature, others of a professional nature, others yet of a financial nature. Concepts, pre-occupations, entirely different working methods will have to be adjusted; ever resurgent distrusts will have to be dispelled; and effective co-operation will have to be obtained. The most difficult thing, however, will be to conceive and realise a supplement which is interesting and accessible to the great mass of readers and which, on the other hand, will provide a perfect answer to the informative and educational aim stated: to reach public opinions and open widely the minds to the necessity of world economic co-operation in the world on the basis of justice and solidarity.

But such an aim is so fundamental and so fascinating that it is apt to arouse everywhere the energies, the devotion and the faith which will conquer all these difficulties one after the other. This, in any case, is our conviction.