This is a draft letter Mr. Conable is planning to send out next week.

Do you have any comments?

Marianne Haug
Dear Mr. Minister:

During 1989, a number of proposals for an environmental fund to address issues of global concern were made. More specific proposals were made by certain Governments at the Development Committee and during the Bank/Fund Annual Meeting in September. Consultations with donors were undertaken on an informal basis in recent weeks in order to establish how they would wish to see these ideas pursued. It appears that there is broad agreement on the notion of providing additional concessional resources to support environmental actions with global implications, where the current funding arrangements do not provide borrowing countries with sufficient incentive to do so. During these consultations, five categories of global issues were identified: energy efficiency and conservation, transboundary pollution, tropical forestry, biodiversity, and technology transfer (as in the case of CFC substitution). There is, of course, a diversity of views among the donors on the relative priorities of these areas.

In order to discuss these issues further in a forum which brings together interested donors, as well as the representatives of UNDP and UNEP, since they are key actors in this area, we intend to hold a preliminary meeting on March 15-16, 1990 in Paris to which your Government is invited. I have asked Mr. Ernest Stern, Bank’s Senior Vice President for Finance, to chair these discussions. A list of donors and agencies invited to this meeting is attached. Further details and a discussion paper will be sent to you shortly.

I urge your Government’s participation in these discussions since the Bank needs broad-based guidance in shaping its own strategy. Would you please let Mr. Stern know the composition of your Government’s delegation, which we assume in some cases may include representatives of more than one ministry. I look forward to the start of these discussions and to your continued support of the World Bank Group in this area of vital concern.

Sincerely,

Mr.
Ministry of
...

Attachment
cc: ED
MEETING ON ENVIRONMENTAL FUNDING

Governments Invited

Australia
Austria
Belgium
Canada
Denmark
Finland
France
Germany, Federal Republic
Italy
Japan
Netherlands
Norway
Saudi Arabia
Spain
Sweden
Switzerland
United Kingdom
United States

Agencies Invited

UNDP
UNEP
THE WORLD BANK

January 25, 1990

Mr. Kashiwaya:
Mr. Vergin

Could you please let me have your reactions.

MOEEN A. QURESHI
Senior Vice President, Operations
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United Kingdom
United States

Agencies Invited

UNDP
UNEP
Ms. Haug:

Marianne:

Draft Letter on Global Environmental Fund

I suggest a couple of changes. The insert is designed to take into cognizance the contribution of grant funds by several donors who have already contributed or pledged grant funds for technical assistance:

1) Replace the fourth sentence of the first paragraph, which reads: "It appears that ..." with "It appears that there is broad agreement on the notion of providing additional concessional resources to support environmental actions with global implications. While several donors' contributions of technical assistance grant funds have supported, and will continue to support, important local environmental initiatives in the recipient countries, this does not provide these countries with sufficient incentive to address environmental issues with international implications."

2) Please insert "also" in the 3rd line of the 2nd paragraph, i.e. "...since they are also key actors in ....".

cc: Mr. Kashiwaya
1. I think that a sentence should be inserted that refers to the contribution of grant funds by several donors in support of technical assistance for environmental projects. Otherwise, this letter may cause unnecessary negative reactions by donors who have already contributed or pledged grant funds for technical assistance.

2. I suggest the following amendment to the draft. Replace the fourth sentence of the first paragraph, which reads "It appears that ....," with "It appears that there is broad agreement on the notion of providing additional concessional resources to support environmental actions with global implications. While several donors' contributions of technical assistance grant funds have supported, and will continue to support, important local environmental issues of the borrowers, this does not provide borrowing countries with sufficient incentive to address global environmental issues."

cc: Messrs. Vergin, Bock, Taylor