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Policy Research Papers - Kanagaratnam, K

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OFFICE MEMORANDUM

TO: See Distribution Below
FROM: K. Kanagaratnam *[Signature]*
SUBJECT: Mr. Clausen's Speeches in Nairobi and Mexico City on Population

DATE: June 12, 1984

I have just seen the PHN memo on "Points that operations would like to see in Mr. Clausen's Speeches on population in Nairobi and Mexico City" and the accompanying Technical Note on "Bank Population Policies and Programs". I believe this is a good framework but I would like to highlight some specific points in addition.

Mr. Clausen's speeches in Nairobi and Mexico City will be the most major statements on population to be made by a president of the World Bank since 1977. It is therefore a very significant occasion and provides the opportunity not only to reaffirm the institution's commitment to the field but also to set out the framework of its operations and strategy for the rest of this decade.

There are and indeed should be significant differences in the audience and thrust of both these speeches. The Nairobi speech allows more leeway to discuss global population issues and highlight significant findings of the WDR. After all that is the central purpose of the speech - to present WDR to the world. It should have significant references to operations but need not be so expansive. The audience is essentially Kenyan though the published speech will of course be aimed at a wider international audience. It should have an added focus on Africa. The Mexico City speech should offer more about Bank operations and in fairly specific terms.

It is important to state at the outset that the world is not expecting a "population 101" lecture from the president of the World Bank. Other documentation prepared for the Conference and already available are UNFPA's State of World Population, the UN's Review and Appraisal of the Implementation of the Plan of Action, the UNFPA sponsored book by Lester Brown "State of the World 1984" and the Reports of the scientific meetings that have preceded the Conference. These documents will cover not only such basic underpinnings but probably set the subject in a broader and more comprehensive basis than we can or need to. It is also important not to insult the growing awareness and sophistication that already exists among countries and officials. So what should he say:

- (i) As head of a major international agency he should place the Bank's concerns and linkages of the population question in the context of the Bank's development mandate. He should introduce recent material and findings to support this and draw from specific Bank experience in support (e.g. I have found that Dr. Mahler usually does this well where WHO's mandate is concerned - health and its linkage to population). He should not repeat stuff that is old hat and has been

repeated over and over again for the past 10 years. This part of the speech should link the Bank's mainstream concerns in development to population. And this linkage should not be just the issue of fertility decline but also to such population related areas as urbanization, employment generation, health and education needs and food supply.

- (ii) What has the Bank done? The Bank's experience, operational strategy, past lending, policy discussions treatment of population in economic work and highlights from specific operations should be presented. No attempt should be made to "oversell" or "overclaim" but there is a reasonable body of experience (see IDA background paper on Population operations). It will not hurt to add that we could have done more - which is what we plan to do in the future.
- (iii) Make specific statements about the Bank's future plans This follows from the previous section. Make 3 or 4 specific important points that are consistent with the thrust in WDR (1) need for greater resources, (2) more action by all concerned - governments, agencies, (3) describe lending over the next 5 years, by dollar amount, number of projects and number of countries and emphasize that they will have significant population focus and will cover all population sub-sectors - not just health related population areas.
(4) Refer to support for NGO's to supplement governmental efforts.
(5) Emphasize support for the development of better technology.
(6) Promise to increase policy dialogue at national and international level (e.g. DAC, UN, consortia).
- (iv) Emphasize Bank's genuine concern and commitment in areas of current controversy:
 - 1. Support for voluntary and informed choice
 - 2. Respect for religious values, social and cultural
 - 3. Opposition to "coercive" practices
 - 4. Respect for personal dignity, health and safety of clients.
- (v) (For Mexico) If possible, an indication of how the Bank will deal with any constraints to achieving the expanded program.
- (vi) (For Nairobi) Special message to Africans - commend the leaderships for recognition of problem and willingness to move: make special references to Africa's problem (draw from "Please study").

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KKanagaratnam:sr

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increased its contribution, especially through multilateral source but has a successful program through JOICFA. The Netherlands, Federal Republic of Germany, Norway and the U.K. gave

Sweden the first Government is offer population assistance in 1958 continues to be a major donor and gain — in. It supported direct assistance, multilateral through UNFPA and IPPF and supports research through WHO. Japan has

Population assistance is a small and declining share of official development assistance. Population assistance, of which about three-quarters is included in the official development assistance accounts, amounted to about half a billion dollars in 1982, equal to about 1 percent of the sum of OECD disbursements, OPEC aid, and grant funds provided by multilateral development banks. A decade earlier, in 1972, before OPEC aid was significant, population assistance equalled about 2.3 percent of OECD disbursements. The constant-dollar value of United States' population assistance reached a peak in 1972 and has been slowly eroding ever since; other donors, including Germany, Japan, the Netherlands, Norway, and Sweden, have increased their share of population assistance so that the constant-dollar value of assistance rose a modest 3 percent per annum between 1971 and 1982, at about the same rate that population grew in the recipient countries. The result: Assistance per capita is no larger in the mid-1980s than it was in the early 1970s. Per capita assistance in 1981 was actually below what it had been in 1974, the year of the International Population Conference in Bucharest (see Figure 8.7).

The United States continues to be the major donor, giving 39 percent of total population assistance in 1981 (4 percent of its total technical assistance budget) down from a peak share of 65 percent in 1972. Canada, Germany, Japan, the Netherlands, Norway, Sweden, and the United Kingdom are other donors which gave more than 10 million dollars in population assistance in 1981; 10 percent

of Norway's total assistance goes for population. A number of foundations provide small but effective support for population work.

The major role of donors has been to support family planning services, a range of activities to moderate fertility, the largest share going to national and related health programs. In 1981, the last year for which complete estimates are available, two-thirds of the half-billion dollars of donor

Something wrong. This: \$200 and the pop. line saw and not that what was given, not budgeted!

also

efforts in this area

Some of this assistance was not sharply focused on population objectives
assistance for population activities was devoted to family planning and related maternal and child health programs. Donor expenditures helped pay for commodities and services, including contraceptive devices and the often extensive training for medical personnel and fieldworkers needed to make their use effective and safe. Donors have also sponsored and supported basic data collection, including the World Fertility Survey program of the International Statistical Institute, censuses, and surveys; these absorb about 8 percent of donor assistance. The remaining 25 percent supports information and education activities, policy development, institutions and training, and research efforts. In Asia and the Middle East, over 80 percent of assistance goes for services, in Latin America and Africa about 60 percent. In sub-Saharan Africa, almost a fifth of external assistance goes for data collection. In addition, research on contraceptive technology in the developed countries, which approaches \$200 million annually, contributes to methods available in the developing countries as well.

Because of the sensitivity of population matters, donor assistance is provided both directly and through intermediaries and non-governmental organizations who can work more flexibly and adapt better to local conditions and needs.
often moves through specialized organizations well suited to adapt services to local cultural norms. The United Nations Fund for Population Activities

(UNFPA), the major multilateral channel for population assistance, is an

Although example. More than 130 countries have contributed to its budget (about \$135

million in 1980 and 1981 but programmed to decline to about \$125 million for

its main contributors are 6-7 OECD countries.
the period 1984-87; a somewhat smaller number have requested and received its

population assistance. The International Planned Parenthood Federation (IPPF)

is an international federation of over 100 national family planning

associations. It is the largest nongovernmental organization offering

international population assistance, with a 1983 program budget of \$90

million, over half of which comes as contributions from OECD countries. About

The Population Council of New York with a budget of \$16 m. provides technical and personnel support around the world. One-third of its budget support is raised by member associations in their own countries.

IPPF's major donor is the United States; countries receiving its largest grants in recent years are Brazil, Colombia, India, Mexico, and Korea. A branch of the United States affiliate of IPPF, Family Planning International Assistance, the next largest nongovernmental organization, provides population assistance in more than forty countries. Bangladesh, Indonesia, Mexico, the Philippines, and Thailand together account for about half of that organization's total grants of \$86 million in 1982. The Pathfinder Fund is another, much smaller nongovernmental organization with a 1982 budget of about 7 million dollars spent on innovative fertility services, women's programs, and population policy development. About one-quarter of United States government assistance is administered through nongovernmental organizations in the United States, particularly universities and research institutions, which in turn pass funds on to organizations in developing countries for data collection and analysis, operations research in service delivery and training, and special projects. These small programs *and similar programs in other countries* add to the flexibility and responsiveness of population assistance.

4-6 years)
The World Bank supports population activities in borrowing-member countries through IDA credits and loans to borrowers. *Over 14 years of operation, the Bank has* Disbursements by the Bank for population projects *(each losing the same period)* over twelve years of operations totaled \$215 million at the end of 1983; disbursements in 1983 were *\$9.5* million. Just under half of the Bank's disbursements were for loans and hence were not concessional; most official development assistance for population activities consists of grants which require little or no counterpart funding of local recurrent costs. Though much of World Bank assistance is not available on a grant basis, Bank operations have grown in constant-dollar terms 5.4 percent per annum between 1976 and 1978, and 1981 and 1983. Over the past three years

the largest disbursements have gone to Bangladesh, Egypt, India, Indonesia, the Philippines, and Thailand which together accounted for more than 90 percent of Bank operations in population. The World Bank also supports an active program of economic and sector work aimed at enhancing understanding of how population growth affects development prospects and how population programs can contribute to the overall development effort. The World Bank cooperates with other UN organizations, especially UNFPA and the World Health Organization, in research and analysis requested by member governments. ~~This effort includes a UNFPA program on the integration of population into development planning and a World Health Organization program of research on contraceptive technology.~~ *delete.*

Population assistance has been successful. The acceleration of declines in fertility due to organized family planning program cases was described in Chapter 6. Flexible donor funding and a readiness to support innovative programs outside traditional ministries gave these programs independence and effectiveness.

In part because of their success, many local governments now pay for programs that only a few years ago were supported by international grants. Colombia, Indonesia, Korea, and Thailand are picking up a progressively larger share of the costs of population programs. India has long paid a large share of its population ~~bill~~ *expenditures*, and China has always financed its population effort. ~~additional assistance can however make a significant contribution~~ China and sixteen developing countries now finance more than half the cost of ~~difficult~~ *difficult* their population programs from domestic resources. The success of these countries, usually those with older programs, makes possible ~~some~~ *some* ~~rolling~~ reallocation of donor resources to countries only recently augmenting their population programs. For example the share of UNFPA support directed to Africa rose from about 12 percent during the 1970s to 23 percent in 1983.

Other donors are also beginning to shift resources and personnel to assist

governments in sub-Saharan Africa recently requesting population assistance. *Successful programs have a long way to go to stabilize their population growth.*

~~It is however important to recognize that even the~~

Despite success in some countries, donor support for population programs, especially in the low-income countries of Africa, Asia, and Central America, continues to be essential. The current distribution of support is: Africa, 14.9 percent; Latin America, 20.3 percent; Asia, 50.7 percent, and the Middle East, 14.1 percent. A substantial increase in assistance, especially to Africa and South Asia, is required given the emerging pattern of service-delivery needs described in Chapter 7. The analysis in Chapter 7 suggests that total resource needs for family planning and related services alone (excluding data collection, population planning, etc.) could amount to over \$5 billion a year by the year 2000 if developing countries are to achieve rapid fertility decline--over \$4 billion simply to achieve the decline built into standard World Bank projections. External funds now support about 20 percent of all family planning service costs (over one-third outside of China); a continuation of that level of support implies at least a tripling and possibly a quadrupling of total population assistance from the current level of about half a billion dollars. Increasing population assistance to an annual level of 2 billion dollars, with no other changes in official development assistance, would increase total aid flows by 4 percent, a significant but not unmanageable addition to the aid budget. The share of population activities in total concessional assistance would rise to about 5 percent. *It is important to maintain, in any increase in assistance, the need to support research and research training in the field.*

The donor community has been particularly concerned to maintain

voluntarism in population programs. The analysis in Chapters 7 and 8 demonstrates the gap still to be filled by voluntary family planning services; such services will continue to be the largest claimant on donor resources for

the next two decades. In addition, donors can assist recipient governments in ongoing efforts to create new beyond family planning programs that meet social goals in ways that are affordable and ethically acceptable. For example, deferred incentives have so far been administratively unwieldy, but they offer one of the best means to induce desired behavior within an environment of choice. Donors can provide technical assistance in the design and implementation of deferred incentive schemes, including forms of old-age insurance tied to fertility. Similarly, payments to recipients of terminal methods of fertility control ^{needs to be carefully} ~~can, if improperly administered,~~ ^{to avoid} ~~exercise~~ undue influence on the poor. Donors can ~~lead~~ ^{keep in} the search for effective incentive schemes tied to acceptance of contraception that are ^{so} ~~structured~~ to avoid undue influence.

OFFICE MEMORANDUM

DATE: January 18, 1984

TO: Ms. Nancy Birdsall

FROM: K. Kanagaratnam

EXTENSION: 61573

SUBJECT: Draft World Development Report 1984

This refers to your memo of January 3, 1984 inviting comments on this draft. Let me congratulate you on having put together such a major document which is full of a lot of good, useful information and brings together a variety of current knowledge and experiences on the subject. I would like to address in this memo a number of broad questions and focus on Chapters 7, 8 and 9. The papers make a good and solid case for the critical nature of population in the context of development as well as in the context of poverty concerns. I shall give detailed comments separately.

Chapter 7 In this chapter much of the experience and the evidence from some outstanding research has been put together. However, the policy prescriptions discussed on page 28 leave the reader without sufficient guidance on how he could proceed in different situations. Also the policy prescriptions are broad and do not suggest possible threshold levels (if we have any knowledge) for different demographic situations. All of the determinants of fertility referred to in this section, that is, socio-economic factors, income, education, employment, urban/rural differential and women status, are now fully recognized. However, the implications of any order or in which specifications are to be taken, their level or intensity of action (e.g. what level of literacy, what can we realistically in a population sense do about urban rural migration etc. should come out). This is not reflected on pp. 28-30. The discussion on page 30 et seq on fertility behavior and trends provides further justification of these important variables and also discusses such factors as age of marriage, breast feeding, etc. on fertility. Important as these are, one would like to see some ordering of their impact on fertility behavior. The only pragmatic approach that directly impacts on fertility is contraception and in this broad range of discussion it came out somewhat softer than I think it should. The section on promoting fertility regulation is very well presented and probably could and should stand on its own. (pp 51-80a).

Chapter 8 I have the following 5 major concerns about this chapter:

1. In recognizing family planning as a service neither in this chapter nor anywhere else in the report is the nature and structure of national family planning programs brought out as a guide to what has been a novel

global experience of the past 20 years. As Berelson once said, in terms of major social programs, population programs have done much in a very short time. This is not discussed as a specific activity and yet it is probably the most significant addition to national government activities in the social field.

It could be useful to discuss different models for such programs and their relative effectiveness. After all such programs are now a specific national activity with organization, staffing and administrative form. I believe that it is important in describing the national family planning organization to discuss its evolution and the components of such a program and the different types of program structures that exist.

2. I have reservations on what is implied in para 8.5 which tends to suggest cost recovery as a central concern. My understanding is that the thinking is that the societal benefits are so great from these programs and therefore they are a fair charge on public revenues; and public subsidies are justified - both national and international.

3. In discussing the benefits of family planning (paras. 8.5 to 8.10) I would like to see the human rights aspects brought forward as the first reason, family welfare and mothers welfare concerns as the second reason and include in that or preferably separately as the third item the health benefits of family planning. The economic benefits should also be discussed as a separate one referring to both personal and national economic benefits.

4. The discussion on para. 8.18 which really touches on contraception and contraceptive methods is insufficiently focussed on contraceptive technologies and tends to give a misleading perception of technologies available and the risks of current technology. It must be brought out as set out in my paper on the subject that a wide range of technologies do exist to cope with different personal, age and lifestyle situations. That fact of course still does not weaken the case for further international support to contraceptive technology because further improvements will make programs more efficient and effective; moreover, continued use of some current technologies raises safety concerns. This is not discussed anywhere in the report.

5. It is important to sharpen the discussion on external assistance referred to on 8.88 so that the future needs come out more clearly. In the end and on an annual or 5 yearly basis what are we expecting from the international community; and from governments of developing countries. The discussion on cost recovery referred to earlier in this note tends to give the impression that cost recovery is a major program concern whereas this has been found to be a deterrent to acceptance of contraception.

Chapter 9 My own major observations on Chapter 9 are that while the issues discussed are of significance in the different regions they are however part of a broader spectrum of issues and should be seen as such. Every region as a common set of problem with other regions, if it is to achieve population stabilization. That must be highlighted first. They are not mutually exclusive; for instance the problem in the East Asia and Pacific region will recur in all regions as they move in their demographic transition.

I will be glad to discuss this in more detail and will make more specific comments to your team members separately.

KKanagaratnam:sr