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Chronological files - (outgoing) - Chrons 65

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April 28, 1978

Dear Dr. Karan Singh:

Thank you very much for your letter. It was good to hear from you.

I am very pleased to learn that as a member of Parliament you continue to be concerned with the vital population issue. I also appreciate your kind thoughts and advice regarding a future Bank Group population project. Please rest assured that we are actively discussing and exploring ways in which we can assist in this critical field.

Mr. Kraske will be happy to keep you abreast of developments.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Dr. Karan Singh Member of Parliament 3 Nyaya Marg Chanakyapuri New Delhi-110021 India

cc: Messrs. Picciotto, Blobel, Kraske, Rajagopalan, Messenger CWallich/BAlisbah:rrl

493/5/137 APR 2 8 1978 Dear Senator Nunn: Thank you for your letter of April 17. 1978 recommending the Atlanta, Georgia consulting firm, Lockwood Greene Engineers, Inc. I am informed that the National Textile Corporation in Tanzania has selected another firm to provide the services required for the project In question. After review, I am satisfied that all due consideration was given to each interested firm in accordance with the World Bank's guidelines for consultants. I enclose a brochure describing these guidelines. Please let me know if I can be of further assistance. Sincerely, (Signed) Robert S. McNamara Robert S. McHamara The Monorable Sam Munn United States Senate Washington, D.C. 20510 Encl. PBRiddleberger:pam

493/5/136 The World Bank / 1818 H Street, N.W., Washington, D.C. 20433, U.S.A. • Telephone: (202) 393-6360 • Cables: INTBAFRAD APR 28 1978 Dear Commissioner: I would like to acknowledge receipt of your letter dated March 17, 1978 regarding my recent visit to Nigeria and subsequent discussions with a number of World Bank officials on the Bank's future program of work in Nigeria. As Mr. Thalwitz has already informed you in his letter of April 5, 1978, we are considering an increase in the World Bank's contribution to future projects in Nigeria to cover the full foreign exchange cost or two-thirds of total project costs, whichever is lower. You would also have received by now details of our proposed program of possible operations for the next few years forwarded under separate cover to your Permanent Secretary by Mr. Thalwitz. We hope that the proposed increase in cost-sharing would help meet part of the Federal Government's resource needs under a substantially enlarged program of assistance over the next few years. In addition, we would be prepared, as suggested, to explore the possibilities of co-financing with other donors as may be necessary, as our future program develops.

I am happy to advise you that two of the four projects originally envisaged for this fiscal year are expected to be ready for submission to our Board of Executive Directors for approval, namely, the Rivers Oil Palm Project (US\$30 million) and the NIDB Project (US\$60 million). However, we still await your Government's reactions as regards the Bida Agricultural Development and the Agricultural Management Training Institute projects.

I am happy to learn of the steps being taken to streamline your procedures for the servicing of future World Bank loans and wish to express the hope that such efforts would continue to show good results in our future operations.

With best regards,

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

cc: H.E. Olujimi Jolaoso
Ambassador of Nigeria to
the United States

Major-General J. J. Oluleye Commissioner for Finance Federal Ministry of Finance PMB 12591 Lagos, Nigeria Cleared w/& cc: Messrs. Chaufournier, Steckhan, Thalwitz

cc: Messrs. Koch-Weser(2), van Gigch, Pouliquen, Thahane, Reitter

PTaylor-Lewis:sh

493/5/135 April 27, 1978 MEMORANDUM FOR MR. CLARKE Attached is a report prepared by the First Boston Corporation analyzing World Bank operations. I suggest you give a copy to Hewitt Associates, consultants to the Kafka Committee, to use in their examination of our compensation structure. (Signed) hobert S. McNamara Robert S. McNamara cc: Mr. Cargill Mr. Chadenet RMcN: bmm

493/5/129 April 27, 1978 MEMORANDUM TO MR. KRIEGER In view of our substantial involvement in povertyoriented programs in Colombia through the Rural Development, Nutrition Improvement and Urban Development Loans and the high complexity and risks of these projects, I believe that particular emphasis has to be given to comprehensive monitoring and evaluation of project implementation and impact. This will also constitute an important learning experience with respect to implementing such large, integrated programs aimed at the rural and urban poor. Please send me for the three projects (i) in about three months' time a report on the organization and implementation of the monitoring and evaluation components, and (ii) periodically progress reports on the supervision, monitoring and evaluation of project implementation and impact. (Signed) Robert S. McNamara Robert S. McNamara CKW:m1

493/5/hz8

APR 26 1978

Ltd. Benvenuti & Bonfant vs Government of the Popular Republic of Congo (ARB/77/2)

Nomination of Arbitrator and Designation of President of Arbitral Tribunal by the Chairman of the Administrative Council

Pursuant to Article 38 of the Convention on the Settlement of Investment Disputes between States and Nationals of Other States and Article 4 of the Arbitration Rules of the Centre, I hereby nominate Mr. Alex Bonn of Luxembourg to be an Arbitrator in the above proceedings and I hereby designate him as President of the Arbitral Tribunal.

(Signed) Robert S. McNamara

Robert S. McNamara Chairman Administrative Council

Washington, D.C.

APR 2 6 1978

Apr 00 1978

Dear Mr. Ambassador:

I take pleasure in sending you, with this letter, two copies of the cooperation agreement between the International Fund for Agricultural Development and the World Bank, which I have signed. If you will sign and return one copy to me, we shall have put the formal seal on what I hope and expect will be an arrangement to the advantage of our common membership. I am glad to know that the first step in giving practical effect to our cooperation has already been taken, in the contemplated cofinancing of a rural development project in Tanzania. I hope that this will prove to be the first of many.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

His Excellency Abdelmuhsin Al-Sudeary
President
International Fund for Agricultural
Development
Via delle Terme di Caracalla
00100 Rome, Italy

Enclosures

April 25, 1978

SEBoskey/rob

cc: Mr. Yudelman

Mr. Sella

Mr. Hornstein

APR 25 1978

Dear Mr. Gyasi-Twum:

I want to thank you for sending me the autographed copy of Professor Twum-Barima's book, Development of Agricultural Education. Because of the distinguished educational career and the long experience of Professor Twum-Barima in the development of higher education, and particularly agricultural education, in Africa, I am sure that his book will be a valuable contribution to our understanding of the constraints and promises of agricultural education in developing countries. Please convey my thanks to him.

I have forwarded the book to the Agriculture and Rural Development Department and to the Education Department, and the latter department will be in touch with the author in due course.

Sincerely.

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. K. Gyasi-Twum Alternate Executive Director World Bank Washington, D.C.

cc: for Mr. McNamara's Office (2)

AkliluHabte/hl

April 24, 1978

4/54

APR 2 4 1978

Dr. Hostafa K. Tolba
Under-Sacretary-Ceneral,

Dr. Hostafa K. Tolba Under-Secretary-General, Executive Director United Nations Environment Programme P.O. Box 30552 Nairobi, Kenya

Dear Dr. Tolba:

Thank you for your letter of April 6, which Mr. William Clark brought back following your conversation in London. As he told you, a meeting of the Bank's Executive Directors concerned with a subject I felt required my presence prevented my attending the ACC.

Your letter asks that the World Bank agree in principle to associate itself in several respects with the study on the "State of the Environment--1982" which you are undertaking in response to the request of UNEP's Governing Council. Specifically, you ask that the Bank co-sponsor the study; provide access to relevant data in its files; administer funds raised by UNEP from a variety of sources to help meet the costs of the study; and make a modest financial contribution.

The objective of the study is of considerable interest to the Bank. Indeed, it should be of interest to most of the organizations and programs of the U.M. system and certainly to all governments. We should be pleased to give UNEP access to relevant material now in our files or which may be produced for our own purposes during the period of the study. Dr. Lee said as much to Mr. Buzzati-Traverso, the study's coordinator, when they met recently at the Bank.

The other aspects of your request raise difficulty, however. As you will appreciate, with increasing frequency the Bank is asked to join other agencies in sponsoring an undertaking — a conference, a long-range research program, an aid coordination group. It has adopted a policy of confining consideration of possible co-sponsorship to undertakings which satisfy two principal criteria: where substantial Bank staff resources could appropriately and can feasibly be committed, and where the proposed organizational arrangements make provision for an effective Bank voice in design, management and setting of policy. We do not consider co-sponsorship justified simply because the subject or object of the undertaking is of concern or interest to the Bank, however deep or keen that might be. And while we do not regard the performance of a fiscal agent's role as an essential concomitant of co-sponsorship,

the converse is not true: we are not prepared to manage funds where we are not an active participant in the project being financed. In the circumstances, we have concluded that this is a case in which we must, with appreciation and thanks for your invitation, decline to serve as co-sponsor.

Finally, the question of a financial contribution: of course I entirely agree that the project will address issues of significance to the Bank. But here again, because the activity of so many other organizations, both within and outside the U.N. system, touches on issues of concern to the Bank, we have had to restrict narrowly the occasions for financial support. As you may know, even where we are co-sponsor, we do not invariably make a financial contribution, token or otherwise. I do not absolutely rule out the possibility (I would in any event wish to have the concurrence of the Executive Directors), but I should prefer to leave the matter entirely open pending a firmer estimate of the study's cost and information concerning the volume of commitments from other sources in relation to the total required.

I sm sorry to have to respond in this vein to the particular requests you have made. I do assure you of our intention to cooperate along the lines indicated.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

SEBoskey/rob

April 21, 1978

Cleared w/cc: Dr. Lee cc: Mr. Burney

493/5/123 April 21, 1978 MEMORANDUM FOR MR. CHENERY Should we publish in the World Development Report the income distribution data shown in the attached table? If so, how do we answer those who will question whether Pakistan's lowest 20% receive 5 times the share of income received by the lowest 20% in Tanzania? And is it right that the income distribution in Australia is substantially less skewed than that of the Netherlands? And does the U.S. have a more equitable distribution of income than Denmark? If the data are not sufficiently reliable to be published, why are we spending money on processing them? Robert S. McNamara Attachment (Table 2: Economic Indicators) RMcN:mss

493/5/193 April 27, 1978 Dear Congressman Beard: In your letter dated April 12 (which I received today) you asked for a copy of President Carter's instructions to U. S. officials to vote against certain loans which might be put before the Board of Directors of the World Bank. Such instructions would have been sent to the U. S. Executive Director in the Bank rather than the Bank's management. I am therefore sending a copy of your letter to Mr. Fried who represents the U. S. on the Board. I am sure he will reply to it promptly. Sincerely, (Signed) Robert S. McNamara Robert S. McNamara The Honorable Robin Beard The House of Representatives Washington, D. C. RMcN: bmm

493/5/131 APR 2 7 1978 Ambassador Marshall Green Bureau of Oceans and International Environmental and Scientific Affairs Department of State Washington, D.C. 20520 Dear Marshall: I am most obliged to you for your letter of March 31, sending us a copy of the Second Annual Report on U.S. International Population Policy. I and others in the Bank have read it with considerable interest. As a general statement of U.S. policy, the document speaks with unusual clarity and sensitivity. The central theme -- integration -- is spelled out much more explicitly than in most discussions of that objective, e.g. the integration of femily planning with health services, of fertility control strategies with other development strategies, of national population programs with community-level interests and organizations, of better integration between USAID and host-government strategies, between USAID's Office of Population and its other bureaus, and better coordination within the donor community. As I know you are aware, all these many meanings of "integration" are very close to the directions in which we too are trying to move in our population work here at the Bank. I was particularly pleased to see the emphasis put on the relationship between long-run problems of food supply and population growth. While this problem has certainly been widely recognized, the temporary easing of the world situation as a result of the unusually good harvests of the past several years has tended to divert interest from a long-run problem that is certainly not behind us; so I welcome the strong restatement of this central problem on pp.11-12. Another recurrent theme of the report is the importance of villagelevel organizations for planning and implementing population activities. The general need to identify or create community organizations to carry out high-priority development activities is being increasingly recognized as a key factor in successful programs in many of the social sectors. We shall continue to look to USAID for a leadership role in conducting pilot projects in this area. Much of this experimental activity will also be conducted by NGOs, a set of resources which, your report shows, the United States Government continues to encourage and support in an imaginative and substantial way.

The continuing growth of the U.S. Government's authorizations for population assistance since FY1976 is certainly impressive. It reflects not only the increasing concern and commitment of the Government to slowing population growth and to the reduction of maternal and child morbidity and mortality but also the flexibility and inventiveness of the Government in finding new ways to put its assistance to work.

We have noted with particular interest the discussion of performance criteria which begins on pg.23. Measuring progress is of course a continuing challenge to all concerned with "keeping score" in this field. You may perhaps be interested in the enclosed: (a) statement which we recently submitted to our Board in response to a question that had been asked about the criteria we rely on within the Bank, and (b) Staff Working Paper concerned with the same subject.

One final comment: the report is silent on a need for improvements in contraceptive knowledge and technology until almost the very end (bottom pg.43 and top pg.44). While I think none of us wants to over-emphasize the role of better technology in attracting and holding acceptors, we certainly should not lose sight of this factor in our effort to broaden our perspective and to try to take better account of the factors which make parents want smaller families. Because of the very large financial and human resources available to the United States Government, the findings of the Greep report, and the present concern with this subject in the Congress, I would hope that it might be appropriate in next year's report to expand the attention given to this topic.

You have my warm congratulations for a very useful and informative report. Many thanks for having called it to my personal attention.

Sincerely,

(Signed) Robert S. McNamara

- Country Progress in Pop.Control -SecM78-261
Enclosures - Measuring the Pefformance of FP Programs-June'77

cc: & cleared with - Mr.van der Tak
2 cc: Mr.McNamara's office
cc: Dr.Kanagaratnam

GBBaldwin:bli April 26/78

493/5/130 APR 27 1978 Dear Dr. Mahler: I greatly appreciate your sending me a copy of the "Review of the Special Programme of Research, Development and Research Training in Human Reproduction." I have read with interest the review's Summary and Major Conclusions; these make clear that the review group has given the program a strongly positive report. The program, we are told, has been "well and effectively managed" and deserves a "rapid and significant build-up of funding now." These findings are most reassuring in view of the uneasiness in some quarters about the program's management which led you to appoint the review panel. We are glad that Dr. Kanagaratnam was able to serve as a member of the expert group. I hope you will call on us again if you see any way in which the Bank might help to support this important branch of WHO activity. Sincerely, (Signed) Robert S. McNamara Robert S. McNamara Dr. H. Mahler Director-General World Health Organization 1211 Geneva 27, Switzerland cc: 2-Mr. McNamara's office GBBaldwin: bli Dr. Kanagaratnam April 26/78 cc:& cleared with: Mr. van der Tak

Record Removal Notice



File Title						Barcode No.	
Chronological files - (outgoing)- Chronological	rons 65					1771052	
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Document Date April 21, 1978	Docume Letter	Document Type Letter					
Correspondents / Participants To: Mr. C. Eugene Webb From: Robert S. McNamara							
Subject / Title Executive Directors' consideration the March 1, 1978".	at "the Board reco	nsider its deci	ision and deci	de that a full untap	pered cost-of-living	ng adjustment be given effective	
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APR 2 0 1978

Dear George,

Thank you for your letter of March 21, discussing further the Council's interest in the introduction of population considerations in the broad design of the Bank's development policies and programs, and in the formulation of particular development projects. This is obviously an area of considerable interest in the Bank and one to which we have given a good deal of thought. As you correctly observe, the difficulty lies in going from general propositions to the specific, action-oriented recommendations that policy makers can follow.

I believe the best way to explore how the Council might be able to assist the Bank would be for you and some of your associates to meet with Herman van der Tak, Dr. Kanagaratnam, Ben King and other key staff members concerned in the Bank. To ensure a productive meeting it might be useful for you and your colleagues to prepare a brief note setting out as concretely as possible how the expertise of the Council could be of assistance to the Bank, what hypotheses about policy and project design you believe should be tested, and how to proceed. This could serve as an agenda for the meeting. If you agree that this is a reasonable way to proceed, I suggest that you get in touch with Herman van der Tak (Phone: 477-3622) to fix a date for the meeting.

Separately, Timothy King will be getting in touch with you regarding a seminar for Bank economists that is being planned and the possibility of one or two Council staff members making presentations.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. George Zeidenstein President The Population Council One Dag Hammarskjold Plaza New York, New York 10017

2 cc: Mr. McNamara's Office cc: Messrs. A. Karaosmanoglu W. C. Baum B. King/T.King

21877T COMEUR

APRIL 19, 1978 7-3585 493/5/120

CLAUDE CHEYSSON BRUSSELS, BELGIUM

THANK YOU FOR YOUR CABLE OF APRIL 17. YESTERDAY'S
MEETING OF THE BOARD OF EXECUTIVE DIRECTORS APPROVED
THE UNMODIFIED AGREEMENT ON THE IDA MANAGEMENT OF
YOUR SPECIAL ACTION FUNDS. WHILE I WOULD WELCOME
THE OPPORTUNITY TO PARTICIPATE IN THE CEREMONY OF
SIGNATURE, I FIND IT DIFFICULT TO SAY WHEN MY
SCHEDULE WOULD PERMIT ME TO COME TO EUROPE FOR THAT
PURPOSE. I MUCH ENJOYED OUR SATURDAY TOGETHER IN
NORWAY. REGARDS. ROBERT MCNAMARA

cc: Mr. Cargill

CEKoch-Weser:ml Robert S. McMamara President

493/5/119 April 18, 1978 Dear Mr. Prime Minister: Let me say again what a great pleasure it was to meet with you during my recent visit to your country, and to be able to talk to you in such an open and frank manner about the economic problems currently being faced by Turkey and the ways in which we in the Bank can work with your Ministries to help solve those problems. I was most grateful that you took the time from your very busy schedule to have three meetings with me and my colleagues, which gave us the opportunity to explore the issues in depth. I am enclosing for your information a copy of a letter I have sent to His Excellency the Minister of Finance, which records the matters raised by your Government and the understandings reached. I am confident that your Covernment and the Bank will continue to enjoy a close and cordial relationship within which to implement our common goals and aspirations. With warm personal regards. Sincerely, (Signed) Robert S. McNamara Robert S. McMamara His Excellency Bulent Ecevit Prime Minister Republic of Turkey Office of the Prime Minister Basbaksnlik Ankara, Turkey. Enclosure cc: Messrs. Knapp, Chenery, Baum, Knox, Dubey, Bart (o/r), de Lusignan Mr. McNamara's Office (2) cc: Messrs. de Groote, Executive Director; Bilget, Alternate Exec. Dir.; Guven, Embassy of Turkey. MTBaig:bb April 18, 1978

April 18, 1978

His Excellency Ziya Muezzinoglu Minister of Finance Ministry of Finance Ankara, Turkey.

Dear Mr. Minister:

The discussions which my associates and I have had with yourself and members of your Government in the last few days have been extremely interesting and fruitful. I should like to thank you and, through you, each of the Ministers we met, for the time which was devoted to explaining the problems of their sectors to our delegation. It was a particular privilege to meet so extensively with the Prime Minister, to whom I am writing separately to thank him for his interest.

Our discussions covered a number of issues of mutual interest and I should like to record my understanding of the matters raised by your Government and to restate the responses which we were able to give you on behalf of the Bank.

It seems to me that, at this time the Turkish Government seeks the cooperation of the Bank on three different issues. First, you have asked that the Bank increase its lending to Turkey with a view to doubling the volume of commitments within the foreseeable future. Second, you have stressed the importance to Turkey at the present juncture of a quick-disbursing program loan to finance essential imports which the country urgently needs. Third, you have suggested that the Bank cooperate with you in finding ways to speed up the disbursements on existing loans, of which \$700 million are still undisbursed.

We were able to give you a positive reaction on each of these points, while pointing out some of the hurdles which we will jointly have to overcome on some of them, bearing in mind the Bank's Articles of Agreement and its basic procedures. Let me deal with each one of these points in turn.

We are in full agreement with the point made by the Turkish Covernment that the scale of World Bank loan commitments to Turkey has been relatively low, when compared to other countries of similar size, potential and development and we are prepared to work with your

competent authorities to prepare the sectoral and technical studies relating to the pipeline of new projects which will allow for an expansion of Bank lending on the scale which you desire. It is my understanding that you desire an early start of such preparations and that you wish our experts to undertake the necessary work, in cooperation with the Ministry of State for Economic Coordination, the Ministry of Finance, the SPO and other Ministries, as appropriate, in accordance with the coordinating mechanism which has been outlined by you.

With regard to your request for a program lean, you are aware that the Bank's Articles prohibit such loans unless "exceptional circumstances" can be clearly demonstrated. In the light of our conversations, I believe it can be demonstrated that such "exceptional circumstances" do exist in the case of Turkey; however, for the purposes of obtaining approval of our Board for such a loan, a number of arguments would have to be made for such a case to be successful and persuasive. Invariably, Bank program loans have been predicated on the existence of a country's sound development plan. I have understood from you that it is a Turkish constitutional requirement to undertake economic and social development within the framework of long-term plans, that a new plan is under active preparation and due to be completed this fall, and that it contains the policies and measures which will pave the way for a gradual disappearance of these "exceptional circumstances". The plan will be the basis for this loan and also the basis for a general expansion of Bank lending and we should be happy to discuss it with your authorities at a time and in a manner which you deem appropriate. I was particularly sensitive to the argument that an early import loan would help to provide raw materials, without which many plants are now working below capacity. I have noted with interest your statement that such a loan would: (i) support a strong drive towards exports: (ii) supplement additional external financing; and (111) be used both for public sector and export-oriented private enterprises. It is these points which would form the essential basis for my proposal to our Board on such a loan, and we have agreed to send an early economic and technical mission to Ankara to prepare, with the help of your authorities, the necessary data which will support the proposal.

On the third point which was reised, we agree with you on the urgency, for both sides, of examining the many projects which have been financed in the past where the loan disbursements have been slow, or there has been no disbursement. We agree with you that a suitable procedure might be for the Turkish authorities to examine urgently, each individual project where problems have arisen, to identify where the problem lies and decide on solutions to the matter. In particular, and wherever needed, a new and accelerated disbursement schedule should

be agreed by both sides, which can be regularly monitored subsequently. When the Turkish authorities have completed this examination, senior members of the Bank would be available to discuss with you any matters relating to possible Bank actions such as amendments or cancellations of loan agreements that may become necessary in the light of your examination. It became quite clear to me during our discussions, that the new Turkish Government is as concerned as the Bank by the continued accumulation of unspent funds, which, on the one hand, deprives your economy of badly needed foreign exchange and on the other, would make it exceedingly difficult for me, for obvious reasons, to propose the expansion of Bank commitments which we both desire and the recommendation on an import loan which is so urgent. We are therefore at your disposal for any assistance we can offer for an early solution of this problem.

During the seriod of expansion of our cooperation, we have noted your wish that our regular consultations should continue as before. We agree with your proposal that the Problem Projects Review, carried out twice a year since 1975, should result in conclusions at the decision-making level, so as to lead to immediate corrective actions, where needed. We also accept with pleasure your Government's expressed intention to invite Bank missions to Turkey once every year to exchange views on current and future activities and also for the purpose of updating the Bank's knowledge on the Turkish economy.

Let me, once again, Mr. Minister thank you and your colleagues and associates for the very warm hospitality which we have received during our stay in your country.

With warm regards.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

ec: His Excellency
Bulent Ecevit
Prime Minister
Republic of Turkey.

His Excellency Hikmet Cetin Minister of State for Economic Coordination Aukara, Turkey.

cc: Messrs. Knapp, Chenery, Baum, Knox, Dubey, Bart Mr. McNamara's Office (2)

MPBenjenk/AJDavar:bb April 17, 1978

cc: Messrs. de Groote, Executive Director; Bilget, Alternate Exec. Dir.;
Guven. Wmbassy of Turkey.

APR 18 1918]

Dear Mr. Cordovez:

I have just learned that the Secretary-General has announced your appointment as Assistant Secretary-General, responsible for the new Office of Secretariat Services, Economic and Social Matters, as a step in the restructuring of the U.N. Secretariat. It is good to know that you will continue to be closely associated with aspects of U.N. activity which are of concern to the World Bank. I join my colleagues, many of whom are also your colleagues, in congratulating you and wishing you well.

Sincerely.

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. Diego Cordovez
Assistant Secretary-Ceneral
Office of Secretariat Services,
Economic and Social Matters
United Nations
New York, New York 10017

April 18, 1978

SEBoskey/rob

18 1978

HIS ROYAL HIGHNESS PRINCE FAHD IBN ABDULAZIZ AL-FAISAL AL-SAUD, CROWN PRINCE AND FIRST DEPUTY PRINE MINISTER THE KING'S PALACE, RIYADH, SAUDI ARABIA IT WAS WITH REAL PLEASURE AND GRATIFICATION THAT EYE RECEIVED INFORMATION OF THE KINGDOM'S DECISION TO INCREASE ITS CONTRIBUTION TO IDA V REPLENISHMENT FROM USS EQUIVALENT 250 MILLION TO 350 MILLION STOP SUCH AN INCREASE IS IN LINE WITH THE TRADITIONAL GENEROSITY OF YOUR COUNTRY, YOUR COMPASSION FOR THE POOR AND YOUR STATESMANLIKE AWARENESS OF THE INTERBE DEPENDENCE OF THE WORLD COMMUNITY STOP WE IN THE WORLD BANK WILL CONTINUE TO STRIVE IN OUR ENDEAVOUR TO ASSIST IN THE ECONOMIC DEVELOPMENT PROCESS OF DEVELOPING COUNTRIES STOP WE HOPE THAT OUR MODEST EFFORTS IN THIS FIELD IN THE KINGDOM WILL PROVE HELPFUL TO YOUR GOVERNMENT IN CARRYING OUT ITS AMBITMOUS ECONOMIC DEVELOPMENT PROGRAM STOP WITH MANY THANKS AND WARM REGARDS, ROBERT S. MCNAMARA, PRESIDENT, INTBAFRAD

(Signed) Robert S. McNamara

SAUDI ARABIA: Contribution to IDA V

cleared in substance with Mr. Cargill c.c. Messrs. Benjenk Nurick Paiimans SELFishawy/as April 14,1978 Robert S.McNamara

President

18 18/19/3/5/11/4

HIS EXCELLENCY SHEIKH MOHAMMED ABALKHAIL, MINISTER OF FINANCE
AND NATIONAL ECONOMY, RIYADH, SAUDI ARABIA
IT WAS WITH REAL PLEASURE AND GRATIFICATION THAT I RECEIVED
INFORMATION OF THE KINGDOM'S DECISION TO INCREASE ITS
CONTRIBUTION TO IDA FIVE REPLENISHMENT FROM USS EQUIVALENT
250 MILLION TO 350 MILLION.STOP SUCH AN INCREASE IS IN LINE
WITH THE TRADITIONAL GENEROSITY OF THE KINGDOM, ITS COMPASSION
FOR THE POOR, ITS AMARENESS OF THE INTERDEPENDENCE OF THE
WORLD COMMUNITY AND WILL PUT SAUDI ARABIA IN ITS PROPER
POSITION AMONG THE COUNTRIES CONTRIBUTING TO IDA REPLENISHMENT
STOP I AM QUITE COGNIZANT OF THE IMPORTANT ROLE YOU PERSONALLY
PLAYED IN ACHIEVING THIS RESULT STOP MANY TMANKS AND WARM
REGARDS, I.P.M. CARGILL, VICE PRESIDENT, FINANCE, INTBAFRAD

(Signed) Robert S. McNamara

SAUDI ARABIA: Contribution to IDA V

c.c.Messrs.Benjenk Nurick Paijmans SELFishawy/as April 15,1978 I.P.M. Cargill I.P.M. Cargill V.P. Finance

493/5/113 April 17, 1978 MEMORANDUM FOR MR. CARGILL Japan and the U. S. are discussing the possibility of Japanese co-financing of IBRD loans and IDA credits. They were interested in a preliminary estimate of the amount of such cofinancing which the Bank could absorb. I stated I believed we could absorb \$500 million in the first 12 months, \$750 million in the second, and one billion in the third. RMeN RMcN: bmm cc: Mr. Knapp Mr. Stern

April 6, 1978

Dear Johannes:

I am a little concerned that arrangements for a concert or other event such as you and I have been co-hosting every year during the Annual Meetings have not yet been finalized for September 1978. I believe that the two institutions have a hold on the Kennedy Center Concert Hall for the night of Monday, September 25. I think we should now lose no time in securing a firm commitment for the National Symphony Orchestra for that night and make every endeavor to arrange that Rostropovich should be the conductor. Would such an arrangement be agreeable to you? If so, I shall advise Mr. Damry accordingly and suggest the two Secretaries proceed to take further action without delay.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. Johannes Witteveen Managing Director International Monetary Fund Washington, D.C.

493/5/111 April 6, 1978 MEMORANDUM TO MR. WARREN C. BAUM CPS's Advisory and Functional Control Work I have CPS's budget requests for FY79 and believe that for the time being I should accept Mr. Cargill's and P & B's recommendations that there should be no increase in the resources devoted to CPS's advisory and functional control work. I have noted your concern that CPS needs additional resources properly to carry out its functional control responsibility and have asked OPD and P & B to work with you to review the basic approach and procedures now used by CPS in the exercise of its functional control mandate. I would expect that such a study could be completed in about 2-3 months and suggest that it be started approximately July 1. (Signed) Robert S. McNamara Robert S. McNamara cc: Messrs. Knapp Cargill Kearns

493/5/108 April 5, 1978 MEMORANDUM FOR MR. CHENERY I hope during the next three weeks you will be able to devote a considerable portion of your time to thinking of how we should organize for next year's World Development Report and what the main themes of such a report should be. Please arrange for a meeting on this subject with Ernie and me before May 1. RMON 5 Robert S. McNamara RMcN:mss cc: Mr. Stern

THE WORLD BANK Washington, D.C. 20433 U.S.A. 493/5/107

Office of the President

April 4, 1978

MEMORANDUM FOR THE PRESIDENT'S COUNCIL

I will be away from the office from Friday, April 7 through Friday, April 14 and Mr. Knapp will be away during that same period.

In accordance with the standing precedence order published in the Organizational Manual, when both Mr. Knapp and I are away, Mr. Cargill is in charge of the Bank and, in my absence, Mr. Qureshi is in charge of the Corporation.

forts No Nomm

493/5/106 April 3, 1978 MEMORANDUM FOR MR. KAFKA I continue to hear, third-hand, allegations that Bank staff are delaying the work of the Kafka Committee. I am sure you know that I share the desires of the Executive Directors of the Bank that the Committee and its consultants complete their work in the shortest possible time, consistent with a thoroughly professional job. Therefore, may I depend on you to bring to my personal attention any indication of action or inaction by staff of the Bank which in any way interferes with achievement of that objective. Robert S. McNamara cc: Mr. Al-Atrash Mr. Cross Mr. Drake Mr. Razafindrabe Mr. Ryrie Dr. Sen Mr. Wahl Mr. Amjad Ali Mr. R. de Oliveira Campos Mr. Pascal Frachaux Mr. Armin Gutowski Mr. Claude Isbister Hewitt Associates (Mr. Guthman) Mr. Chadenet bcc: Mr. Fried

APR 3 1978

Dear Tun Mohamed Suffian:

Thank you very much for sending me information on some of the Malaysian organizations and institutions to which I might donate the grant that accompanies the Tun Abdul Razak Foundation award.

After considering the various possibilities, I have concluded it would be most appropriate to donate the money to Malaysia's National Family Planning Board. I am encouraged by Malaysia's determined effort to strengthen its family planning program and am pleased by your country's outstanding success in reducing fertility rates. I would hope this grant could be used by the National Family Planning Board to help support new initiatives in the field.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Tun Mohamed Suffian Chairman, Board of Trustees Tun Razak Foundation Lord President's Chambers Federal Court Kuala Lumpur, Malaysia

TSwayze:ad March 28, 1978

cc: Messrs. Husain, Please (o/r)
Ms. Husain

APR 3 1978

Dear Ms. Owen:

Your term as a member of the Pension Benefits Administration Committee is about to expire. Pursuant to Section 7.9 of the Staff Retirement Plan, as amended through March 15, 1978, I should like to reappoint you, upon nomination of the Staff Association, to an additional one year term, effective immediately.

If you are willing to accept this appointment, please sign the attached copy of this letter, where indicated, and send it to Mr. Bernard Holland, the Secretary of the Pension Benefits Administration Committee.

Sincerely,

(Signed) Robert S. McNamara
Robert S. McNamara

Ms. Raquel Owen 4737 Exeter Street Annandale, Virginia 22003

Accepted:	
Date:	

APR 3 1978

Dear Mr. Saxe:

Your term as a member of the Pension Finance Committee is about to expire. Pursuant to Section 7.9 of the Staff Retirement Plan, as amended through March 15, 1978, I should like to reappoint you, upon nomination of the Staff Association, to an additional one year term, effective immediately.

If you are willing to accept this appointment, please sign the attached copy of this letter, where indicated, and send it to Mr. Bernard Holland, the Secretary of the Pension Finance Committee.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. Jo W. Saxe 1524 31st Street, N.W. Washington, D.C. 20007

Accepted: _					
Date:					

APR 3 1978

Dear Mr. Ruberl:

Your term as a member of the Pension Benefits Administration Committee is about to expire. Pursuant to Section 7.9 of the Staff Retirement Plan, as amended through March 15, 1978, I should like to reappoint you, upon nomination of the Staff Association, to an additional one year term, effective immediately.

If you are willing to accept this appointment, please sign the attached copy of this letter, where indicated, and send it to Mr. Bernard Holland, the Secretary of the Pension Benefits Administration Committee.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. Franco Ruberl 10405 Great Arbor Drive Potomac, Maryland 20859

Accepted:		
Date:		

APR 3 1978

Dear Mr. Faltas:

Your term as a member of the Pension Finance Committee is about to expire. Pursuant to Section 7.9 of the Staff Retirement Plan, as amended through March 15, 1978, I should like to reappoint you, upon nomination of the Staff Association, to an additional one year term, effective immediately.

If you are willing to accept this appointment, please sign the attached copy of this letter, where indicated, and send it to Mr. Bernard Holland, the Secretary of the Pension Finance Committee.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. Nabil C. Faltas 1696 Chimney House Road Reston, Virginia 22090

Accepted:		1	
Date:			

MAR 3 1 1918

The Honorable Charles McC. Mathias United States Senate Washington, D.C. 20510

Dear Mac:

This is to reply to your letter of March 2 in which you sent me, for comments, a copy of the Johns Hopkins study of a possible water development scheme for the North Sinai-Gaza Region.

We have looked at the study from the technical and economic aspects: we appreciate of course that your proposal was made with wider, strategic ends in view. However, it is only by economic criteria that we in the World Bank could meaningfully assess it.

The study has been looked at against the background of a detailed analysis made by the World Bank a few years ago of two other schemes for the irrigation of the Sinai. One proposal concerned the irrigation of 100,000 acres using desalinated sea water; the cost per acre of land was estimated at \$8,000. The other aimed at the irrigation of 750,000 acres using water pumped from the Nile by means of a nuclear-powered system; its unit cost was \$15,000. In both cases the cost was deemed too high for the project to meet the Bank's economic return criteria.

The proposal studied by the Johns Hopkins University is up against the same obstacle. The estimated cost per acre would be \$8,000 even for the most economical alternative presented in the study, the Cairo-Rafah route. Under such conditions, the project could yield a positive rate of return only if a high enough valued crop - such as citrus fruit - was produced. Regrettably, world marketing prospects for a significant quantity of citrus fruit production are not encouraging. But even assuming that a high-valued and marketable crop could be found, the fact that it would take 8 to 10 years to prepare the land end bring the orchard up to full production would make the returns of the project very low, and perhaps even negative. Consideration of possible benefits from the project's power component do not seem to alter this conclusion. In sum, it would be difficult to justify the project on economic grounds since it would require capital at no interest and either require heavily subsidized energy and water inputs (the desalination alternative) or involve use of Nile water, transported over vast distances, for which there are many higher returns. Also, the marketing aspects are rather worrying.

The Honorable Charles McC. Mathias

More practical prospects for using the Nile water are offered by the development of currently uncultivated areas closer to the Nile delta, where there are good soils that could be irrigated and developed at a lower cost. In any case, to some extent Egypt would get a higher rate of return on a given agricultural investment by concentrating on the improvement of the currently cultivated lands rather than opening up new areas, although undoubtedly that is a long-run necessity. In this perspective, the development of North Sinai could not be deemed of high priority for solving Egypt's agricultural problems.

You may be interested in knowing that the Bank is Executing Agency for a UNDP-financed study aimed at the formulation of a Master Plan for the Development of Water Resources and Uses in Egypt. Over the next two years the study will explore in detail all reasonable alternatives in this sector, estimate costs and returns for different proposals and therefore permit a more precise assessment of Egypt's investment priorities. The Johns Hopkins study provides substantive material for this vast research aimed at solving one of the most serious problems people in that area are facing.

Should any of your staff wish to discuss this matter in greater detail, our project and country staff would be pleased to do so.

With all good wishes.

Sincerely.

(Signed) Robert S. McNamara

Robert S. McMamara

VMasoni/SEBoskey/PJBlay:az

Cleared with and cc: Mr. Köpp, Mr. Naylor, Mrs. Boskey cc: Mr. Paijmans, Mr. Hotes, Mr. Haynes

March 29, 1978

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	CLEARANCES AND COPY DISTRIBUTION: cc: Mr. Knapp Mr. Sella Mr. Yudelman		SEBoskey/rob AUTHORIZED BY (Nar Robert S. Mcl DEPARTMENT: President SECTION BEEC	ne and Signature):	E SECTION .

493/5 197 MAR 3 1 1978 Dear Secretary-General: I sent you today a message to London to express my regret that the necessity for my remaining in Washington for an Executive Directors' secting on April 4 would preclude my participation in the ACC meeting. I had intended to take part in this peeting, particularly since its timing and situs were compatible with a visit I am about to make to Turkey. Mowever, it became necessary to postpone to next Tuesday discussion of a subject scheduled for an earlier Directors' meeting, and when I tell you that the subject is staff compensation, you will understand that I felt I could not be absent. Mr. William Clark, Vice President, External Relations, will, I am sure, have ably represented the Bank and will give me a full report on the weeting. With kind regards, Sincerely, (Signed) Robert S. McNamara Robert S. McMamara Mr. Kurt Waldheim Secretary-General United Nations New York, New York 10017 March 30, 1978 SEBoskey/rob

493/5/96 March 27, 1978 OFFICE OF THE PRESIDENT Excellency: The International Bank for Reconstruction and Development proposes to borrow the principal amount of Yen 30,000,000,000 from The Bank of Japan by the issuance of one Obligation denominated in Japanese yen. The borrowing would have a term of 6-1/2 years. The interest rate has not yet been determined. The Government of Japan is hereby requested, in accordance with Section 1(b) of Article IV of the Articles of Agreement of the Bank, to approve the borrowing by the Bank from The Bank of Japan of Yen 30,000,000,000. The Government of Japan is further requested to agree, pursuant to the same provision of the Articles of Agreement, that the proceeds of such borrowing may be exchanged for the currency of any other member of the Bank without restriction. Sincerely, (Signed) Robert S. McNamara Robert S. McNamara His Excellency Tatsuo Murayama Minister of Finance Ministry of Finance Tokyo, Japan cc: Mr. Susumu Murayama, Executive Director Cleared with and cc: Mr. H. Scott, Assistant General Counsel cc: for Mr. McNamara's office (2) Mr. Cargill, Vice President, Finance Mr. Rotberg, Vice President and Treasurer Mr. Maeda, Director, Tokyo Office Mr. Gray, Deputy Chief, Accounting Division Mr. Deely/Sec. Div./Yen Bonds #23 REDeely:1s MAR 2 3 1978

493/5/95 MAR 27 1978 OFFICE OF THE PRESIDENT Dear Dr. Zijlstra: Thank you very much for your invitation to the Annual General Meeting of the Bank for International Settlements. I regret, because of prior commitments, that I will be unable to attend this year's meeting. However, it would be most appreciated if you might extend an invitation to Mr. I.P.M. Cargill, Vice President-Finance, and Mr. Eugene H. Rotberg, Vice President and Treasurer who would attend the meetings as representatives of the World Bank, Kindest personal regards. Sincerely, (Signed) Robert S. McNamara Robert S. McNamara Dr. J. Zijlstra President Bank for International Settlements Postfach 262, CH-4002 Basle, Switzerland EHRotberg:ccc March 23, 1978

cc: Mr. McNamara's office

4013/5 194

MAR 2 1 1978

His Excellency Dr. Ibrahim Mustafa Badran Minister of Health Magless El Umma Street Garden City Cairo, Egypt

Dear Dr. Badran:

EGYPT - Second Population Project

It was with great pleasure that I received your letter of February 25 on the above project. It is most encouraging to know that your own dedicated efforts and the hard work of your Ministry and our staff have led to such a promising situation. The appraisal mission is now starting to prepare its report, for review within the Bank.

I share your desire that the process of drafting and reviewing the report and legal documents move as quickly as possible, and I am asking our staff to make every effort to that effect. It would be most unfortunate if the momentum built up were allowed to lapse. We therefore hope to work on a schedule which would allow signing the proposed credit in about six months.

In any case, the months between now and effectiveness of the proposed credit do not represent wasted time. As I understand the mission discussed with you and your staff, a great deal of work needs to be carried out immediately so that the different components can be made ready to implement as soon as possible. For example, sites for buildings need to be identified and acquired, designs for buildings need to be made, staff and consultants need to be appointed, and materials need to be designed and produced for the home visiting and IEC programs. There is no reason why this urgent work should not start immediately. We expect to be able to make an advance to your Government under the Project Preparation Facility, to contribute to its financing. The details of the proposed advance are being worked out, and my colleagues will be in touch with you in the near future.

May I once more assure you that we will make every effort, bearing in mind the high priority of Egypt's population program, but also taking into account the urgent needs of other countries and projects, to speed project processing and review. We do not believe that our necessary review procedures will delay implementation of the project.

In view of his interest in the subject, I am sending a copy of this letter to His Excellency Dr. Hamed El Sayeh.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Cleared with & cc: Messrs. Paijmans, Haynes, Messenger, Ranganathan, Köpp, Lethem

cc: Messrs. Kanagaratnam o/r, Krishna Dr. El Naggar

PJBlay:bp March 17, 1978

cc: for Mr. McNamara's office

MAR 2 1 1978

Brig. Moses Ali, DSG, MC (PSC) Minister for Finance Ministry of Finance P. O. Bex 103 Entebbe, Uganda

Dear Minister Ali:

Thank you very much for your letter dated December 22, 1977. I regret very much that I was not able to have a meeting with you during the last Annual Meetings in Washington. Mr. Knapp told me about your meeting with him and subsequently Mr. Wapenhans reported to me about your visit to Washington in early December to finalize the EAC mediation arrangements.

As Messrs. Knapp and Mapenhans have explained to you, even though there have been no new commitments to Uganda in recent years, the Bank Group has centinued to support economic development of Uganda. Two projects financed by IDA (the Second Righway Project and the Second Education Project) are still under implementation. I am sure you know that the Closing Dates for these two projects have just been postponed, allowing disbursements to continue. Two Bank Leans made available to the SADD in June 1972 and February 1976 are being used partly for investments in Uganda. Furthermore, the Bank continues to act as the executing agency for the UNDP to provide technical assistance in strengthening the planning capacity of your Government. My staff have reported to me that recently, substantial progress has been made in staffing this planning project.

It is true that since 1972 the Bank Group has not entered into any new commitments to Uganda. As you know, any financial assistance from the Bank Group to a member country has to be considered within the context of the overall development program of the country. As you pointed out in your letter, since the expulsion of the non-citizens from Uganda in 1972, there have been disruptions and breakdowns in Uganda's conserce, international trade, industrial and agricultural production and in maintenance of infrastructure service. These made it impossible in our view for the Bank Group to provide financial assistance which could achieve an effective economic development impact. Against this background, the Bank

has accepted the role of executing agency for the UNDP economic planning assistance team precisely in order to help that rational investment programs be formulated as a necessary prerequisite among others to the effective use of external financial assistance.

A tripartite review of the planning assistance project will be held in Kampala in April. I look forward to receiving the report of that review meeting.

The question of compensation for expropriated assets is another factor which has prevented us from lending to Uganda. The Bank Group's policy regarding compensation for expropriation requires a member country to take reasonable steps to settle compensation issues with the previous owners of expropriated properties. My staff have reported to me on the actions taken to date by your government in this matter. I hope that your government can overcome the difficulties relating to the remaining unsettled claims.

Let me extend my thanks to you for the cooperation the Government of Uganda has given in resolving the issues concerning the difficult EAC matters.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

WAWapenhans/MWiehen/SO'Brien/PCLoh/ebb March 16, 1978

cc: for Mr. McNamara's Office

THE WORLD BANK Washington, D.C. 20433 U.S.A. Office of the President March 20, 1978 MEMORANDUM TO MESSRS. CLARK AND CHENERY I have read Mr. Frost's report on improvements in the publications program. While it contains many good ideas, I'm not persuaded that another subcommittee will take us very far. I have therefore asked OPD to provide us with some organizational options for an improved publications program by June 30. But 5. Natur cc: Mr. Kearns

March 17, 1978

Lt. Col. Mengistu Haile Mariam Chairman Provisional Military Government of Socialist Ethiopia Addis Ababa, Ethiopia

Excellency:

The World Bank has for many years now been assisting Ethiopia's economic development through the financing of projects in many fields. The Bank is deeply conscious of Ethiopia's development needs, as one of the world's least developed countries, facing pressing and intractable problems of food supply, shortages of skilled and trained manpower, finance and infrastructure. We recognize in your Government's actions in recent years a commitment and determination to deal with these great problems, despite the many difficulties which you face; and we wish to continue supporting your efforts to the greatest extent possible.

Regrettably, it has not been possible to continue the earlier momentum of our support under the difficult circumstances your country has faced since mid-1977. In particular, the interruption of communications on the Addis-Ababa-Djibouti railway in June 1977 and the uncertain prospect of implementing the Grain Storage and Marketing Project successfully led us, with the greatest reluctance, to postpone consideration of an IDA Credit of \$24 million for this Project.

I am pleased to inform you that, following a Bank staff mission to Ethiopia in December 1977 and a careful review in the Bank of the current situation, we are now planning to proceed with the Grain Storage and Marketing Project and submit it to the Board at an early date. While Ethiopia continues to face difficulties, the Bank believes that this project can be implemented successfully, given the high priority which your Government clearly attaches to it. It is our earnest hope that the Bank will be able to make further assistance available to Ethiopia in the near future.

There is, however, a troublesome problem that I feel bound to bring to your attention. As you may know, it is the general policy of the World Bank to satisfy itself that serious efforts are being made to resolve compensation disputes which have arisen among Bank member countries. We are fully aware that the Ethiopian Government's policy, as expressed in the various nationalization proclamations in 1975, is to pay fair compensation and that it therefore established the Compensation Commission in December 1975. Since that time, however, as far as we are aware, no substantial negotiations with claimants have commenced. As a result, the Bank has received pressing inquiries

with increasing frequency from member governments about the progress of the compensation issue in Ethiopia. While the Bank has no desire to enter into the details of the particular settlements, we are greatly concerned to establish that efforts are being made by your Government to resolve such disputes in a fair and expeditious manner.

We expect that the compensation issue will be raised at the Bank's Board when the Grain Storage and Marketing Project is considered. It would greatly assist the deliberations of the Board on that occasion if we could advise the Board that the Commission will expedite its work and commence negotiations with claimants in a timely manner. To assist in your understanding of this subject, I have asked Mr. Timothy Thahane, your Executive Director at the World Bank, to present this letter to you personally.

In conclusion, I would like to repeat that the World Bank stands prepared to assist Ethiopia's future development and to confront, with your Government, the many pressing economic challenges your country faces. I remain convinced that, with an intensified dialogue on your country's development problems and prospects, and continuing efforts to remove obstacles such as the compensation issue, there will be a basis on which the Bank's assistance can continue and expand.

Please accept, your Excellency, the assurances of my highest consideration.

Sincerely,

(Signed) Robert S. McNamara

Cleared with & cc: Mr. Knapp

cc: Mr. Qureshi

Mr. Adler

Mr. Sella

Mr. Thahane

cc: Mr. McNamara's Office (2)

RLiebenthal/KMyint/AGue/WAWapenhans/JBKnapp/RMcN;mss

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ITY/C	OUNTRY	PROVISIONAL MILITARY GOVERNMENT OF SOCIAL	IST ETHIOPIA	
	MESSAGE IO.:	ADDIS ABABA, ETHIOPIA		
4	N.	PLEASED TO INFORM YOUR EXCELLENCY THAT EY	E PLAN TO SUBMIT	
5		CREDIT FOR GRAIN STORAGE PROJECT IN THE A	MOUNT OF DOLLARS	
. 6		24 MILLION TO OUR BOARD OF EXECUTIVE DIRE	CTORS FOR THEIR	
7		CONSIDERATION AT AN EARLY DATE. IN SUPPO	RTING CASE FOR THIS	
8		CREDIT IT WOULD BE MOST HELPFUL IF PROGRE	SS MADE ON	
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10		HAVE THEREFORE ASKED YOUR EXECUTIVE DIREC	TOR THAHANE TO VISIT	
- 11		YOU TO PRESENT AND DISCUSS WITH YOU A PER	SONAL LETTER FROM ME	
12		ON THIS MATTER. EXPECT THAHANE TO ARRIVE	ADDIS MORNING OF	
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		cc: Mr. McNamara	W. A. Wapenhans	o Muchous
	.,	Mr. Knapp		(5 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0
		Mr. Thahane	Regional Vice Preside	E DECARLE SECTION TICE

493/5/87 MAR 1 6 1978 Dear Maurice: Thank you for your letter of February 27 regarding the IUCN's proposal to establish an international non-profit organization to provide professional services in the field of natural resources management, including environmental impact assessments. I am pleased to learn that Jim Lee and others in his office have been consulting with your people on this matter; thus, they have been fully briefed on the Bank's view of this undertaking. Many of our borrowers in the developing countries should welcome the establishment of such an organization for it would provide a means whereby they could obtain expert advice on their environmental problems and needs. I think we in the Bank are prepared in principle to try out such a mechanism when it materializes depending, of course, on what the organization is prepared to do, at what cost, and on what sort of timetable. I have asked Jim Lee to keep me informed of developments. Sincerely. (Signed) Robert S. McNamara Robert S. McNamara Mr. Maurice Strong International Union for the Conservation of Nature and Natural Resources 1110 Morges SWITZERLAND JALee: on

March 16, 1978

Dear Secretary-General:

Thank you so much for your invitation to lunch when I am in London for the A.C.C. Unfortunately I cannot be in England, but I look forward to seeing you at the Tidewater Meeting at the weekend.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Sir Shridath Ramphal Secretary-General Commonwealth Secretariat Marlborough House Pall, Mall, London SW1Y 5HX England

MAR 15 1978

Dear Jarvis:

In your letter of February 17, you indicate your interest in obtaining two invitations for American Security Bank to attend our Annual Meetings this year.

I have had the matter carefully examined. Unfortunately, we are under great pressure to keep attendance at the Meetings within manageable proportions. For that reason (and contrary to your understanding), Riggs National Bank receives only one invitation. We similarly extended to Carleton an invitation to attend our 1977 Annual Meetings or to send a senior associate in his place, and expect to do so again this year. In addition, I should be happy to arrange to have a "Visitor" badge for you this year which would enable you to attend all of the Plenary Meetings after the Opening Session, and to have free access to the Delegations' offices.

With warm personal regards,

Sincerely,

(Signed) Tolert S. McNamara

Robert S. McNamara

Mr. W. Jarvis Moody, President American Security Bank 15th Street & Pennsylvania Avenue, N.W. Washington, D. C. 20013

CVBaber/PNDamry/RSMcNamara:mlb March 14,1978

cc: Mr. McNamara's Office (2)

493/5 184 MAR 1 7 1978 Bear Mr. Ambassador: I write to congratulate you on your appointment as Director-General for Development and International Economic Cooperation, and to extend to you the warm good wishes of my colleagues in the World Bank, many of whom are known to you. We all look forward to working with you. You may be sure that we shall offer you our fullest cooperation. Sincerely, (Signo") Robert S. McNamara Robert S. McMamara Ambassador Kenneth Dadzie Director-General for Development

and International Economic Cooperation United Nationa New York, New York 10017

March 14, 1978

SEBoskey/rob

MAR 13 1979

Excellency:

I would like to thank you for your letter dated January 16, 1978 and acknowledge receipt of the "Power of Attorney" enclosed therein, issued by His Royal Highness King Khalid Ibn Abdulaziz Al Saud to the Minister of Finance and National Economy.

All of the Bank's appropriate departments have taken note of said "Power of Attorney" and will act accordingly.

With best personal regards,

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

His Excellency Sheikh Mohammed Abalkhail Minister of Finance and National Economy Riyadh, Saudi Arabia

cc: Messrs. Nurick (w/incoming docs)
Rotberg (" " ")
Hattori (" " ")

SElFishawy/rh March 10, 1978

1 0 1978

Au Citoyen Président Fondateur Mobutu Sese Seko Kuku Ngbendu Wa Za Banga Président de la République du Zaïre Kinshasa, Zaïre

Citoyen Président Fondateur,

J'ai été extrêmement heureux de recevoir la visite du Commissaire d'Etat aux Affaires Etrangères, le Citoyen Umba, du Commissaire d'Etat au Plan, le Citoyen Mulumba, et de l'Ambassadeur du Zaïre, le Citoyen Kasongo, qui m'ont exposé les grandes lignes du plan de redressement économique du Zaïre, le "Plan Mobutu". Je me félicite particulièrement de la place prépondérante accordée à l'agriculture et aux transports et de l'inscription au Plan d'um nouvel accord de stabilisation avec le Fonds Monétaire International.

Le Citoyen Umba m'a en outre remis vos deux lettres datées des 20 et 25 février par lesquelles vous demandez, d'une part, que la Banque Mondiale prête son appui à votre programme de redressement et, d'autre part, que la Banque concoure à la gestion de l'assistance multilatérale que le Zaïre pourra recevoir de ses différentes sources d'aide.

Comme je l'ai dit à vos représentants, la Banque est favorable, sur la base des informations actuellement disponibles, aux objectifs du programme de redressement et elle est disposée à assister à la réunion qui doit avoir lieu sous l'égide du Gouvernement belge pour étudier votre Plan. Pour ce qui est du rôle que vous demandez à la Banque de jouer dans l'application du Plan, il nous sera nécessaire d'examiner le document qui doit être publié prochainement en vue de déterminer la manière exacte dont pourra s'articuler l'action de la Banque.

Au Citoyen Président Fondateur Mobutu Sese Seko Kuku Ngbendu Wa Za Banga

Je tiens à vous assurer, Citoyen Président Fondateur, que la Banque est prête à aider le Zaïre à exécuter un programme de redressement économique réaliste et bien conçu. Dès que nous aurons eu la possibilité d'étudier le Plan, nous continuerons nos consultations avec vos représentants.

Veuillez agréer, Citoyen Président Fondateur, ma très haute considération.

(Signed) Robert S. McNamara

Robert S. McNamara

SSchott:mfb

cc: Messrs. Knapp

Wapenhans

Gué

Razafindrabe

cc: for Mr. McNamara's Office

493/5/80 March 6, 1978 MEMORANDUM FOR MR. BAUM A few rural development projects (Mexico, Brazil, Tanzania) are coming up for mid-term review by CPS. Further to last week's PC discussion, do you think that a mid-term review--by CPS and the Regions--of a batch of rural development projects could be used to (i) address the specific issues involved in quantifying targets of new-style projects, and (ii) produce early evidence on our performance in meeting these targets for a number of projects and countries? Robert S. McNamara CKW:m1

March 6, 1978

Memorandum for Mr. Raum

Upon reflection I am inclined to believe that the problem of the use of aggregated data--which we discussed at the last President's Council meeting--resides not so much in the procedures of aggregation but in the preparation of data for the appraisal reports on new-style projects. If you agree, I would therefore like to ask you to focus your attention on the problems--as identified by CPS and perceived by staff--of quantifying project objectives such as target beneficiaries, employment creation, increases in productivity and incomes, as well as of estimating economic rates of return of poverty-oriented projects. A further discussion of the subject should then be scheduled for the President's Council at an early date.

Robert S. McNamara

CKW:m1

493/5 /48

General M. Zia-ul-Haq
Head of the Government of
the Islamic Republic of
Pakistan
Islamabad, Pakistan

March 3, 1978

Dear General:

I am grateful to you for your letter of February 16, 1978, and for your kind remarks regarding the recent visits of Mr. Ernest Stern and Mr. Mahbub ul Haq to Pakistan. I am glad that you found your discussions with them useful.

I have been following with considerable interest the steps which have been taken by your Government to stabilize the economic situation and to place the Pakistan economy on a sound basis for long-term development. I am sure you are aware that, although the Government's recent measures should be helpful, more fundamental action will be required to restart the development process. I was therefore glad to learn that a new Five-Year Plan is now under preparation and particularly welcome your intention to make every effort to strengthen Pakistan's population planning program. I hope that our recent population mission was helpful to you in that respect.

I want to assure you, as Mr. Stern did, that the Bank stands ready to do everything it can to assist Pakistan in its efforts to readjust its economic policies and programs. As you no doubt appreciate, the Bank's effectiveness in assisting the various countries in its membership derives in large part from its ability, as an international organization, to draw upon expertise throughout the world and not be confined by considerations of nationality. In trying to respond to the needs of our members, we endeavor to define as specifically as possible the assistance which appears to be required in any particular instance to complement the expertise available in the country and to see how that assistance can best be provided.

As I read your letter, you appreciate our position and have in mind asking certain Pakistani nationals for their assistance as individuals and under private arrangements with your Government. We would have no objection to such an approach and assure you that we will treat sympathetically requests for leave of absence from the individuals you mention or other staff members of Pakistani nationality, who you think could be of help to you. The next step would then be for your Government directly to contact the individuals you have in mind.

I am sympathetic to your request for assistance in reorganizing the management of public sector enterprises and recognize that this is an important area which deserves urgent attention. I have asked Mr. David Hopper, Vice President of the Bank for South Asia, to discuss this matter during his upcoming visit to Pakistan with a view to establishing precisely what assistance is required and how best we may help in meeting this requirement. I look forward to receiving his report.

Sincerely,

Robert S. McNamara

cc: Messrs. Cargill
Stern
Hopper
Picciotto
Waide
Ambassador of Pakistan

RClements:MBlobel:ad March 3, 1978

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MAR 2 1976

HIS EXCELLENCY, ZIYA MUEZZINOGLU, MINISTER OF FINANCE, MALIYE BAKANLIGI, ANKARA, TURKEY.

I ACKNOWLEDGE WITH THANKS YOUR TELEXED LETTER OF FEBRUARY 23
AND AM PLEASED TO ACCEPT THE INVITATION OF THE TURKISH GOVERNMENT
TO VISIT TURKEY. THE PROPOSED ARRIVAL DATE OF APRIL 9 IS
CONVENIENT AND I LOOK FORWARD TO MEETING YOU, YOUR COLLEAGUES AND
PRIME MINISTER ECEVIT, AND VISITING PARTS OF YOUR BEAUTIFUL COUNTRY
IN THE PERIOD APRIL 10 TO 14. I HAVE ASKED MR BART TO CABLE YOU
SEPARATELY ABOUT THE FORTHCOMING MISSION OF MESSRS. DAVAR AND
POLLAN WHICH I HOPE CAN PREPARE FOR MY DISCUSSIONS.
ROBERT S. MCNAMARA, WORLD BANK.

TU: Msns.

Mr. T. Bilget, Alt. Exec. Bir. Mr. Asaf Guven, Embassy of MPBart:bb

Robert S. McNamara
Office of the President

493/5/71 OFFICE OF THE PRESIDENT March 2, 1978 Dear Chuck: Please excuse the delay in responding to your letter but I have been away from the office and your letter was awaiting me on my return. I am grateful for your report showing the underwriting participation and sales of Blyth Eastman Dillon. As you can appreciate, our lending program requires that we remain a substantial borrower in the U.S. capital markets -- probably in amounts even greater than we have offered in recent years. Accordingly, we very much need and welcome the support of major underwriters who can underwrite and place our issues. In this connection, I think it may be useful, and to our mutual benefit, if you could arrange to have one of your associates contact our Vice President and Treasurer, Eugene H. Rotberg, who is responsible for our borrowing program. I also think that it may be useful to get together, on a rather informal basis, with a selected group of Chief Executive Officers of global resource corporations - perhaps under the auspices of the BCIU if you think that is an appropriate forum. As my schedule is rather tight over the next several months, it would be appreciated if you could suggest some alternative dates well in advance. Kindest regards. Sincerely, Robert S. McNamara Mr. Charles W. Robinson Blyth Eastman Dillon & Co. Incorporated 1221 Avenue of The Americas New York, New York 10020 cc: for Mr. McNamara's office (2) EHRotberg: emk March 1, 1978

MAR 2 1978

Dear Mr. Matsuzawa:

It was a pleasure to learn from your letter of February 6 that you will assume the chairmanship of the Federation of Bankers Association of Japan and that the Fuji Bank will act as the Chairman Bank of the Association. Please accept my congratulations for the appointment to this important position.

We are, of course, well aware of the expertise of your bank and look forward to your institution serving as a commissioned bank for our next bond issues in the Japanese market.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. Takuji Matsuzawa Chairman of the Board and President The Fuji Bank, Limited 5-5 Otemachi, 1-chome Chiyoda-ku, Tokyo Japan

HCHittmair:mb
February 28, 1978
cc: For Mr. McNamara's office (2)
Mr. Maeda
Mr. Rotberg

Mr. Deely/Sec. Div. Files

3/1

493/5/68 2 1978 MAR Dear Mr. Johnston: This is to thank you for your letter of February 14, informing me that the Australian Government has generously approved an additional contribution to the Association in the amount of dollars Australian 8.2 million as part of its Special Action Program commitment. I am very grateful for this sign of Australia's continued strong support of the Association. As in the case of other countries who have made resources available in addition to their normal contribution to the Fifth Replenishment of the Association, this contribution by Australia will be the subject of a special resolution by the Executive Directors. The covering note to the Executive Directors would state that the additional Australian contribution is to be regarded as separate and distinct from Australia's normal IDA-5 contribution of dollars U.S. 146.9 million. We will send a draft of this covering note and resolution to you for approval before circulating it to the Executive Directors. The additional contribution by Australia will reduce the "unallocated amount" of the Fifth Replenishment to dollars 6 million. I have reason to hope that the remaining unallocated amount will be contributed before long. Australia's extra contribution will provide additional commitment authority for IDA over and above IDA's currently planned level of commitments under the Fifth Replenishment. I also note the wish of your Authorities that Australia's additional contribution be disbursed quickly and that cash payments would be provided, subject to annual budgetary appropriations, in three instalments of dollars Australian 2.7 million each in 1978/79 and 1979/80 and of dollars Australian 2.8 million in 1980/81. I would like to confirm that IDA will disburse the additional contribution quickly according to the schedule envisaged by your Authorities. Please convey my sincere appreciation to your Authorities when you confirm on my behalf that the Association is willing to accept these funds on the basis you have set out. Yours sincerely, (Signed) Robert S. McNamara Robert S. McNamara Mr. R.A. Johnston Executive Director The World Bank Washington, D.C.20433 Cleared with and cc: Mr. Nurick cc: Mr. McMamara (2) FVibert :plc

MAR 2 1970

Dear Halfdan:

I am pleased to enclose two copies of the document embodying the arrangements, worked out by the staff of our two organizations, under which the World Bank will serve as fiscal agent for the Tropical Diseases Research Fund. I have signed both, and would ask that one copy, also signed by you, be returned for our records.

We welcome the new opportunity for action jointly with VHO and UNDF in the interests of the developing countries which the TDR Programme will provide, and will cooperate fully with you and Brad Morse and your colleagues in our role as co-spensor.

I look forward to seeing you at the London ACC meeting in April.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McHamara

Dr. Halfdan Mabler Director-General World Health Organization 1211 Geneva 27 Switzerland

Enclosures

SEBoskey/rob

cc: Dr. Lee Mr. Delaume

Dr. O'Colmain