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THE WORLD BANK
Washington, D.C.

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McNamara Papers

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Contacts with member countries: East African Community - Correspondence 01

Contracts
East African Community (1968-1972)

Folders

DECLASSIFIED

WBG Archives

FY '78

EAST AFRICAN COMMUNITY

EAST AFRICAN COMMUNITY

1. 10/4/68 Uganda: L. Kalule-Settala, Minister of Finance
A.J.P.M. Ssentongo, Secretary to the Treasury
J.M. Mubiru, Governor, Bank of Uganda
S. Nyanzi, Adviser, Chairman, Uganda Development Corp.

Tanzania: A.H. Jamal, Minister for Finance
P. Bomani, Minister for Economic Affairs and Development Planning
J.D. Namfua, Principal Secretary, The Treasury
E.I.M. Mtei, Governor, Bank of Tanzania

Kenya: J.N. Michuki, Permanent Secretary to the Treasury
D.N. Ndegwa, Governor, Central Bank of Kenya
J. Stewart, Economic Adviser, The Treasury
2. 4/15/69 J.S. W. Malecela, Minister for Communications, Research and Social Services, East African Community
Mr. Kitoriko
3. 9/30/69 Kenya: Robert John Ouko, Eastern African Minister for Finance and Administration
Bruce McKenzie, Minister of Agriculture and Animal Husbandry

Tanzania: Paul Bomani, Minister of Economic Affairs and Development
A. H. Jamal, Minister of Finance
J.D. Namfua, Permanent Secretary to the Treasury
E.I.M. Mtei, Governor, Bank of Tanzania

Uganda: L. Kalule-Settala, Minister of Finance
E.B. Wakhweya, Permanent Secretary, Ministry of Finance
J.M. Mubiru, Governor, Bank of Uganda
A. Ocaya, Commissioner for Economic Affairs, Ministry of Finance
4. 10/16/69 J.S.W. Malecela, Minister for Communications, Research and Social Services, East African Community
5. 1/10/70 Working dinner:
 (Arusha) J.S.W. Malecela, Minister for Communications, Research and Social Services (Tanzania)
 Robert J. Ouka, Minister for Finance and Administration (Kenya)
 I.K. Majugo, Minister for Common Market and Economic Affairs (Uganda)
- 1/11/70 Z.H.K. Bigirwenkya, Secretary General, East African Community
 (Arusha)
- 1/20/70 Robert Ouko, Minister of Finance, East African Community
- 5a. January '70 "Random Thoughts" *(Filed in R.M. office)*
6. 9/22/70 Kalule-Settala, Minister of Finance (Uganda)
 (Copen.) Paul Bomani, Minister for Economic Affairs and Development Planning (Tanzania)

7. 7/18/72 Al Noor Kassum, Minister for Finance and Administration,
East African Community
R.K. Kitariko, Secretary for Finance and Administration
8. 7/28/72 W.W. Rwetsiba, Minister for Communications, Research and Social
Service
David Mwiraria (Kenyan), Secretary for Communications, Research
and Social Services Secretariat

Howard E. Tolley

Mr. McNamara's Meeting with the Delegations from Kenya,
Tanzania and Uganda - 4:30 p.m., October 4, 1968

UGANDA

- Mr. L. Kalule-Settala, Minister of Finance
- Mr. A.J.P.M. Ssentongo, Secretary to the Treasury
- Mr. J.M. Mubiru, Governor, Bank of Uganda
- Mr. S. Nyanzi, Adviser, Chairman, Uganda Development Corporation

TANZANIA

- Mr. A. H. Jamal, Minister for Finance
- Mr. P. Bomani, Minister for Economic Affairs and Development Planning
- Mr. J. D. Namfua, Principal Secretary, The Treasury
- Mr. E. I. M. Mtei, Governor, Bank of Tanzania

KENYA

- Mr. J. N. Michuki, Permanent Secretary to the Treasury
- Mr. D. N. Ndegwa, Governor, Central Bank of Kenya
- Mr. J. Stewart, Economic Adviser, The Treasury

BANK

- Mr. McNamara
- Mr. Knapp
- Mr. El Emary
- Mr. Tolley

The two main topics of discussion were:

- (a) The role of Bank's Permanent Mission in Eastern Africa and
- (b) The possibilities of further economic cooperation in East and North Africa.

Role of the Permanent Mission in East Africa

Messrs. Kalule-Settala, Jamal and Michuki each stated that they were glad that the Bank had an office in East Africa and that they found its services useful. Mr. Kalule-Settala suggested that more of the detailed discussions and negotiations on projects be held in East Africa, after general policy agreement had been reached in each case between Bank headquarters and the Government. Both Mr. Namfua of Tanzania and Mr. Ssentongo of Uganda noted that there appeared at times to be a lack of coordination between Bank headquarters and the PMEA since they sometimes received conflicting advice from the two sources. Mr. McNamara noted that differences of opinion were to be expected in an organization the size of the Bank, but that we should keep such differences within the organization.

Possibilities of further economic cooperation in East and North Africa

The three delegations expressed support for continued and expanded cooperation in the region. Mr. Kalule-Settala noted that Kenya, Tanzania and Uganda had already come a long way in this regard. He cited as an important step forward the appointment of Permanent East African Ministers by each of the Governments who spend full time dealing with regional affairs within the framework of the Treaty on East African Cooperation. Regarding the extension of cooperation to other countries, Mr. Kalule-Settala noted that Zambia and Ethiopia had already approached the East African Community but that it would take considerable time before they could be brought into the Community. In response to a query by Mr. McNamara as to why there would be a delay in admitting additional countries, Mr. Mubiru of Uganda explained that there were many complex problems involved in bringing in new members. It would be necessary to study in depth the effects on the existing members which would result from integrating new economies into the Community. He cited lack of communications and possible conflicting currency policies as problems which would have to be dealt with. Mr. McNamara said that the Bank wished to help foster in any way possible future economic cooperation in the region.

He thanked the delegation for their visit and for views that they had expressed.

cc: Mr. McNamara
Mr. Knapp
Mr. El Emery

HE:tolley/dc



2

4/15

OFFICE MEMORANDUM

TO: Mr. R. S. McNamara

DATE: April 11, 1969

FROM: J. H. Williams *J.H.W.*SUBJECT: East African Community

Mr. J.S.W. Malecela, Minister for Communications, Research and Social Services of the East African Community since December 1968, is in Washington as head of the delegation currently negotiating a Bank loan of \$32.5 million for the East African Harbours Corporation. He would like to pay a courtesy call on you.

In our dealings with Mr. Malecela, we have been impressed by his constructive and diplomatic attitude. I believe it would be helpful if you could see him. Depending on the progress of the negotiations, he is hoping to leave Washington next Wednesday, April 16.

I attach a short biographical note.

Attachment

4/14
Pay
Just see him
15 min. back to
back.
Shaw

12:15
4/15
Just see him

Mr. J. S. W. Malecela

Mr. Malecela, who was Tanzanian representative at the United Nations and subsequently Tanzanian Ambassador to Ethiopia, holds one of the key posts in the East African Community, that of Chairman of the Community's Communications Council. This Council is responsible for the general control and direction of the corporations which operate the common services of the Community - the airways, harbours, railways, and posts and telecommunications. These common services are the main areas of cooperation within the East African Community.


The East African Community was established in December 1967 by the Treaty for East African Cooperation between Kenya, Tanzania and Uganda. The Community replaced the previous arrangements for economic cooperation between the three countries that existed under the East African Common Services Organization, which itself was set up in 1961 as successor to the pre-independence East African High Commission. The Bank has made three loans for the Common Services in the past: one of \$24 million in 1955 for the railways, \$38 million in 1965 for railways and harbors, and \$13 million in 1967 for telecommunications. The proposed harbors loan now being negotiated, however, would be the first since the Community came into being. Loans for railways and telecommunications are in the FY 1970 program.

The East African Community has experienced some difficulties in its short existence, mainly due to initial staffing deficiencies and to political differences and conflicts of interest between the member Governments, arising out of the feeling in Tanzania and Uganda that the Community's development efforts be largely devoted to helping them catch up with Kenya. When Mr. Malecela took up office last December, after his predecessor was in effect sacked for improper interference in the affairs of the corporations and ineffectiveness in his job, these difficulties within the Community were particularly acute, and a hiatus in the Community's affairs had existed for several months. His efforts have already resulted in an improvement in the situation. In early March, for example, the Communications Council finally approved the 1969-72 development program of the Harbours Corporation, on which the Bank's project is based, after several months of indecision. The development programs of the railways, and posts and telecommunications, which similarly will form the basis of the Bank's prospective lending to these common services, have also now been passed.

OFFICE MEMORANDUM

TO: The Record

DATE: October 8, 1969

FROM: Howard E. Tolley SUBJECT: Meeting of East African Delegations with Mr. McNamara
3:30 p.m., September 30, 1969Present: East African
Community- Honorable Robert John Ouko, Eastern African Minister
for Finance and Administration

Kenya

- Honorable Bruce McKenzie, Minister of Agriculture
and Animal Husbandry

Tanzania

- Honorable Paul Bomani, Minister of Economic Affairs
and Development
- Honorable A. H. Jamal, Minister of Finance
- Mr. J. D. Namfua, Permanent Secretary to the Treasury
- Mr. E.I.M. Mtei, Governor, Bank of Tanzania

Uganda

- Honorable L. Kalule-Settala, Minister of Finance
- Mr. E. B. Wakhweya, Permanent Secretary, Ministry
of Finance
- Mr. J. M. Mubiru, Governor, Bank of Uganda
- Mr. A. Ocaya, Commissioner for Economic Affairs,
Ministry of Finance

Bank

- Mr. Knapp
- Mr. El Emary
- Mr. Brakel
- Mr. Tolley

Mr. C. Kahangi, Executive Director

The following subjects were discussed:

Regional Industrial Mission

Mr. McNamara said that he could not understand why the Governments had rejected the mission, which the Bank had proposed to send to East Africa in August/September 1969 to study the industrial problems and prospects of the three East African countries. He considered that the mission would have been a valuable piece of technical assistance for East Africa. The delegations explained that they had not rejected the mission, but had wished the timing of the mission to be different. Mr. McNamara replied that he would not wish the mission to go at an inconvenient time, and it was then agreed that the mission would be rescheduled at a time convenient to all concerned.

East African Harbours Loan

Mr. McNamara stated that he was pleased that the Bank had finally been able to conclude the \$35 million loan for East African Harbours, but he noted that it had taken a very long time for the Community to take all the

necessary decisions and complete all of the steps prerequisite to approval of the loan. The delegations explained that the Community is still a new organization and that some unexpected difficulties have been encountered in its functioning, but that progress is being made in overcoming the difficulties, so that it is reasonable to expect that the Community will operate more efficiently in the future.

Proposed Loan for East African Railways

Mr. McNamara expressed disappointment that orders for badly needed diesel locomotives, pending for more than two years, had not yet been placed. He agreed that negotiations for the proposed loan scheduled to begin October 9 could proceed as planned, but he stated that the loan proposal would not be presented to the Executive Directors until orders for the locomotives had been placed. Mr. Ouko stated that he hoped that a decision on the locomotive orders would be reached at a meeting of the East African Communications Council scheduled for October 24.

Murchison Falls Hydroelectric Project

Minister Kalule-Settala stated that all possible measures were being taken in the planning of this project to protect wildlife and other natural resources, and he inquired as to the Bank's attitude toward this project. Mr. McNamara said that, while he was not personally familiar with the details, he had heard a great deal about this project and without prejudging the merits of the case, he wanted to make it clear that the Bank would not support a project which would contribute to the destruction of nature which is considered one of Uganda's assets. However, he added that he would be visiting Uganda in the near future to see for himself.

Bank/IFC Investment in Equity Capital of Financial Institutions

Minister McKenzie inquired as to Bank/IFC policy regarding investment in the equity capital of financial institutions in developing countries, particularly those institutions concerned with tourism development. Mr. McNamara explained that the Bank does not make equity investments and that IFC cannot make equity investments in institutions which are wholly or majority-owned by government. However, he indicated that the Bank had relaxed its policy toward lending to government-owned institutions, and he emphasized that we wish to support development of tourism in appropriate cases. It was agreed that Minister McKenzie would prepare a note to Mr. McNamara on the question of financing tourism in Kenya, and send it through the Eastern Africa Department.

cc: Mr. McNamara
Mr. Knapp
Mr. El Emary
Mr. Knox

Mr. Weiner
Mr. Diamond
Mr. Brakel
Mr. Hornstein

Mr. C. Kahangi, Executive
Director



OFFICE MEMORANDUM

TO: Mr. Robert S. McNamara

DATE: October 15, 1969

FROM: A. G. El Emary *ag el E*SUBJECT: Meeting with Minister Malecela

I attach a short biographical note on Minister Malecela and a resumé of the current state of the negotiations and of the East African Railways.

Attachment

President has seen

East African Railways Negotiations

1. Negotiations for the proposed Bank loan of \$42 million to the East African Railways Corporation formally began last Thursday, October 9, though since Minister Malecela himself did not arrive in Washington until the weekend, substantive discussions on the loan documents did not get under way until the start of this week. Substantial agreement has now been reached on the major issues raised by the project such as railway pricing policy, the delegation of powers from the East African Community to the Railways Corporation and the undertaking of studies of certain apparently uneconomic lines and services to determine whether they should be phased out or subsidized by the Governments concerned.

2. You will recall that the Bank proposed to make it a condition of our loan that, before presentation of the loan to the Executive Directors, the Railways Corporation should have awarded a contract satisfactory to the Bank for the procurement of a large number of diesel locomotives. The Railways intended to finance the locomotives through bilateral sources. The acquisition of these locomotives is an essential part of the railways modernization program, and there has been a delay of around two years in purchasing them because of differences within East Africa on the matter.

3. Minister Malecela, who took up the locomotive question as a first item of business on becoming Chairman of the Communications Council, has informed us that invitations to bid for these locomotives were issued in early October, and that following the usual procurement procedures, the final date for submitting tenders will be February 19, 1970. The present estimated cost of the locomotives is \$18.8 million and invitations for bids invite proposals for financing. Minister Malecela expects, and we agree, that some four months may elapse before evaluation of the tenders is completed, so that a contract may not be awarded much before mid-1970.

4. The main reason for the extended period for evaluation is that, in deciding on the award of the contract, the various bilateral offers of financial assistance will have to be taken into account as well as the bids received for the supply of the locomotives themselves. Minister Malecela pointed out that the terms of these financial offers are not yet known and are unlikely to be finalized until it is established which locomotive manufacturers are in the running for the contract. The mid-1970 forecast for the award of contracts is thus rather uncertain.

5. On this timetable, the presentation of the proposed loan to the Executive Directors, and hence implementation of the project, may well slip into FY 1971, which neither we nor the East Africans want to see. Delays in the project could still occur even if we relaxed our requirement, as requested by Minister Malecela, by making award of the locomotive contracts a condition, not of presentation but of effectiveness, requiring incidentally an unusually long period for effectiveness.

Mr. J. S. W. Malecela

Mr. Malecela, who was Tanzanian representative at the United Nations and subsequently Tanzanian Ambassador to Ethiopia, holds one of the key posts in the East African Community, that of Chairman of the Community's Communications Council. This Council is responsible for the general control and direction of the corporations which operate the common services of the Community -- the airways, harbors, railways, and posts and telecommunications. These common services are the main areas of cooperation within the East African Community.

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The East African Community has experienced some difficulties in its short existence, mainly due to initial staffing deficiencies and to political differences and conflicts of interest between the member Governments. When Mr. Malecela took office last December, after his predecessor was in effect relieved for improper interference in the affairs of the corporations and ineffectiveness in his job, those difficulties within the Community were particularly acute, and a hiatus in the Community's affairs had existed for several months. His efforts have already resulted in an improvement in the situation. We ourselves have always found his attitude extremely helpful and constructive.



Headquarters:
Washington, D.C. 20433, U.S.A.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION



Permanent Mission in Eastern Africa
Uniafric House - Koinange Street at Sadler Lane - Nairobi, Kenya
P.O. Box 30577 - Telephone 23421 - Cable Address: INTBAFRAD



Letter No. 72

January 30, 1970

Mr. Leif Christoffersen
Personal Assistant to the President
International Bank for Reconstruction
and Development
Washington, D.C. 20433

Dear Leif:

I am attaching a paper which I dictated last weekend containing salient points raised during Mr. McNamara's visit to East Africa.

As you will note I have tried to cover the more important points made by the various Government officials and other people Mr. McNamara met at which I was present - in particular when such points were not covered in the documents handed to us in support of their words - plus some factual information they supplied. I have not given, of course, Mr. McNamara's own reaction - unless he made certain commitments or promises (of which there are only a few examples). I have also refrained from going into the details of matters which although rather extensively discussed at various meetings do not seem to need much elaboration at this stage, such as the railway loan problem, - which appears to be solved now - and the location of industry within the E.A. Community, which will no doubt be looked into in detail by the forthcoming industrial mission to East Africa. I did not put in anything about the Murchison Falls project either because I was not present at most of what was said on this subject in Uganda. I hope that this record, put together in rather a hurry, will be of some use to Mr. McNamara. Please let me know if there is anything else that he might want me to do on this score.

I now plan to arrive in Washington on February the 15th and will give you a call soon after my arrival if only to hear how your unexpected trip to Norway for such sad reasons worked out.

All the best.

RECEIVED Yours sincerely,

1310 FEB -3 WK 1:32

Willem Brakel
Willem Brakel

c.c. Mr. Lejeune

SECTION
COMMUNICATIONS

President has seen

Ujamaa concept is still lacking appropriate quantification and a practical operational approach. Agricultural credit in Tanzania appears to be most inadequate. The figure of Shs. 10 million per year (presumably excluding short term lending of another Shs. 10 million per year and also excluding lending to farmers by the National Bank of Commerce) was mentioned but not fully substantiated. It was noted that finance was not the only constraint; sound supporting services (research, extension, marketing) were usually in very limited supply too, due to a general lack of properly trained staff. Part of the problem was also the widely dispersed population and the land tenure system which is often based on tribal ownership. Even cash crops are to a large extent produced on small farms of some 5 to 10 acres. Large estates exist only in sisal (about 100% all state farms now) and wheat (70%), in cotton there are no large farms at all, in coffee some 20%, and while in tea the bulk of produce still comes from large estates, the number of small-holder growers is increasing rapidly.

II. EAST AFRICAN COMMUNITY

1. During the working dinner with the three E.A. Community Ministers a number of fundamental issues were discussed. They included such items as the need for a quick approval of the proposed railway loan, the question of allocation of industries as between the member states and related issues about the introduction of tariffs, industrial licensing, etc., and the administrative framework to deal with problems arising therefrom, particularly if infant protection is required for industries which require the whole E.A. market in order to be economical. It became clear that the Bank's proposed industrial mission to the Community and the three E.A. countries is not only much needed but is now also being genuinely welcomed by the Community. The urgent need for the Community to have its own office and housing space was discussed as well. Present requirements are for some 500 employees which will increase to about 800 within the next 5 years or so. The Community has a construction plan which would cost about \$17 million of which some \$6-8 million for the central office building. The Community has been authorized to contribute some \$2 million from E.A. funds; the rest will have to come from outside sources. Minister Ouko said he was making a trip to North America beginning the next day to discuss possibilities of financial assistance from Canada and the U.S. Mr. McNamara asked him, in view of the great importance of this matter to the Community, to pass by the Bank in Washington on his way back so as to inform us of the results of his trip. The shortage of highly qualified staff for the Community supported by capable foreign advisors was also stressed during the discussion. It was mentioned that the Community, which has a total of fixed assets of an estimated \$3 billion, is by far the biggest employer in E.A. employing altogether some 200,000 people.

2. In subsequent meetings with the Secretary General of the Community and with the Chairmen and Director Generals of the E.A. Harbours Corporation, E.A. Railways Corporation, E.A. Posts & Telecommunications Corporation, the East African Development Bank and the E.A. Airlines Corporation, the following major points were raised:

- (a) The need for training of the Community's senior staff particularly economists; the UNDP has been asked to assist in this.
- (b) the chances to expand the Common Market to other countries (Zambia, Ethiopia, Somalia, Burundi) are furthest advanced in the case of Zambia; with Ethiopia there are some difficulties particularly since they do not seem to be interested in a possible integration of their "common services"; while with respect to Somalia the situation is still quite uncertain.
- (c) The Community's present financial needs for covering their recurrent expenditures are lower than the revenue the Community gets from that part of the tax income which is automatically allocated to them. Last year the Community returned Shs.18 million to the three Governments because of this. Capital requirements cannot be met out of the Community's current income; they require special allocation of funds for each individual purpose.
- (d) The Harbours Corporation expects that 10 additional deep water berths (there are 8 now) will be needed to cope with the expected expansion in cargo handling after the completion of the Tan-Zam railway. Figures of up to 5 million tons (2½ million tons each way) were mentioned in this connection. The total cost of such an expansion needed can be roughly estimated at between \$45-55 million of which 50% would be in foreign exchange. The Corporation is trying to find suitable consultants for a study which should be ready by mid-1971 to allow for a subsequent period of construction of 3 to 5 years. The originally planned UNDP study, in which the African Development Bank was supposed to be executing agency, was conceived before the Tan-Zam railway complication arose so that the whole matter of how to finance the study will have to be reconsidered. Mr. McNamara remarked that the Bank has an active interest in the carrying out of the study in time because of its past and possible future lendings to the E.A. Harbours Corporation.
- (e) The E.A. Posts and Telecommunications Corporation stressed the fact that despite their training efforts they still require many experts from abroad which in some cases (but not if it concerns British or Swedish technical assistance which includes "topping up" arrangements) can lead to difficulties

because of the high level of salaries to be paid. They also referred to the need for maintaining some degree of standardization which the Bank should take into account in applying the rule of international competitive bidding.

- (f) Mr. Simba of the E.A. Development Bank said that his Bank for the next 2 years or so was not in need of financial assistance from the World Bank Group. Technical assistance, which the IBRD had already given quite liberally was another matter. At the moment he particularly needed a legal expert - Mr. Webb^{1/}. The E.A.D.B. is not allowed to finance tourism or infrastructure or to lend to other financial institutions, but has to confine itself to lend to manufacturing industry, including agricultural processing etc. Total commitments during 1969 were almost Shs. 37 million; for 1970 a similar amount or a little more is expected. By the end of 1970 the results of a study on industrial development requirements and possibilities in the three countries of E.A., which E.A.D.B. has initiated, should be ready, which should provide a basis for setting up a long term lending program and for discussions with the World Bank Group about possible assistance from their side. The present professional staff of E.A.D.B. consists of 6 expatriates plus 7 local officials.
- (g) The E.A. Airlines Corporation are not planning any large scale expansion program. They wish to consolidate their new lines to HongKong and Copenhagen. They have been discussing the possibilities of association with Zambian Airlines. Apparently Ethiopia is not interested in such an association. They have a total of 4,200 employees which is considerably more than either of the two other companies. The need for the establishment of a training centre at a cost of some £250,000 was mentioned. It was made clear that if only because of the relative small amount involved this was a matter for UNDP rather than IBRD consideration.

III. UGANDA

1. In the meeting with Ministers dealing with economic development matters and chaired by the Vice-President of Uganda, the Minister of Planning and Economic Development mentioned the long time it took, in his view, to prepare projects and subsequently for the Bank to take action on them (for example the agricultural credit project for which the first request had been made in 1964/65 and

^{1/} Mr. Webb's secondment for 6 months to the E.A.D.B. has meanwhile been arranged; he is due to start around March 25, 1970.

Headquarters:
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Ujamaa concept is still lacking appropriate quantification and a practical operational approach. Agricultural credit in Tanzania appears to be most inadequate. The figure of Shs. 10 million per year (presumably excluding short term lending of another Shs. 10 million per year and also excluding lending to farmers by the National Bank of Commerce) was mentioned but not fully substantiated. It was noted that finance was not the only constraint; sound supporting services (research, extension, marketing) were usually in very limited supply too, due to a general lack of properly trained staff. Part of the problem was also the widely dispersed population and the land tenure system which is often based on tribal ownership. Even cash crops are to a large extent produced on small farms of some 5 to 10 acres. Large estates exist only in sisal (about 100% all state farms now) and wheat (70%), in cotton there are no large farms at all, in coffee some 20%, and while in tea the bulk of produce still comes from large estates, the number of small-holder growers is increasing rapidly.

II. EAST AFRICAN COMMUNITY

1. During the working dinner with the three E.A. Community Ministers a number of fundamental issues were discussed. They included such items as the need for a quick approval of the proposed railway loan, the question of allocation of industries as between the member states and related issues about the introduction of tariffs, industrial licensing, etc., and the administrative framework to deal with problems arising therefrom, particularly if infant protection is required for industries which require the whole E.A. market in order to be economical. It became clear that the Bank's proposed industrial mission to the Community and the three E.A. countries is not only much needed but is now also being genuinely welcomed by the Community. The urgent need for the Community to have its own office and housing space was discussed as well. Present requirements are for some 500 employees which will increase to about 800 within the next 5 years or so. The Community has a construction plan which would cost about \$17 million of which some \$6-8 million for the central office building. The Community has been authorized to contribute some \$2 million from E.A. funds; the rest will have to come from outside sources. Minister Ouko said he was making a trip to North America beginning the next day to discuss possibilities of financial assistance from Canada and the U.S. Mr. McNamara asked him, in view of the great importance of this matter to the Community, to pass by the Bank in Washington on his way back so as to inform us of the results of his trip. The shortage of highly qualified staff for the Community supported by capable foreign advisors was also stressed during the discussion. It was mentioned that the Community, which has a total of fixed assets of an estimated \$3 billion, is by far the biggest employer in E.A. employing altogether some 200,000 people.

2. In subsequent meetings with the Secretary General of the Community and with the Chairmen and Director Generals of the E.A. Harbours Corporation, E.A. Railways Corporation, E.A. Posts & Telecommunications Corporation, the East African Development Bank and the E.A. Airlines Corporation, the following major points were raised:

- (a) The need for training of the Community's senior staff particularly economists; the UNDP has been asked to assist in this.
- (b) the chances to expand the Common Market to other countries (Zambia, Ethiopia, Somalia, Burundi) are furthest advanced in the case of Zambia; with Ethiopia there are some difficulties particularly since they do not seem to be interested in a possible integration of their "common services"; while with respect to Somalia the situation is still quite uncertain.
- (c) The Community's present financial needs for covering their recurrent expenditures are lower than the revenue the Community gets from that part of the tax income which is automatically allocated to them. Last year the Community returned Shs.18 million to the three Governments because of this. Capital requirements cannot be met out of the Community's current income; they require special allocation of funds for each individual purpose.
- (d) The Harbours Corporation expects that 10 additional deep water berths (there are 8 now) will be needed to cope with the expected expansion in cargo handling after the completion of the Tan-Zam railway. Figures of up to 5 million tons ($2\frac{1}{2}$ million tons each way) were mentioned in this connection. The total cost of such an expansion needed can be roughly estimated at between \$45-55 million of which 50% would be in foreign exchange. The Corporation is trying to find suitable consultants for a study which should be ready by mid-1971 to allow for a subsequent period of construction of 3 to 5 years. The originally planned UNDP study, in which the African Development Bank was supposed to be executing agency, was conceived before the Tan-Zam railway complication arose so that the whole matter of how to finance the study will have to be reconsidered. Mr. McNamara remarked that the Bank has an active interest in the carrying out of the study in time because of its past and possible future lendings to the E.A. Harbours Corporation.
- (e) The E.A. Posts and Telecommunications Corporation stressed the fact that despite their training efforts they still require many experts from abroad which in some cases (but not if it concerns British or Swedish technical assistance which includes "topping up" arrangements) can lead to difficulties

because of the high level of salaries to be paid. They also referred to the need for maintaining some degree of standardization which the Bank should take into account in applying the rule of international competitive bidding.

- (f) Mr. Simba of the E.A. Development Bank said that his Bank for the next 2 years or so was not in need of financial assistance from the World Bank Group. Technical assistance, which the IBRD had already given quite liberally was another matter. At the moment he particularly needed a legal expert - Mr. Webb^{1/}. The E.A.D.B. is not allowed to finance tourism or infrastructure or to lend to other financial institutions, but has to confine itself to lend to manufacturing industry, including agricultural processing etc. Total commitments during 1969 were almost Shs. 37 million; for 1970 a similar amount or a little more is expected. By the end of 1970 the results of a study on industrial development requirements and possibilities in the three countries of E.A., which E.A.D.B. has initiated, should be ready, which should provide a basis for setting up a long term lending program and for discussions with the World Bank Group about possible assistance from their side. The present professional staff of E.A.D.B. consists of 6 expatriates plus 7 local officials.
- (g) The E.A. Airlines Corporation are not planning any large scale expansion program. They wish to consolidate their new lines to HongKong and Copenhagen. They have been discussing the possibilities of association with Zambian Airlines. Apparently Ethiopia is not interested in such an association. They have a total of 4,200 employees which is considerably more than either of the two other companies. The need for the establishment of a training centre at a cost of some £250,000 was mentioned. It was made clear that if only because of the relative small amount involved this was a matter for UNDP rather than IBRD consideration.

III. UGANDA

1. In the meeting with Ministers dealing with economic development matters and chaired by the Vice-President of Uganda, the Minister of Planning and Economic Development mentioned the long time it took, in his view, to prepare projects and subsequently for the Bank to take action on them (for example the agricultural credit project for which the first request had been made in 1964/65 and

^{1/} Mr. Webb's secondment for 6 months to the E.A.D.B. has meanwhile been arranged; he is due to start around March 25, 1970.

OFFICE MEMORANDUM

TO: The Record

FROM: Michael L. Lejeune

SUBJECT: 1970 Annual Meetings - Meeting of Delegation from East African
Community with Mr. McNamara

DATE: October 13, 1970

During the Annual Meeting, at Mr. Kahangi's request, a meeting was arranged with Mr. McNamara for the representatives of the three East African countries (Kenya, Tanzania and Uganda) and the East African Community. The meeting was fixed for 1:00 p.m. on September 22, but unfortunately Mr. McNamara was detained in the plenary meeting room and it was not until 1:45 p.m. that the meeting could take place. This delay meant that Mr. Jamal, the Minister of Finance for Tanzania and Mr. Kibaki, the Minister of Finance for Kenya and his Kenyan colleagues, and Mr. Ouko, Minister of Finance and Administration of the Community, were unable to be present. However, the following did attend the meeting: Mr. Kalule-Settala, Minister of Finance of Uganda and Mr. Boman, Minister for Economic Affairs and Development Planning of Tanzania. Messrs. Lejeune and Brakel were also present.

It was essentially a courtesy meeting and the conversation was very general. Mr. McNamara turned the conversation towards the development of the activities of the Community. The two Ministers thanked Mr. McNamara for all the help the Bank had extended in the past year to the Community and explained that the Community, as an instrument of economic integration of the three countries, was gradually increasing in growth. It was also extending its coordinating activities into new areas, more recently into tourism, for example. They also mentioned that the Community had succeeded in obtaining funds from an Italian consortium for its program to build housing and office facilities in Arusha, so that the Bank would no longer have to concern itself with this problem.

cc: Mr. McNamara (2)
Mr. Knapp

WBrakel/MLejeune:neb

President has seen

OFFICE MEMORANDUM

TO: Memorandum for the Record

FROM: Michael L. Lejeune

SUBJECT: EAST AFRICAN COMMUNITY - Visit by Mr. Al Noor Kassum

DATE: July 31, 1972

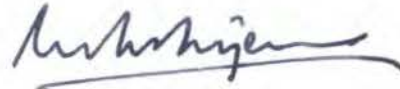
1. Mr. Al Noor Kassum, Minister for Finance and Administration of the East African Community, visited Mr. McNamara on July 18, 1972. He was accompanied by Mr. R. K. Kitariko, Secretary for Finance and Administration of EAC. I was also present. Mr. Kassum had already had a meeting with me and Mr. Hornstein.
2. Mr. Kassum explained that the purpose of his visit was to discuss with USAID and with the Bank the possibility of support for the project of building a headquarters building and necessary staff housing for the East African Community in Arusha. He said that the U.S. had already offered to provide about 25 percent of the necessary finance. After talking with me he understood that the Bank or IDA could not provide finance and he appreciated the reasons for this position. On the other hand, he would greatly welcome any support or help that the Bank could give.
3. Mr. McNamara stated that he felt that it was very important that the East African Community should survive and that the building of a Community headquarters would contribute to its prospects. He thought that they should go ahead with their plans to build the headquarters. He confirmed, however, that the Bank Group could not provide finance, but he also confirmed that we would be willing to use our good offices to assist the Community in lining up finance from other sources.
4. Mr. McNamara went on to say frankly that a question which the Bank would have to answer if it were to take the lead in finding finance was why the three partner states themselves were not willing to put up any money for this project. The sums required were not large, particularly if one were to think in terms of the headquarters building alone and leave residential housing for conventional commercial financing.
5. Mr. Kassum seemed less concerned that this lack of financial assistance from the partner states would inhibit other sources.
6. It was agreed that the staff of the Bank would examine forthwith what should be done in order that the Bank could effectively use its good offices to assist this project. A further meeting with Mr. Hornstein for this purpose was arranged.
7. After the meeting in his office, Mr. McNamara emphasized to me that we should do all we could to provide technical help. He said that he felt that if definite plans were made to go ahead with the Administration Building that help for the residential housing from conventional sources

President has seen

July 31, 1972

would follow. He reiterated what he had said to Mr. Kassum earlier, i.e., that even if the Governments could not see their way clear to put up money, he felt that they should not stand in the way of local financial institutions providing conventional finance for the housing.

cc: Mr. McNamara (2)
Mr. Knapp
Division B

A handwritten signature in dark ink, appearing to read "Arthur Schlesinger", with a horizontal line drawn underneath the name.

MLLejeune:ck

OFFICE MEMORANDUM

TO: Mr. Robert S. McNamara

DATE: July 17, 1972

FROM: Michael L. Lejeune

SUBJECT: EAST AFRICA: Visit of Mr. Al Noor Kassum -
Minister for Finance and Administration
of the East African Community

Minister Kassum, an Asian from Tanzania, was appointed East African Minister following the Cabinet reshuffle in Tanzania earlier this year. We have not had much contact with Minister Kassum, though we do know that he had served as secretary of ECOSOC and ACC. Most recently he was involved in private business. (Biographical sketch attached.)

The primary purpose of Minister Kassum's visit to Washington (as well as his earlier visits to various European capitals) is to obtain finance for the Community headquarters and housing project. You will recollect that during your visit to East Africa in January of 1970, the question of obtaining Bank finance for the Community headquarters and housing scheme at Arusha was first raised. We had indicated that, while possibility of the Bank providing financial assistance for such a project was not good, we would, in recognition of the importance of providing suitable office and housing for Community staff, be prepared to solicit participation of other donors. A brief which traces the historical sequence of events is attached. Our initial contacts with the Community on this matter came to an abrupt halt in August 1970 after the Community informed us of some financial arrangements through an Italian contractor. Earlier this year, we were told that these arrangements had not worked out and that the Community was again shopping around for financial assistance for this project. (Copies of the correspondence are attached.)

We had asked for a revised project report when we first heard of Minister Kassum's proposed visit to Washington. It is obvious that no such report is available. What has been provided is a document providing specifications of design proposals. Compared to the original project proposal we had seen in 1970, the proposed project contains a few additional items though the estimated cost figure is the same as the original amount of about EA Sh120 million (\$17 million).

Though we have been approached by the Community on this question, it has never been raised with us by any of the Partner States. While the Community has indicated that any finance for this project

President has seen

TO: Mr. Robert S. McNamara

- 2 -

July 17, 1972

would be guaranteed by the three Partner States, it is our impression that there is not as yet basic agreement between the three countries as to just what is the size and character of Community capital they are prepared to underwrite. Certainly they have not given the project much priority in their own planning. We also understand that the other donors contacted during Minister Kassum's trip are unlikely to have encouraged him. There seems to be general reluctance on the part of donors to finance this type of project.

I shall be seeing Minister Kassum at noon on July 18 and will brief you further should I learn anything new during my meeting. I believe that we should tell Minister Kassum frankly that we would not be in a position to provide any financial assistance for the project but would be willing to use our good offices to assist the Community in approaching other sources of finance.

M. Lejeune

Attachments

cc: Messrs. Knapp
Strombom

GSKaji/RAHornstein/MLejeune:gd

BIOGRAPHICAL SKETCH

KASSUM, Al Noor; born 1924 in Dar es Salaam; educated Muncaster School Ashford Middlesex, England. Barrister at Law Lincoln's Inn; Advocate Tanganyika; Parliamentary Secretary to Ministry of Education 1961; Chief Whip TANU Parliamentary Group since 1959; Member of Parliament for Dodoma and Manyoni; Member Dar es Salaam Municipal Council 1950-51. Secretary of ECOSOC and ACC. Private business.

BRIEF

East African Community Headquarters Building Project

Background

1. The subject of financing the East African Community Headquarters Building and Staff Housing Project was first raised with the Bank during Mr. McNamara's visit to East Africa in January 1970.
2. The Project as conceived at that time consisted of a Headquarters Building complex and housing for all levels of Community staff, totalling some 800 residential units. The basis for this proposal was a consulting architect's report of March 1969.
3. The Bank's reaction (conveyed in Mr. Williams' letter of February 3, 1970) was that a loan for this type of project would be a completely new departure for the Bank and would raise a number of difficult questions. The Bank did not wish to encourage undue hopes that a loan for the project would be possible but nevertheless, it was well aware of the importance of the project to the Community and offered its services to help the Community obtain finance even if the Bank could not directly participate. We suggested that the EAC prepare an updated report and provide us with an opportunity of studying it. We were informed by Mr. Ouko then Community Minister for Finance and Administration that our suggestions would be taken into account and an updated report prepared. We were given the impression by Mr. Ouko that this would be a matter of weeks.
4. In early February 1970 the Bank learnt that Sweden and the U. S. had also been approached to provide assistance for this project. The U. S. was apparently unwilling to participate without substantial commitment on the Bank's part. The Swedes at that time indicated that they were doing some preliminary thinking about the project.
5. A revised Project brief which was finally received in July 1970 indicated that the original total project cost estimate of around Sh 120 million (approx \$17 million) still held.
6. Our analysis of the brief revealed a complete revision of cost estimates was necessary since the costs quoted were completely inconsistent with recent experience of building costs in East Africa. The range in the quality of housing proposed was felt to be extremely discriminatory and a new standard for the different grades of housing would also need to be established. Furthermore the overall impact of the project on Arusha had not been considered at all.
7. Before we could convey the results of our analysis to the EAC, there was a press announcement in August 1970 that the EAC had signed a preliminary agreement with the International Development Organization (IDO) of Rome for construction of the Project at a total cost of \$16 million. This was confirmed in subsequent contacts with EAC officials. We therefore considered this matter closed.

8. In January 1972, Mr. Malecela the then Community Minister for Finance and Administration, wrote to Mr. McNamara informing him that EAC's arrangements with IDO had fallen through as IDO had failed to obtain guarantees from the Italian Government. In view of this, Mr. Malecela wanted the Bank to reconsider participating in the project or at least, assembling a consortium of possible donors.

9. The Bank's response (Mr. McNamara's letter of February 14, 1972) reiterated its earlier position. While the unlikelihood of Bank participation by the provision of financial assistance was pointed out, the Bank's willingness to explore the possibility of enlisting bilateral support was expressed. We again asked for an updated report so that cost estimates and EAC's requirements could be made more current.


10. In April 1972, Mr. Kassum, who had replaced Mr. Malecela, replied to Mr. McNamara's letter, making a case for Bank financing as a symbolic gesture in support of the Community. Mr. Kassum also wished to take the Bank up on its offer to contact members of the Consultative Group for East Africa, but alluded to the importance of the time factor in mobilizing assistance.

11. Contacts with Minister Kassum in June 1972 revealed that he had had discussions with officials of several aid agencies and private banks but these efforts had been unproductive. Although the three Partner States were prepared to guarantee any loans provided for the project, foreign private banks were apparently unwilling to extend finance without the guarantee of their own governments.

12. In July 1972 we received a letter from Minister Kassum together with a new "brief" for this project. The "brief" is essentially a document providing specifications for design proposals rather than dealing with substantial project proposals. It does not provide a basis for an evaluation. The cost of the total project is still estimated to be Sh 120 million (the original figure) although a few additional items (200 residential units) have been added.

13. We understand that Minister Kassum has contacted some European donors and USAID during this visit. Our recent contact with officials of the Swedish International Development Authority and USAID indicate that their response is unlikely to be encouraging.

Eastern Africa Department
July 14, 1972


May 1, 1972

Dear Mr. Minister:

Thank you for your letter of April 14. May I offer you my congratulations and sincere best wishes on your appointment as East African Minister for Finance and Administration. I too hope that we may have an opportunity of meeting and discussing matters of mutual interest in the not too distant future.

I realize the importance to the Community of having adequate accommodation in Arusha and it is for that reason that we were disappointed to learn from Minister Malacola earlier this year that the efforts to arrange financing for the Arusha Building Project had not yet been productive. As I indicated when I was in East Africa in January 1970 and again recently to Minister Malacola, we would, if you so desire, raise the question of your headquarters building with members of the East African Consultative Group. To do so, we would need your up-to-date plans, cost estimates and financing requirements.

I was pleased to learn that you were preparing a fresh brief on the project. I suggest that you send this to Mr. Michael Lejeune, Director of the Bank's Eastern Africa Department. He will pursue the matter further and communicate with you.

Sincerely,

Robert S. McNamara

The Honorable
A.M. Kassam
Minister for Finance
and Administration
P. O. Box 3001
Arusha, Tanzania

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

RClements/SSHusain:gd
April 28, 1972

EAST AFRICAN COMMUNITY

APR 25 1972

Communications on this subject
should be addressed to:-

Minister for Finance and
Administration
P. O. Box 3081, Arusha.



FINANCE AND ADMINISTRATION
SECRETARIAT

Telephone: 2381 Arusha
Telegrams: FINSEC Arusha.

14th April, 1972

Mr. Robert S. McNamara,
President,
International Bank for Reconstruction
and Development,
Washington, D.C. 20433,
U.S.A.

Dear Mr. President,

You have probably heard that during the month of February my friend and colleague, the Hon. J.S. Malecela, was appointed Minister for Foreign Affairs in the Government of the United Republic of Tanzania. Simultaneously, the East African Authority announced my appointment as a Community Minister. As a result, last month when taking over my responsibilities your reply dated 14th February, 1972 to Mr. Malecela's letter of the 17th January, 1972 was brought to my attention.

May I on behalf of both Minister Malecela and myself thank you for your having considered the question of providing us with assistance in building the Arusha Headquarters Complex for the Community. As much as I can see the reasons that would normally inhibit the Bank from wanting to participate directly in providing finance for capital projects of this nature, I am unable to understand fully the rationale in the circumstances that the East African Community finds itself. My main reason being that I do not believe a straight-forward policy decision not to assist in building office and housing accommodation can be applied irrevocably to all requests. When one is trying to establish co-operation on a regional basis in social and economic matters, and I believe this is a policy the Bank and you yourself would ardently wish to support, every effort should be made to make the institutions and organs which govern this regional co-operation viable and effective. The East African Community has proved through a period of time that it can and does offer stability and that it is making every possible effort it can to go forward and to improve and develop its common services and those of its Corporations so that they may serve the people as they should.

Indeed, we are most grateful for the Bank's continuing support in achieving these purposes. The Community as a whole has received from the Bank in the past financial assistance equivalent to \$300,000,000. When one of your representatives, Mr. Roger P. Adams, called the other day I asked him somewhat in banter whether as a Community we had been good customers, he replied that so far we had met all our commitments. I am not saying this in order to move you to get the Bank to agree to make funds available simply because we have been good customers. Now that the Community has shown by performance its capacity to develop responsibly, its building requirements are a necessary "infrastructure" for further advancement. They would enable us to concentrate our efforts in planning the use of our scarce resources and talents on a much broader front. What I am trying to convey, Mr. President, is that after taking into account our past, the building of the Arusha Headquarters Complex is an inevitable and necessary consequence, therefore it is as important a project for regional co-operation as some of the areas in which the Bank traditionally interests itself.

We are in the process of preparing a fresh brief so that it takes into account the latest information concerning our future manpower requirements in terms of both office and housing accommodation. When this is available, I shall send it to Mr. Lejeune, the Director of the Bank's Eastern Africa Department.

Although we are exploring one or two channels ourselves we would wish at the same time to take up your kind offer for informal contacts with members of the Consultative Group for East Africa. The time factor in the present circumstances is of the utmost importance and relevance and we are hoping to be able to accelerate negotiations by interesting parties who may wish to be directly involved in the construction work by financing the project. If we can, we would prefer to avoid the necessity of resorting to procedures that may take much longer to negotiate. However, it would be prudent in the meantime to keep as many options open as possible.

In closing I thought I would mention that I have had the honour of meeting you in the past when I served as Secretary of ECOSOC and ACC and I hope that some day in the near future I may have the pleasure of meeting you once again.

With best wishes,

Yours sincerely,

OFFICE MEMORANDUM

TO: Memorandum for the Record

FROM: Michael L. Lejeune

SUBJECT: EAST AFRICAN COMMUNITY - Visit by the Hon. W.W. Rwetsiba

DATE: August 1, 1972

1. The Honorable W.W. Rwetsiba, Minister for Communications, Research and Social Services of the East African Community, visited Mr. McNamara on July 28, 1972. He was accompanied by the Secretary of his Ministry, Mr. D. Mwiraria. I was also present.
2. This was a purely courtesy meeting. Mr. McNamara emphasized how important it was for the Community to continue and that the common services provided through the Community were an important part of ensuring the Community's future success. Mr. Rwetsiba said that the Community and the Bank had a close association and that the Bank was providing a large part of the money necessary for the development of the railways, harbors and telecommunications. Indeed, the only form of transport in which the Bank was not active was the East African Airways. He understood that under the Bank's policy it did not finance air services.
3. There was some discussion as to why the East African Airways had fallen into financial difficulties, the possibility that if Zambia joined the Community the Tanzam Railway might become part of the Railway Corporation, and general discussion of the prospects of Zambia, Ethiopia, Rwanda and Burundi joining the Community. Nothing of much importance came out of the meeting.

cc: Mr. McNamara (2)
Mr. Knapp
Div. B



MLLejeune:enb

President has seen

2089
OFFICE MEMORANDUM

TO: Mr. Robert S. McNamara

DATE: July 24, 1972

FROM: Donatien Bihute

SUBJECT: Courtesy call - The Honourable W. Rwetsiba*Mr McNamara
what is your preferred time?**Wt 7/24**7/25
10:15
Fri AM
L3C*

This is to inform you that the Honourable W. Rwetsiba, East African Minister for Communications, Research and Social Services, wishes to pay you a courtesy call this week at a date and time that would be convenient to you. The Honourable Rwetsiba is leading a delegation from East Africa which is presently negotiating a Bank loan to the East African Harbors Corporation.

The Honourable Rwetsiba had his University education in Makerere, Uganda and later in Belfast, Northern Ireland.

After the completion of his University studies, he taught for a number of years in his country, Uganda.

Shortly before the independence of Uganda, Mr. Rwetsiba was serving as Parliamentary Secretary.

After independence, he became one of the senior Uganda public-service officers, serving as Permanent Secretary in the Ministry of Animal Resources, and as Permanent Secretary in the Ministry of Education from 1965 to July 1971 when he was appointed East African Minister for Communications, Research and Social Services.

DB/ba

*Told Mr. Kejaane
Preparing brief.
Wt 7/26*

2113
OFFICE MEMORANDUM

TO: Mr. Robert S. McNamara

DATE: July 27, 1972

FROM: Michael L. Lejeune

SUBJECT: EAST AFRICA: Visit of Honorable W.W. Rwetsiba
East African Minister for
Communications, Research and Social Services
10-15 Meeting

Minister Rwetsiba has been in Washington since July 24 to head the East African delegations for negotiations of the proposed Bank loan (\$52.5 million) to the East African Harbours Corporation. An outline of the proposed project is attached.

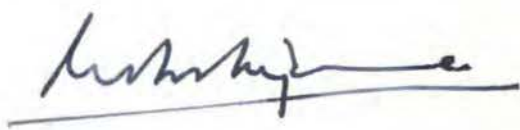
Minister Rwetsiba, a Ugandan, was nominated by President Amin in July 1971, but was only able to assume office in December 1971 after the settlement of the Tanzania-Uganda dispute insofar as it affected Community matters. However, Minister Rwetsiba is not a stranger to the Bank, as in his previous capacity of Permanent Secretary of the Uganda Ministry of Education he has had dealings with us, including negotiating the Uganda Second Education Project (Credit No. 258 UG). A brief biographical sketch of Minister Rwetsiba is attached.

Minister Rwetsiba's portfolio includes all the Community Corporations with which we do business, except the East African Development Bank, which is not responsible to any of the Community Councils or ministers. The proposed harbors loan is the first of the current series of loans we expect to make to the various Community common services organizations. A project covering the next phase of the East African Posts and Telecommunications Corporation's development program has been appraised recently, and a loan of about \$28 million is scheduled to be negotiated this winter. We also expect to appraise the next phase of the East African Railways Corporation's development program in the first half of 1973.

I am not aware of any specific matters that Minister Rwetsiba may wish to raise with you. The negotiations for the proposed harbors loan have gone fairly smoothly, and there are no outstanding issues.

Attachments

GSKaji/RAHornstein:gd


President has seen

PROPOSED THIRD HARBORS PROJECT

The proposed project which is required to meet the expected growth of traffic through East African ports up to about 1980 would comprise:

- (a) the construction of three new deep water berths at Dar es Salaam;
- (b) the completion of modernization and improvement of existing berths at Dar es Salaam and Mombasa;
- (c) provision of equipment to meet additional and replacement needs at Dar es Salaam and Mombasa;
- (d) the expansion and improvement of lighterage facilities at Tanga; and
- (e) the provision of consultants' services to carry out the above works.

Total cost of project \$70.4 million. Foreign exchange component \$52.5 million. The proposed Bank loan of \$52.5 million to cover the foreign exchange component may be reduced as Canada has indicated its willingness to finance a part of the project. It is expected that the Canadian participation could amount to about \$20 million.

Eastern Africa Department
July 27, 1972

BIOGRAPHICAL SKETCH

RWETSIBA, William Wycliffe; born 1922 at Mbarara; educated King's College Budo 1939-41; Makerere College 1942-44, Teacher Training; Queens University, Belfast 1950-54; B.SC.; Teacher King's College Budo 1945-49 and 1955-57; Ntare School 1958-60; Member of Legislative Council 1958-61; Parliamentary Secretary Natural Resources 1960-61; Member EACLA^{1/} 1958-60; Executive Officer UDC^{2/} 1961-62; Under Secretary Ministry of Education 1962-63; Permanent Secretary Ministry of Animal Industry Game and Fisheries 1963; Permanent Secretary Ministry of Education; East African Minister for Communications, Research and Social Services.

1/ East African Community Legislative Assembly.

2/ Uganda Development Corporation.