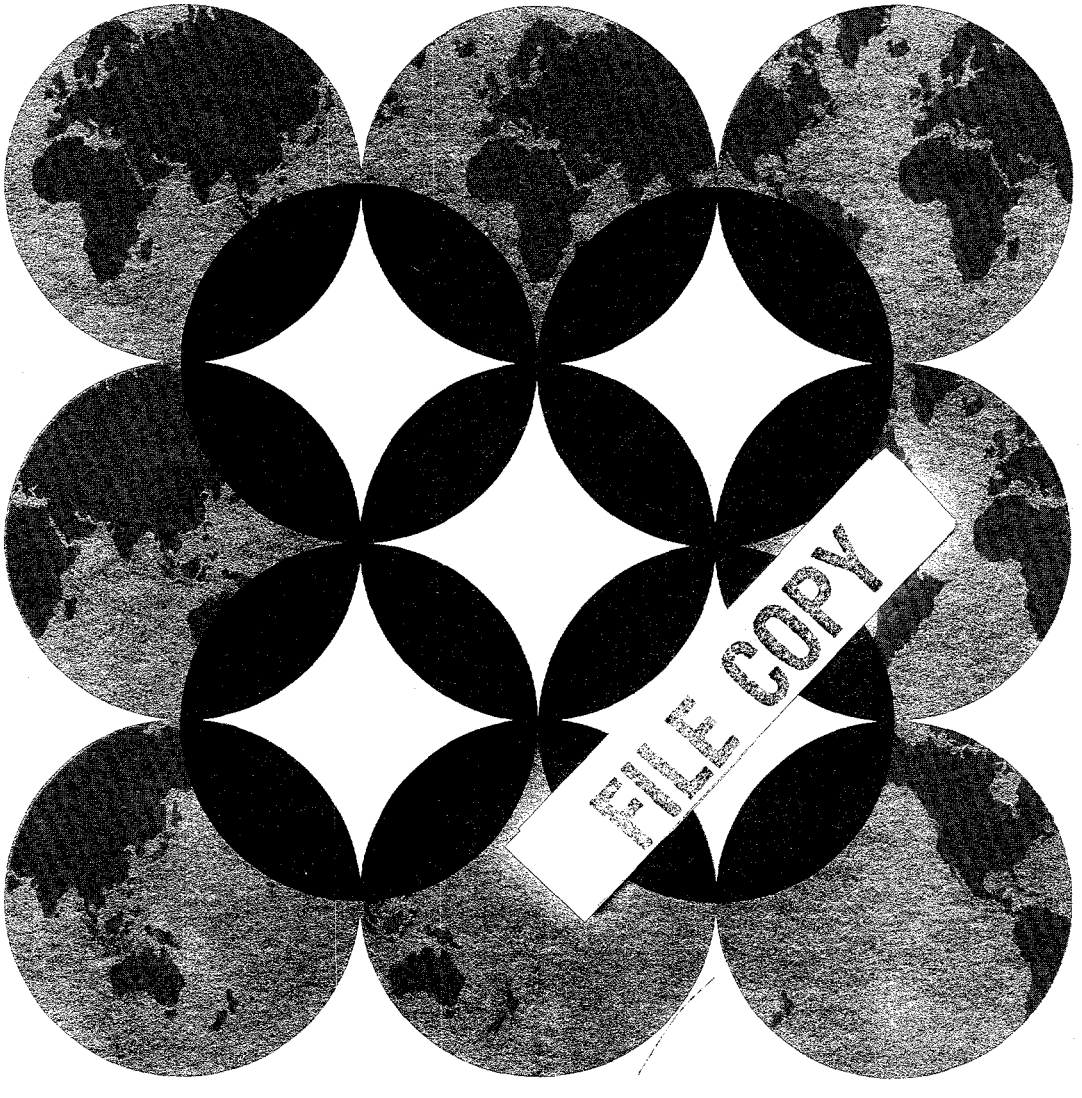
WORLD BANK

INTERNATIONAL DEVELOPMENT ASSOCIATION

Annual Report 1970



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International Bank for Reconstruction and Development
International Development Association

Office of the President

September 21, 1970

Dear Mr. Chairman:

In accordance with Section 10 of the By-Laws of the International Bank for Reconstruction and Development and Section 2 of the By-Laws of the International Development Association, I have been authorized by the Executive Directors of the Bank and the Association to submit to the Boards of Governors this Annual Report for the fiscal year July 1, 1969 to June 30, 1970.

I have also been authorized by the Executive Directors of the Bank and the Association to submit to the Boards of Governors, in accordance with Section 19 of the By-Laws of the Bank and Section 8 of the By-Laws of the Association, the audited financial statements as of June 30, 1970, and the Administrative Budgets for the fiscal year ending June 30, 1971. They are contained in the Appendices of the Report.

Sincerely,

Robert S. McNamara

Chairman
Boards of Governors
International Bank for Reconstruction and Development
and International Development Association

The Record for Ten Years—1961-1970

Expressed in millions of United States dollars

	Fiscal Year									
	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970
World Bank										
Loans: Number	27	29	28	37	38	37	46	44	84	70
Loans: Amount	$ 610	$ 882	$ 449	$ 810	$ 1,023	$ 839	$ 877	$ 847	$ 1,399	$ 1,680
Disbursements	398	485	620	559	606	668	790	772	762	772
Repayments to Bank	101	104	113	117	137	166	188	237	298	329
Gross Income	167	188	204	219	267	292	331	356	410	504
Net Income	63	70	83	97	137	144	170	169	171	213
Total Reserves	602	699	813	846	895	954	1,023	1,160	1,254	1,329
Borrowings: Gross	787	271	121	100	598	288	729	735	1,224	735
Borrowings: Net	300	104	−5	−32	250	64	503	215	698	299
Subscribed Capital	20,093	20,485	20,730	21,186	21,669	22,426	22,850	22,942	23,036	23,159
Member Countries	68	75	85	102	102	103	106	107	110	113
IDA										
Credits: Number	4	18	17	18	20	12	20	18	38	56
Credits: Amount	$ 101	$ 134	$ 260	$ 283	$ 309	$ 284	$ 354	$ 107	$ 385	$ 606
Disbursements	—	12	56	124	222	267	342	319	256	143
Subscribed Capital	906	917	969	987	996	999	1,000	1,000	1,013	1,014
Supplementary Resources and Special Contributions	—	—	6	679	756	763	768	773	1,054	1,950
Member Countries	51	62	76	93	94	96	97	98	102	105
Professional Staff	317	349	406	444	496	615	685	740	917	1,166

PART I:
THE YEAR'S ACTIVITIES

The World Bank Group again substantially increased both the volume and the range of its activities in the 1970 fiscal year. Each of the three institutions of the Group approved commitments involving considerably more finance for economic development than in any previous year; the combined total of commitments in member countries amounted to $2,297.8 million in the year ended June 30, 1970, representing an increase of 22% on the previous year's total (itself a record) and of about 100% on the average for the five-year period 1964-68. In addition, the Bank lent a second $100 million to its affiliate, the International Finance Corporation (IFC—see below).

New loans and credits made in fiscal 1970 by the Bank itself and its affiliate, the International Development Association (IDA), totaled $2,186 million, excluding the Bank's loan to IFC. Commitments for agricultural development and infrastructure projects rose particularly rapidly during the year; in geographical terms, lending to developing countries in the Western Hemisphere and in Africa showed a marked expansion. Bank loans made up $1,580.4 million of the two institutions' lending total for economic development purposes in member countries; the remaining $605.6 million was made available in the form of IDA credits. IDA finance (which bears no interest and only a ¾% a year service charge) provides the Association's member countries which are in the most difficult circumstances with a supplement or alternative to the Bank's own loans, the interest rate on which rose from 6½% to 7% during fiscal 1970.

Venezuela—Water Supply. Checking air valves on the Tuy No. 2 pipeline, which carries water to Caracas, a short distance from the Lagartijo Reservoir. To help double the water supply to the Caracas Metropolitan Zone, with a population of nearly two million, in 1966 the World Bank made a loan to Venezuela of $21.3 million.

Negotiations were undertaken during the year for a third general replenishment of IDA's resources. These negotiations were successfully concluded soon after the end of the fiscal year. The Association's 18 Part I (donor) member countries, together with three Part II member countries and one non-member, agreed to a replenishment which would provide IDA with new funds of rather more than $800 million a year for three years, beginning late in 1971. Agreements were also reached dealing with member countries' voting rights. Further details relating to these agreements are given on page 38 of this Report.

The third member of the Bank Group, the International Finance Corporation (IFC), which helps to finance productive private enterprise ventures in the developing world, made investments totaling $111.8 million in 1970. The Corporation's activities have grown sharply over the past two years; to ensure that IFC should have adequate resources for further expansion, the Bank made available to IFC a loan of $200 million during the year, which incorporated and replaced a $100 million loan which was made in 1966. IFC's financing activities during fiscal 1970 are summarized on page 24 of this Report; details of the Corporation's work are available in its own Annual Report.

The further growth of Bank Group assistance to its developing member countries in the year ended June 30, 1970, took place against the background

IDA FINANCING 1961-1970—SOME EXAMPLES

IDA made its first development credits in fiscal 1961. During the past ten years IDA has made 221 commitments, totaling $2,773.1 million net in 55 countries, for agriculture, education, transportation, electric power, water supply, telecommunications, industry, and project preparation and technical assistance. Among other things, IDA credits made as of the end of fiscal year 1970—alone or with supplementary finance from the World Bank or other lenders, and together with the contribution of the borrowing country — are helping to finance projects for:

—Bringing under cultivation or improving more than 22,004,750 acres for agricultural purposes, including: through irrigation—6,127,000 acres in the Republic of China, India, Pakistan[1], Ceylon, the Sudan and Turkey; through flood protection and drainage—12,672,000 acres in India, Pakistan, the United Arab Republic and Indonesia; through land development (mechanization, cooperatives, plantations)—1,797,840 acres in Africa and Asia.

—Construction or improvement of more than 15,030 miles of roads in Asia, Africa, Latin America and the Middle East; the engineering of more than 3,709 miles of roads; and the improvement of road maintenance operations in many of the countries involved.

—Improvement and expansion of railroads in four countries by the provision of more than 5,440 freight cars, 250 passenger cars, track signaling devices, electrification and workshop equipment, as well as components for the domestic construction of hundreds of locomotives, thousands of freight and passenger cars.

—Port improvements in six countries by construction of ship berths and passenger and cargo building and by provision of new dredges, harbor craft, navigation aids and other equipment.

—Installation of about 919,000 kilowatts of electric generating capacity and the extension of transmission lines in seven countries.

—Improvement and expansion of water supply systems in 16 cities with a total population of over 6,000,000 located in six countries.

—Construction, expansion and/or equipping of 627 general secondary and specialized training schools, 52 teacher-training colleges, and eight agricultural universities. These projects, in eleven African, three Asian and two South American countries, will enable enrollment to expand by 148,900 in general secondary schools; 31,100 in technical and agricultural training schools; 7,700 in teacher training colleges; 6,200 in agricultural universities.

[1]In addition, IDA is a contributor to the $1.2 billion Indus Basin Development Fund, which is financing projects to irrigate about 5,000,000 acres in West Pakistan.

of a number of studies of the development effort as a whole, sponsored both by individual governments and by multilateral agencies. The Bank itself sponsored one such study ("The Pearson Report" —see below, page 31). The consensus of these reappraisals was that notable successes had already been achieved; at the same time, a further intensification and coordination of effort, on the part of international institutions and individual developed and developing countries alike, would be required in the years to come. The challenges facing the developing world are becoming clearer; consequently it is becoming possible to frame and execute new, more comprehensive strategies to meet them. The Bank Group is deeply conscious of the need to enhance the quality and quantity of its own work in the field of economic development; it has taken active steps during the year under review to do so, in the light of its own experience and the general appraisals undertaken by others.

The development picture was marked by a number of encouraging advances during the year. The economic growth of the developing world as a whole continued, with an increase of 6.7% in the combined gross domestic product of the developing countries in 1969. During that year these countries' exports rose by 9%, assisted by the continuing rapid growth of world trade as a whole, and high prices for a number of basic commodities. The creation or improvement of countries' infrastructure, essential for future development as

well as for current needs, continued. Several countries achieved significant increases in agricultural production, and a number also made substantial advances in industrialization. The continuation during 1969 of flows of external funds into the developing countries has helped to provide them with useful new sources of employment and income for their citizens. The developing countries are becoming increasingly able to use new capital, public and private, productively as their managerial and organizational capacity increases, and as infrastructure projects initiated in earlier years come to fruition.

Thus the judgment of the Pearson Commission and others that the development effort has achieved real gains and, given the right policies, can continue to do so on an increasing scale, was corroborated in the year under review. At the same time, the need for intensified effort on the part of both providers and recipients of development assistance was underlined by the persistence of a number of fundamental constraints which still hold back economic growth in the developing world, and which have not diminished significantly during the year under review. Although manufacturing is assuming increasing importance in a number of the Bank's member countries, the majority are still dependent on exports of primary products. At the same time, problems of access to markets in the developed countries (which are becoming increasingly important as outlets for the exports of the developing countries taken as a group) continue. These countries' needs for new high-priority development projects and for better employment and income opportunities for their citizens remain pressing; such needs are increased in many countries by high rates of population growth which put additional strains on already scarce resources. Further improvements in the mobilization of domestic resources and in the volume and terms of the flows of external assistance to meet these needs are urgently required. The debt service problem, already serious for several countries, is likely to become more difficult for a number of them; analysis of the structure of existing debt provides some disturbing implications for the future.

It is against this background, of much solid achievement but of a number of continuing problems, that the World Bank has consolidated and expanded its contribution to the world economic development effort during the year under review. The Bank expects its activities to increase still further during the years to come, in cooperation with its developing member countries, and with the development assistance efforts of individual developed countries and other international organizations.

The Year's Lending

Financing Agriculture

Bank and IDA lending for agricultural development rose sharply to a new record level in fiscal 1970: 32 loans and credits, with a combined value of $412.9 million, were made during the year for agricultural development projects. In addition, two IDA credits, totaling $3.2 million, were made for project preparation in this sector (see below pages 26 and 27).

The cumulative total of funds committed for agriculture by the two institutions amounted to nearly $2,000 million as of June 30, 1970. About 40% of this total—some $780 million—has been lent in the last two years. This rapid expansion of lending reflects not only the special emphasis which the Bank has decided should be placed on this sector, but also the recent emergence of encouraging new opportunities for the productive use of agricultural finance. The development of new high-yielding foodgrain varieties, the establishment or expansion of effective institutions for channeling investment credit to individual farmers, and the successes achieved in programs for the profitable expansion of livestock production are among the factors which have made notable increases in agricultural investment feasible.

The geographical distribution of Bank and IDA agricultural lending continued to broaden in fiscal 1970. Loans or credits were made to seven countries which had not previously received agricultural loans or credits from the Group—*Afghanistan, Ethiopia* (2), *Ghana, Honduras, Niger, Spain* and the *United Arab Republic*. By the end of the year the Group had over 120 on-going agricultural projects under supervision.

The largest proportion of Bank and IDA lending for agriculture during the year under review was provided for **irrigation** projects. Adequate water supplies are essential for the expansion of agricultural output, but less than 15% of arable land in the developing world is currently irrigated. The scope for productive investment for this purpose remains very great.

The loans and credits which made up the record $207.7 million provided by the Bank and IDA for this purpose ranged in value from a $46 million Bank loan to *Morocco* for the integrated development of irrigation and dry farming in the Sebou Basin to a $2.5 million IDA credit for drainage and flood control in *Ceylon*. A $26 million IDA credit to the *United Arab Republic* for the drainage of nearly a million acres of land in the Nile Delta will benefit some 250,000 farming families and will form part of the largest tile drainage system in the world. A second lending operation in *Ceylon*, a

Bank Loans and IDA Credits 1969/70 by Area

Expressed in millions of US dollars

	Bank Loans		IDA Credits		Total	
	Number	Amount	Number	Amount	Number	Amount
Africa						
Botswana	—	$ —	1	$ 2.50	1	$ 2.50
Burundi	—	—	1	0.38	1	0.38
Cameroon	2	17.20	2	17.50	4	34.70
Central African Republic	—	—	1	4.30	1	4.30
Congo, Democratic Rep. of	—	—	1	5.00	1	5.00
Congo, People's Republic of	—	—	1	1.50	1	1.50
Ethiopia	—	—	2	6.60	2	6.60
Gambia, The	—	—	1	2.10	1	2.10
Ghana	—	—	4	14.80	4	14.80
Ivory Coast	2	18.50	—	—	2	18.50
Kenya	2	26.10	1	6.10	3	32.20
Kenya, Tanzania, and Uganda	3	87.80	—	—	3	87.80
Liberia	1	7.40	—	—	1	7.40
Malagasy Republic	—	—	1	9.60	1	9.60
Malawi	—	—	1	5.25	1	5.25
Mali	—	—	1	7.70	1	7.70
Morocco	3	68.30	1	7.30	4	75.60
Niger	—	—	1	0.58	1	0.58
Nigeria	2	35.60	—	—	2	35.60
Rwanda	—	—	1	9.30	1	9.30
Senegal	—	—	1	2.10	1	2.10
Sierra Leone	—	—	1	3.00	1	3.00
Tanzania	—	—	1	7.50	1	7.50
Tunisia	1	10.00	1	10.50	2	20.50
Uganda	—	—	1	11.60	1	11.60
United Arab Republic	—	—	1	26.00	1	26.00
Zambia	2	10.80	—	—	2	10.80
	18	$ 281.70	27	$161.21	45	$ 442.91
Asia						
Afghanistan	—	$ —	1	$ 5.00	1	$ 5.00
Ceylon	3	43.50	2	17.00	5	60.50
China	3	71.50	—	—	3	71.50
India	1	40.00	5	227.50	6	267.50
Indonesia	—	—	4	80.50	4	80.50
Iran	2	48.50	—	—	2	48.50
Israel	1	25.00	—	—	1	25.00
Korea	1	40.00	1	15.00	2	55.00
Malaysia	2	21.50	—	—	2	21.50
Nepal	—	—	1	1.70	1	1.70
Pakistan	1	19.20	9	77.20	10	96.40
Papua and New Guinea	1	4.50	2	9.50	3	14.00
Philippines	2	59.00	—	—	2	59.00
Singapore	2	16.00	—	—	2	16.00
Thailand	1	46.50	—	—	1	46.50
	20	$ 435.20	25	$433.40	45	$ 868.60
Europe						
Cyprus	1	$ 5.00	—	$ —	1	$ 5.00
Greece	1	20.00	—	—	1	20.00
Spain	2	37.00	—	—	2	37.00
Yugoslavia	3	98.50	—	—	3	98.50
	7	$ 160.50	—	$ —	7	$ 160.50
Latin America & Caribbean						
Argentina	1	$ 60.00	—	$ —	1	$ 60.00
Bolivia	1	23.25	1	1.40	2	24.65
Brazil	3	205.00	—	—	3	205.00
Chile	3	19.30	—	—	3	19.30
Colombia	5	127.60	—	—	5	127.60
Costa Rica	3	34.20	—	—	3	34.20
Dominican Republic	1	25.00	—	—	1	25.00
Ecuador	—	—	1	1.50	1	1.50
Honduras	1	5.50	2	8.10	3	13.60
Jamaica	1	2.00	—	—	1	2.00
Mexico	2	146.80	—	—	2	146.80
Panama	1	42.00	—	—	1	42.00
Paraguay	1	6.00	—	—	1	6.00
Uruguay	1	6.30	—	—	1	6.30
	24	$ 702.95	4	$ 11.00	28	$ 713.95
International Finance Corporation	1	$ 100.00	—	$ —	1	$ 100.00
TOTALS	70	$1,680.35	56	$605.61	126	$2,285.96

joint Bank/IDA commitment of $29 million, is designed to help finance a multipurpose project for irrigation and electric power generation; the irrigation component of the project should substantially raise the output of some 10,000 farmers. Loans and credits were also made for irrigation to *India, Indonesia, Pakistan* (2) and the *Philippines*.

Sustained increases in agricultural production generally require extensive investment by individual farmers in on-farm improvements and new inputs. Most farmers in the Bank's developing member countries, lacking the resources for such investment, must depend instead on the availability of **investment credit** to finance improvements. The Bank and IDA attach great importance to the development of such credit facilities, and have undertaken eleven lending operations for this purpose during the fiscal year, with a total value of $129.7 million. $74.6 million of the total was provided for general crop development credit projects and $55.1 million helped to finance specialized livestock credit.

The provision of finance for investment credit has a number of special advantages. It is inherently selective in favor of the most innovative and efficient farmer; at the same time it provides his colleagues with a valuable demonstration of the results which can be obtained through investment in on-farm improvements and new types of input. Moreover, the fact that the borrowing farmer is expected to pay back his loan out of higher production encourages him to use the resources at his disposal efficiently.

The Bank and IDA, when lending to credit institutions, take great care to ensure that the institutions themselves will be properly managed; in particular, the Group satisfies itself that proper technical evaluation procedures are observed, and that the institutions' terms and conditions of lending are realistic. It will help institutions to improve their performance in these and other respects where necessary.

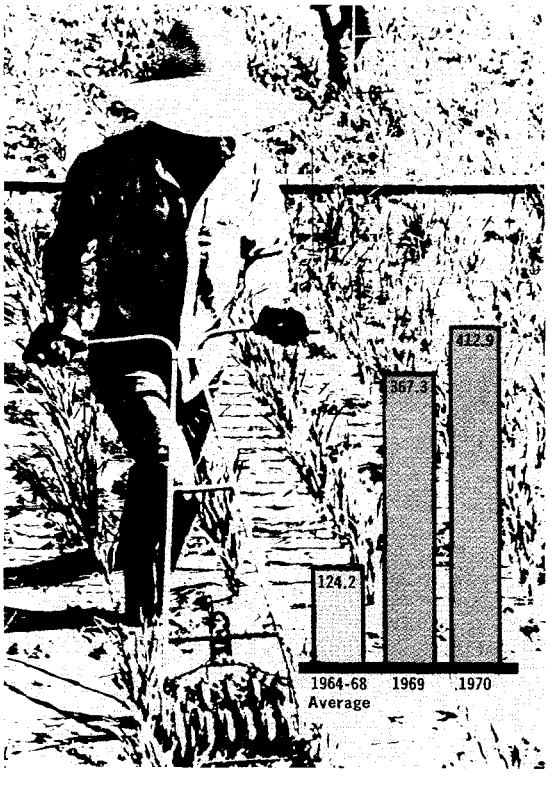
The availability of agricultural credit for crop development is assuming increasing importance with the technological advances of the "Green Revolution." As a consequence of the new technology, farmers who were previously barely able to produce enough to live can now achieve sharp increases in production; these formerly marginal farmers are therefore able for the first time to take advantage of the facilities for investment in on-farm improvements offered by credit institutions. The Bank Group believes that soundly based, well regulated credit institutions can have a catalytic effect on farming methods in whole regions where all but the richest farmers would otherwise be unable to take advantage of recent advances in agricultural technology to raise their production above subsistence levels. At the same time, attention must be paid to the provision of technical advice to farmers receiving credit.

The five Bank/IDA commitments made to institutions providing credit for crop development included the Group's first measures of assistance to agriculture in *Afghanistan* and *Niger*, and its first agricultural credit projects in *India* (where two such projects were approved during the year) and *Iran*.

Projects in the field of agricultural development, as in other sectors, must take account of the need for increases in domestic cash incomes, and foreign exchange earnings from exports (bearing in mind current world market conditions, including questions of access to markets in the developed countries and the impact of new productive capacity on market prices). They must also take into account ways of utilizing unused or underused resources in developing countries. Bank and IDA lending for projects to provide credit for livestock development, which is mainly designed to raise countries' export earnings, can also provide benefits through improvements in the nutritional content of local diets. Livestock projects essentially provide credit to ranchers for farm improvements, better stock and technical services. The Bank and IDA will often assist borrowers in

Loans and Credits: AGRICULTURE

(Million US dollars)



Bank Loans and IDA Credits 1969/70 by Purpose

Expressed in millions of US dollars

	Bank	IDA	Total
Agriculture			
Afghanistan—Agricultural credit	$ —	$ 5.00	$ 5.00
Bolivia—Livestock	—	1.40	1.40
Ceylon—Irrigation and drainage	13.60	5.10	18.70
Ceylon—Drainage	—	2.50	2.50
Colombia—Livestock	18.30	—	18.30
Ecuador—Livestock	—	1.50	1.50
Ethiopia—General agricultural development	—	3.10	3.10
Ethiopia—General agricultural development	—	3.50	3.50
Ghana—Fisheries	—	1.30	1.30
Ghana—Cocoa production	—	8.50	8.50
Honduras—Livestock	—	2.60	2.60
India—Irrigation	—	35.00	35.00
India—Agricultural credit	—	35.00	35.00
India—Agricultural credit	—	27.50	27.50
Indonesia—Agricultural estates	—	17.00	17.00
Indonesia—Irrigation	—	18.50	18.50
Iran—Agricultural credit	6.50	—	6.50
Ivory Coast—Cocoa production	7.50	—	7.50
Kenya—Forestry	2.60	—	2.60
Malaysia—Land settlement and development	13.00	—	13.00
Malaysia—Forestry	8.50	—	8.50
Morocco—Irrigation	46.00	—	46.00
Niger—Agricultural credit	—	0.58	0.58
Pakistan—Irrigation	—	13.00	13.00
Pakistan—Irrigation	—	14.00	14.00
Papua and New Guinea—Oil palm, coconuts and cattle	—	5.00	5.00
Philippines—Irrigation	34.00	—	34.00
Spain—Livestock	25.00	—	25.00
United Arab Republic—Drainage	—	26.00	26.00
Uruguay—Livestock	6.30	—	6.30
Zambia—Commercial farming	5.50	—	5.50
	$ 186.80	$226.08	$ 412.88
Education			
Cameroon	$ —	$ 10.50	$ 10.50
Chile	1.50	—	1.50
Chile	7.00	—	7.00
China	9.00	—	9.00
Colombia	6.50	—	6.50
Ivory Coast	11.00	—	11.00
Kenya	—	6.10	6.10
Pakistan	—	8.00	8.00
Sierra Leone	—	3.00	3.00
Spain	12.00	—	12.00
Zambia	5.30	—	5.30
	$ 52.30	$ 27.60	$ 79.90
Telecommunications			
Costa Rica	$ 6.50	$ —	$ 6.50
Kenya, Tanzania and Uganda	10.40	—	10.40
Nepal	—	1.70	1.70
Pakistan	—	15.00	15.00
Singapore	11.00	—	11.00
Yugoslavia	40.00	—	40.00
	$ 67.90	$ 16.70	$ 84.60
Transportation			
Bolivia—Natural gas pipeline	$ 23.25	$ —	$ 23.25
Brazil—Roads	100.00	—	100.00
Cameroon—Roads	12.00	7.00	19.00
Cameroon—Railways	5.20	—	5.20
Central African Republic—Roads	—	4.30	4.30
Chile—Roads	10.80	—	10.80
Colombia—Roads	32.00	—	32.00
Congo, People's Republic of—Roads	—	1.50	1.50
Costa Rica—Roads	15.70	—	15.70
Gambia, The—Port	—	2.10	2.10
India—Railways	—	55.00	55.00
Iran—Roads	42.00	—	42.00
Kenya—Roads	23.50	—	23.50
Kenya, Tanzania and Uganda—Ports	35.00	—	35.00
Kenya, Tanzania and Uganda—Railways	42.40	—	42.40
Korea—Railways	40.00	15.00	55.00
Malagasy Republic—Port	—	9.60	9.60

(continued)

Bank Loans and IDA Credits 1969/70 by Purpose (continued)

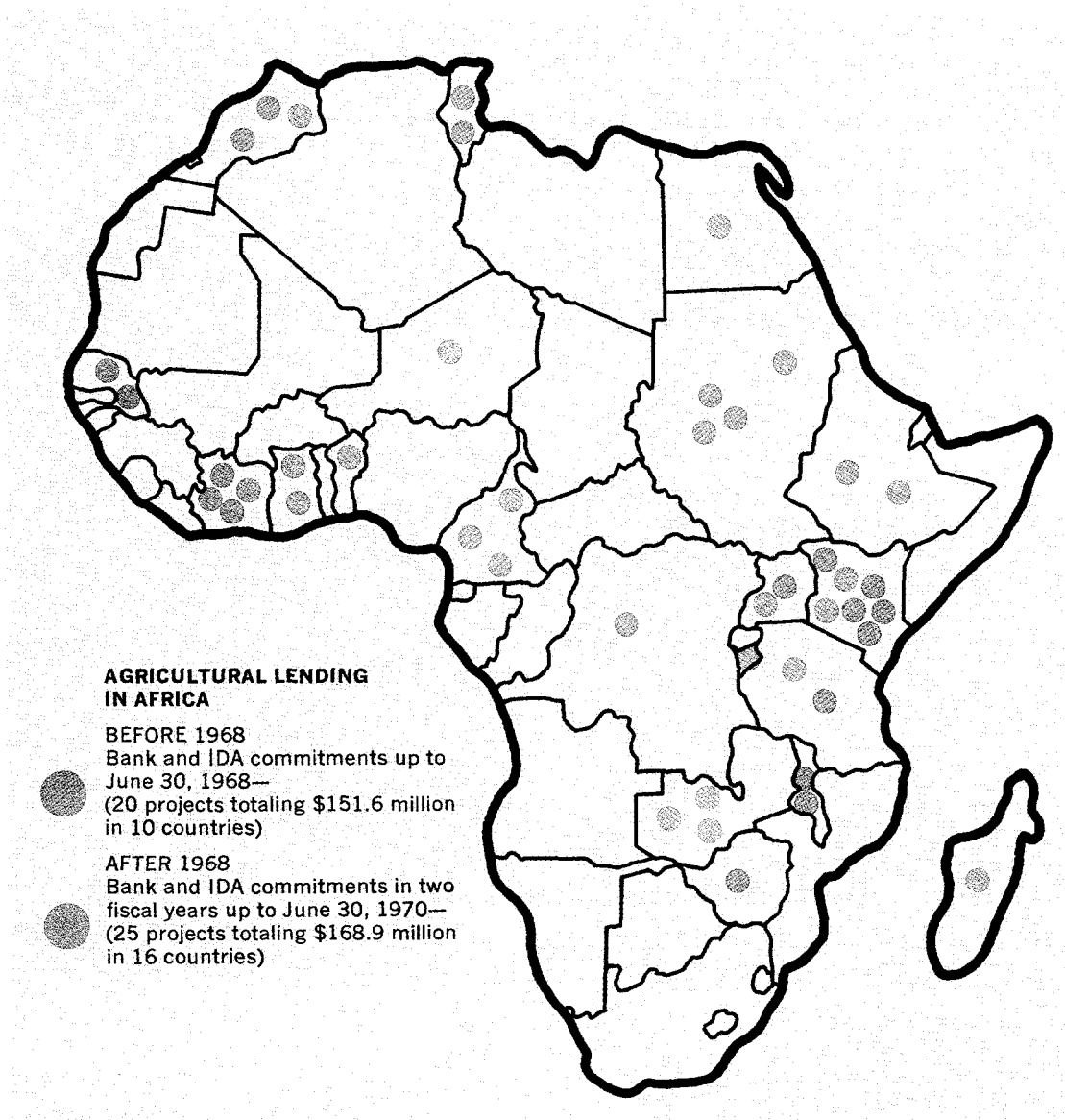
Expressed in millions of US dollars

	Bank	IDA	Total
Mali—Roads	$ —	$ 7.70	$ 7.70
Mexico—Roads	21.80	—	21.80
Morocco—Roads	7.30	7.30	14.60
Nigeria—Roads	10.60	—	10.60
Nigeria—Roads, railways and ports	25.00	—	25.00
Pakistan—Natural gas pipeline	19.20	—	19.20
Papua and New Guinea—Roads	4.50	4.50	9.00
Paraguay—Roads	6.00	—	6.00
Rwanda—Roads	—	9.30	9.30
Senegal—Roads	—	2.10	2.10
Tanzania—Roads	—	7.50	7.50
Uganda—Roads	—	11.60	11.60
Yugoslavia—Roads	40.00	—	40.00
	$ 516.25	$144.50	$ 660.75
Electric Power			
Argentina	$ 60.00	$ —	$ 60.00
Brazil	80.00	—	80.00
Ceylon	0.90	9.40	10.30
Ceylon	21.00	—	21.00
China	44.50	—	44.50
Colombia	52.30	—	52.30
Costa Rica	12.00	—	12.00
Cyprus	5.00	—	5.00
Honduras	5.50	5.50	11.00
Indonesia	—	15.00	15.00
Liberia	7.40	—	7.40
Malawi	—	5.25	5.25
Mexico	125.00	—	125.00
Panama	42.00	—	42.00
Thailand	46.50	—	46.50
	$ 502.10	$ 35.15	$ 537.25
Industry			
Brazil—Development finance company	$ 25.00	$ —	$ 25.00
Ceylon—Development finance company	8.00	—	8.00
China—Development finance company	18.00	—	18.00
Congo, Democratic Republic of—Development finance company	—	5.00	5.00
Dominican Republic—Facilities for nickel mining project	25.00	—	25.00
Greece—Development finance company	20.00	—	20.00
India—Development finance company	40.00	—	40.00
Indonesia—Fertilizer plant	—	30.00	30.00
Israel—Development finance company	25.00	—	25.00
Morocco—Development finance company	15.00	—	15.00
Pakistan—Development finance company	—	20.00	20.00
Pakistan—Small industries	—	3.00	3.00
Philippines—Development finance company	25.00	—	25.00
Singapore—Development finance company	5.00	—	5.00
Tunisia—Development finance company	10.00	—	10.00
Yugoslavia—Automotive and steel industries	18.50	—	18.50
	$ 234.50	$ 58.00	$ 292.50
Project Preparation			
Botswana—Infrastructure for mining project	$ —	$ 2.50	$ 2.50
Burundi—Road engineering and maintenance study	—	0.38	0.38
Ghana—Road engineering	—	1.50	1.50
Pakistan—Agricultural engineering	—	0.80	0.80
Pakistan—Agricultural engineering	—	2.40	2.40
Pakistan—Port engineering	—	1.00	1.00
	$ —	$ 8.58	$ 8.58
Water Supply & Sewerage Systems			
Colombia—Water supply	$ 18.50	$ —	$ 18.50
Ghana—Water supply and sewer system	—	3.50	3.50
Tunisia—Water supply	—	10.50	10.50
	$ 18.50	$ 14.00	$ 32.50
Family Planning			
Jamaica	$ 2.00	$ —	$ 2.00
General Development & Industrial Imports			
India—Industrial imports	$ —	$ 75.00	$ 75.00
International Finance Corporation	$ 100.00	$ —	$ 100.00
TOTALS	$1,680.35	$605.61	$2,285.96

setting up the institutional framework needed to ensure successful management and administration of the project.

As noted above (page 9), Bank and IDA lending for livestock projects totaled $55.1 million in fiscal 1970. Of the six projects assisted, four, in *Bolivia, Colombia, Ecuador* and *Uruguay,* represented continuations of existing livestock development programs; the Bank's $25 million loan to *Spain* and the $2.6 million IDA credit to *Honduras* were the Group's first measures of agricultural financing in these two countries.

The development of a market-oriented agriculture producing cash crops for domestic and export sales is central to successful agricultural development. Apart from its lending for irrigation and credit, the Bank directly assists cash crop production through its selective lending for productive **general agricultural development** projects. Projects of this kind, designed to stimulate output of existing cash crops or to diversify production into new crops with export or domestic sales potential, often involve relatively small loan amounts and may require particularly lengthy preparatory work, but they can have a quite disproportionately large impact on the agricultural economy of the country concerned. This is especially true where, as in the majority of Bank or IDA operations, the project concerned is designed to assist smallholders to increase their output and earnings. In preparing



such projects, the key problem is how to graft the production of a new crop, or intensive production of an existing one, on to often complex existing agricultural institutions or methods of work. The project must take into account the national or regional agricultural policy frame within which it will have to operate; measures of institutional reform, or changes in credit, marketing, price or fiscal policies may be required.

It is precisely because projects for cash crop development involve consideration of these difficult topics, and may entail reshaping of patterns of agrarian life in the direction of a market-oriented agriculture, that the Bank considers them to be worth the amount of time they take to prepare. Agriculture remains the dominant sector of activity in most of the Bank's developing member countries, often providing a living for two-thirds or more of the population. The achievement of significant overall economic growth depends directly, therefore, in many countries on the transformation of agriculture from a subsistence activity to an income-earning one through well conceived, economically sound development projects, having due regard to market possibilities.

Bank and IDA lending for general agricultural development totaled $74.2 million in fiscal 1970. The ten loans and credits provided include two IDA credits to *Ethiopia* totaling $6.6 million to help raise production of a variety of cash crops for domestic and foreign consumption; an $8.5 million credit to *Ghana* and a $7.5 million loan to the *Ivory Coast* for expansion of those countries' cocoa industries; a $17 million credit to *Indonesia* for the second stage of a program to rehabilitate rubber estates; a $2.6 million Bank loan to *Kenya* for forestry development (whose output will be used in a pulp mill which is being assisted by an IFC investment); two loans to *Malaysia* totaling $21.5 million for forestry and for the second stage of a settlement and crop development project in the Jengka Triangle; an IDA credit of $5 million to *Papua and New Guinea* for coconut, oil palm and livestock development; and a $5.5 million Bank loan to *Zambia* for commercial farming. Six of the ten projects are in Africa; loans and credits for the development of cash crops form a large proportion of Bank and IDA agricultural lending in Africa, which has increased particularly rapidly during the last two years (see map, page 12).

The Bank Group continues to take a special interest in the possibility of financing projects in the field of **agro-industries** and activities such as fisheries. Although only one commitment was made in this field during the year under review—a $1.3 million IDA credit for *Ghana's* fishing industry—a number of projects are currently under examination for purposes including vegetable processing and marketing facilities, grain storage, aerial crop spraying and fisheries.

Specific agricultural projects should not be considered in isolation, but rather in the context of countries' overall agricultural prospects and problems. To facilitate the development of an integrated sector-wide agricultural strategy, the Bank has begun to undertake comprehensive sector studies in a number of member countries, and expects to continue and extend such studies in the coming years.

Project identification and preparation remained an important activity during the year. The Bank's permanent missions in Eastern and Western Africa, stationed in Nairobi and Abidjan, continued to assist governments in the preparation of projects in Africa, while the Bank's Agricultural Development Service, with headquarters in Nairobi, again provided African countries with management assistance for projects where necessary. The Bank's cooperative arrangement with the Food and Agriculture Organization of the United Nations (FAO) continued to operate satisfactorily during the year. FAO sent 76 missions to developing countries for this purpose, and FAO staff members participated in 36 of the Bank's agricultural missions during the year.

Financing Education

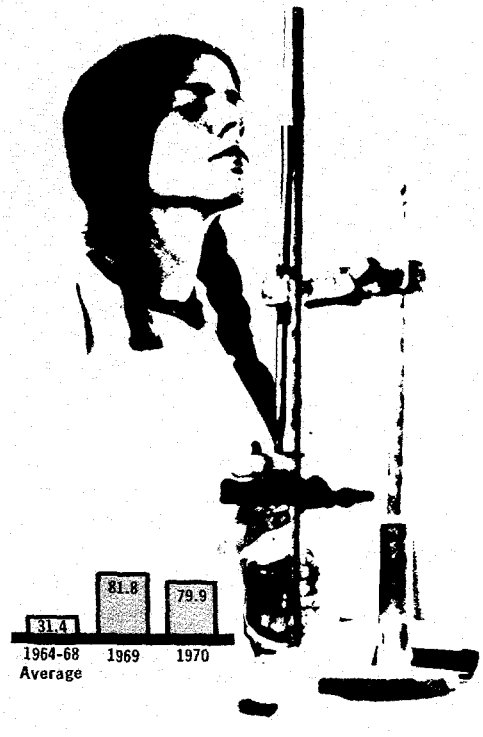
The Bank Group began lending for education in 1962. By the end of the 1970 fiscal year, the cumulative total of Bank and IDA education lending amounted to over $320 million. About half this total has been committed during the last two fiscal years. Eleven commitments totaling $79.9 million were made during the year under review to ten countries, five of which—*Cameroon, the Republic of China, the Ivory Coast, Sierra Leone* and *Spain*—received loans or credits for education for the first time. The five other countries assisted—*Chile* (2), *Colombia, Kenya, Pakistan* and *Zambia*—had received earlier education loans or credits from the Bank or IDA.

The need for improved educational facilities of all kinds throughout the developing world is very great, and the Bank Group recognizes that its assistance can fulfill only a small part of countries' overall requirements in this sector. But the shortage of indigenous trained manpower is one of the major impediments to economic growth in many developing countries; the Bank believes that improved educational facilities, based on careful planning of education systems to make them relevant to students' subsequent employment opportunities and countries' needs for skills, are among the soundest forms of investment to be made in the developing world.

The Bank and IDA try to sharpen the impact of their education lending by concentrating their assistance on those parts of the education process which are most closely connected with countries' economic progress, and by promoting structural reforms of education systems aimed at making them more efficient and more relevant to countries' needs. The structure of education systems in many of the Bank's member countries often remains more appropriate to a developed than a developing economy. A system which diverts a disproportionate amount of resources to university education at the expense of adequate lower-level schooling may be a luxury which some countries simply cannot afford, while a curriculum which emphasizes traditional academic studies at the expense of technical and vocational education is liable to produce school leavers whose qualifications do not match countries' urgent needs for trained managers, technicians and agriculturists.

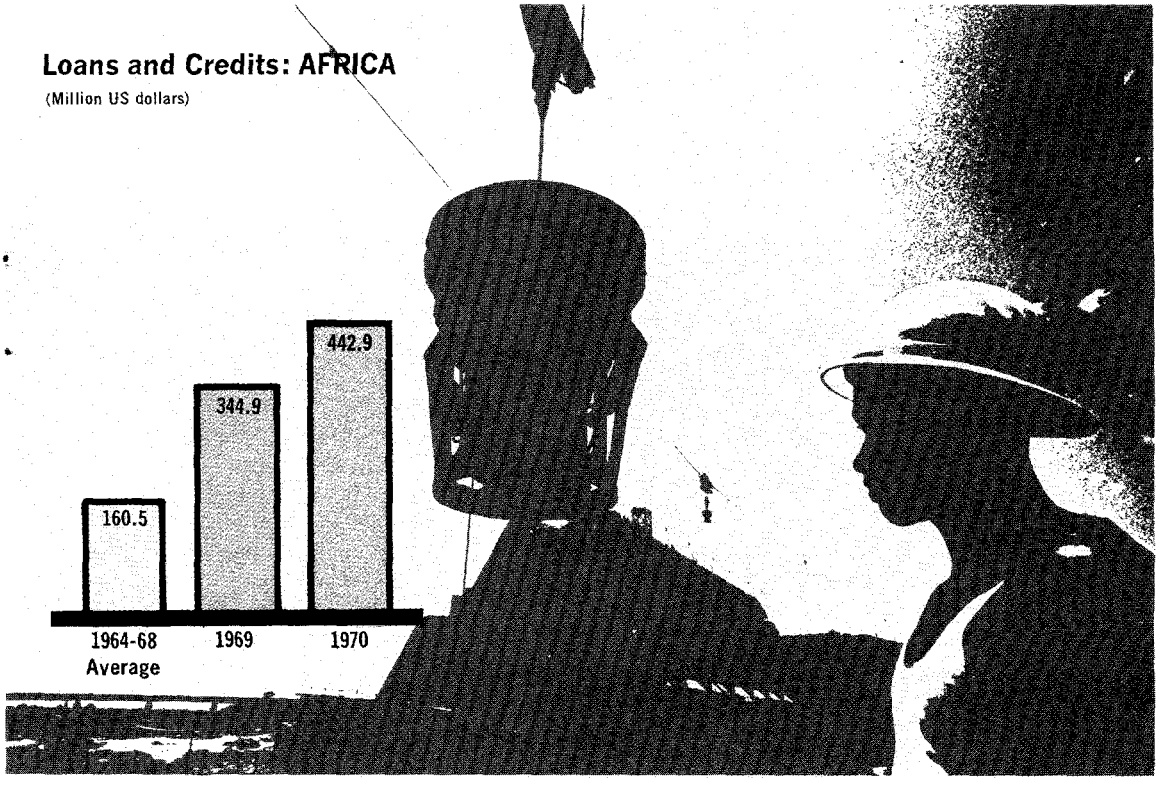
Bank and IDA educational loans and credits are made only after detailed examination of the educational system of the country concerned, in which the relevance of the system to the country's existing and projected manpower needs is carefully analyzed. The Group believes its lending should assist the coordinated development of a country's education system as a whole; most individual loans or credits, therefore, support simultaneous improvements at a number of levels, and involve not only a variety of quantitative increases in facilities but also qualitative improvements in the overall structure and content of the system. The Bank and IDA also finance assistance in educational planning and curriculum development, and help governments to set up units for this purpose where necessary.

Loans and Credits: EDUCATION
(Million US dollars)



The $11 million Bank loan to the *Ivory Coast* is of particular interest, in that it includes support for educational television facilities on an experimental basis. In close cooperation with the United Nations Development Programme (UNDP), the United Nations Educational, Scientific and Cultural Organization (Unesco), the United Nations Children's Fund (UNICEF) and the Fonds d'aide et de coopération (FAC), the Bank is helping to finance the construction of an educational television center which will produce primary education programs for use throughout the country, together with the construction and equipment of three primary teacher training schools, three general secondary schools, two secondary technical schools, two post-secondary technical schools and one adult vocational training school. The project will also provide the Government with funds for studies of curriculum reform and cost-reduction techniques in secondary education, for the employment of consultants on school building design and construction supervision, and for the establishment of a coordination and supervision unit in the Ministry of Education. The project is designed to help the Government achieve the objective of doubling the number of trained teachers in the Ivory Coast to 14,000 and raising the number of children attending primary schools from about 400,000 to 600,000 in 1974-75.

The Group made three commitments to assist university education programs relevant to economic development during the year—an $8 million IDA credit to *Pakistan* for the West Pakistan University of Engineering and Technology at Lahore and the Government Engineering College at Karachi; a $6.1 million IDA credit to *Kenya*, which, apart from supporting agricultural education at the secondary level and primary and secondary teacher training, will assist the establishment of Kenya's first University Faculty of Agriculture; and a $5.3 million Bank loan to *Zambia* for expansion of the Faculties of Engineering and Education at the University of Zambia. This project will enable the University (whose enrollment is expected to treble by 1973) to provide new lecture rooms, laboratories and other facilities for the two faculties. The project will also provide funds for the construction and furnishing of hostels for 960 students and staff.



The majority of the year's Bank loans and IDA credits have again been designed to assist the development of three areas of education which the Group considers to be of special importance—secondary schooling, technical and vocational education and teacher training. A $7 million Bank loan to *Chile* will help finance the construction or expansion of eleven teacher training institutes, raising trainee enrollment from 3,000 to over 5,300 and the construction or expansion of eleven agricultural secondary schools, providing over 3,200 new school places. A second loan to *Chile*, for $1.5 million, will provide funds for the further expansion of Chile's industrial and agricultural vocational training program (a previous loan had been made for an earlier expansion of the program in 1965). A $3 million IDA credit to *Sierra Leone* will help the Government to diversify the curricula of eleven secondary schools to include the teaching of agricultural, commercial, scientific and industrial subjects, to expand the combined enrollment at two technical institutes and two trade schools from 740 to nearly 2,000 full-time students, and to double the capacity of the Freetown Primary Teachers' Training College. The Canadian International Development Agency (CIDA) and the UNDP are joining with the Bank and the Government of Sierra Leone in providing funds for equipment and technical assistance activities connected with this project. A $10.5 million IDA credit will help the Government of *Cameroon* to construct or expand and equip four teacher training colleges, 15 general secondary schools, a post-secondary school of agriculture and two technical schools, and to re-equip two other technical schools. The 24 schools covered by the project will have a combined enrollment of over 7,000 students, adding a total of 5,500 places to the existing system. The project also involves measures of curriculum reform designed to strengthen the teaching of technical and agricultural studies, and agricultural and workshop training. Other projects approved during the year included a $9 million Bank loan to the *Republic of China* for industrial and vocational schools, and for feasibility studies of educational television and fisheries education; a $6.5 million Bank loan to *Colombia* for comprehensive secondary schools; and a $12 million Bank loan to *Spain* for basic general education and teacher training centers.

As shown in its Ivory Coast loan, the Bank is prepared to experiment with new technology in the field of education, particularly when the benefits obtained from modern equipment can be shown to outweigh their costs. The Group is interested in the development of new teaching aids such as instructional television, programmed learning, and audio-visual devices; it is ready to consider their use wherever they can be shown to provide an economic solution in a specific project situation.

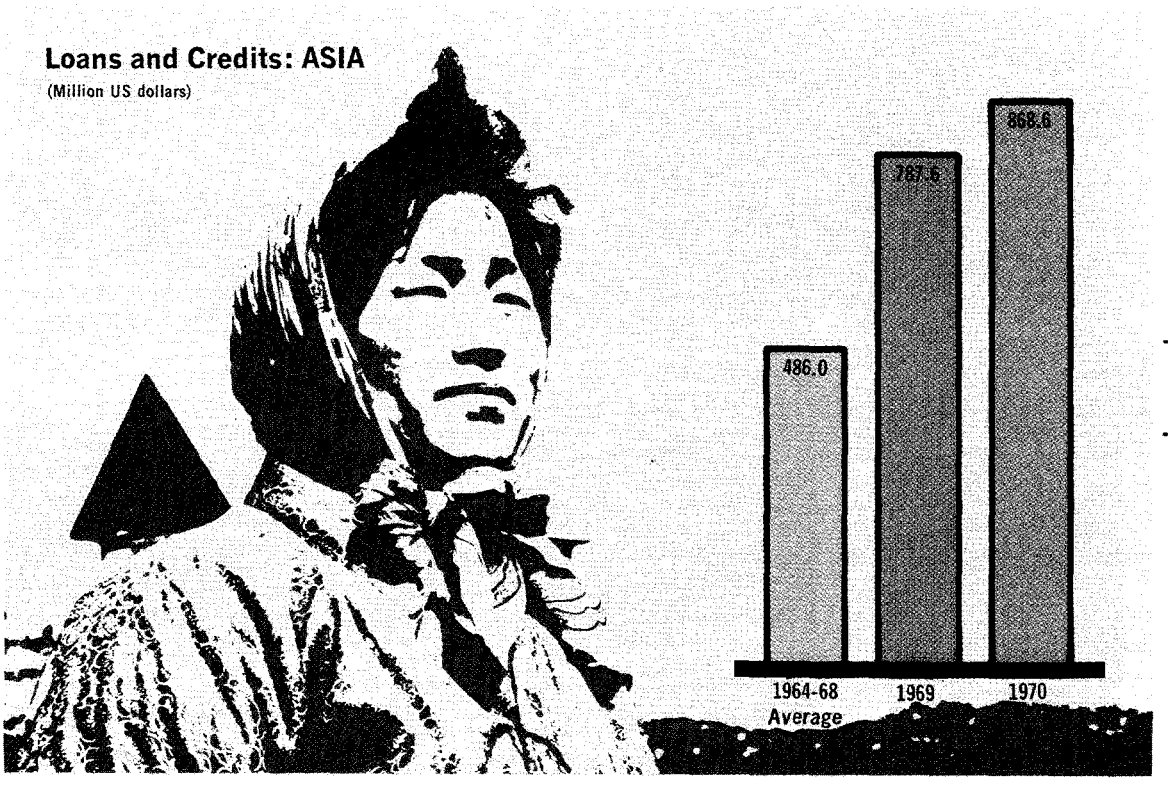
The Bank's cooperative arrangements with Unesco and FAO continued to be of value in Bank/IDA education financing activities during the year. Eight of the projects approved in fiscal 1970 had been identified or prepared with the help of Unesco; Unesco staff members also participated in eleven Bank missions during the year for preliminary identification of education projects, while FAO participated in eight Bank missions concerned with appraisal or preparation of agricultural education projects. An understanding was reached during the year, subject to the approval of the Board of Governors, that the agreement with Unesco, on which the two organizations' cooperative activities are based, would be expanded to include the services of personnel in divisions other than Unesco's Educational Finance Division. This will make it possible for the Bank to draw more heavily on Unesco's expertise in specialized fields, and will broaden the institutions' joint activities to cover the preparation of educational sector studies in member countries.

Financing Public Services

The provision of finance for projects to improve countries' public service infrastructure—transportation networks, electricity supply, telecommunications, sewerage and water supply systems—has traditionally been the largest single area of Bank Group lending activity. Adequate infrastructure facilities form a necessary prerequisite for the success of policies to promote agricultural and industrial growth; the planned further expansion of infrastructure, in line with countries' abilities to use it productively, remains essential if their overall developmental goals are to be met. The Bank Group is aware, however, that infrastructure projects in the developing as well as the developed world may have disturbing effects on the environment. It is increasing its efforts to ensure that the ecological effects of the projects it supports are taken properly into account when projects' potential costs and benefits are appraised.

During the year under review, Bank and IDA lending for public services reached a total of $1,315.1 million, a notable increase on 1969's previous record total. The cumulative total of Bank and IDA lending for public services now stands at over $10,000 million and represents about 60% of all loans and credits made by the two institutions to date.

In this as in other sectors, the Bank and IDA recognize that technical assistance and support for institution building may often be needed at least as urgently as physical infrastructure. Many of the year's loans or credits for public services contained allocations of funds for technical assistance (see below, page 27): in addition, four of the six IDA credits made during the year solely for technical assistance were for engineering or project



preparation work in the field of public services (see below, page 27). Institution building, the creation or improvement of institutions in member countries for the management and development of national strategies in the field of public services remained a major aim of Bank and IDA assistance during the year. A large number of the year's loans or credits for public services, especially in the fields of transportation and electric power, included allocations of funds for the training of local personnel, for the establishment or improvement of planning units within government departments or for the development of units for project management and supervision.

Transportation

The value of loans and credits for transportation rose sharply during fiscal 1970. The 34 such loans and credits totaling $660.8 million made to 28 countries included a $25 million loan to *Nigeria* for a transportation rehabilitation project, the proceeds of which are to be used for three transportation subsectors, roads, ports and railways. $401.4 million was provided for roads, $168.8 million for railways, $48.1 million for ports and $42.5 million for pipelines. In addition, three IDA credits totaling $2.9 million were provided for project preparation work in this sector (see below, page 27).

The $401.4 million provided for **roads** during the year included loans or credits to *Brazil, Cameroon,* the *Central African Republic, Chile, Colombia, Congo (People's Republic of), Costa Rica, Iran, Kenya, Mali, Mexico, Morocco, Nigeria, Papua and New Guinea, Paraguay, Rwanda, Senegal, Tanzania, Uganda,* and *Yugoslavia:* in addition, $12.4 million of the *Nigerian* rehabilitation loan was allocated to roads. Projects covered all types of road development, from major highways to small agricultural and feeder roads. Many of the projects stemmed from feasibility or engineering studies undertaken in previous years with either Bank or UNDP assistance; many new loans and credits also contained allocations of finance for studies designed to lay the groundwork for future projects.

The year's largest lending operation for roads was a $100 million Bank loan to *Brazil.* This was the second of a series of loans expected to flow from a two-stage comprehensive transport survey for which the Bank made a first stage $1.5 million grant in 1965; the second stage, partially financed by the UNDP and the United States Agency for International Development (AID), is nearing completion. This $100 million loan will provide funds for the construction and paving of 541 miles of major roads; the improvement of a further 785 miles; detailed engineering work covering 1,420 miles; and feasibility studies on another 2,365 miles. The project will also provide funds for consultants' services designed to help Brazil's National Highway Department to strengthen its planning and construction supervision capabilities. An $11.6 million IDA credit to *Uganda* will provide funds for the foreign exchange costs of a project for road construction and rehabilitation, for new engineering and feasibility studies and technical assistance (including personnel training) to Uganda's Ministry of Works; the detailed engineering work for the road construction and rehabilitation component of this project was financed by a 1967 IDA credit. These and a number of other road loans and credits made during the year illustrate the workings of the project cycle. The preparatory work for the construction component of a given project is financed by a loan or credit made in a previous year; when the new construction work is undertaken, the loan or credit to finance it contains an allocation of funds for preparatory work on the next stage of construction. In this way the Bank and IDA are able to help member countries build up a coherent on-going program of highway development.

Road projects need not necessarily involve major new construction work; apart from allocations for technical assistance or institution building (mentioned above) a number of the loans and credits approved during the year were for improvement or maintenance of existing roads. For example, commitments included a $6 million Bank loan for maintenance to *Paraguay,* undertaken on the basis of a road maintenance master-plan financed by an earlier Bank loan; a $7.7 million IDA credit for road maintenance and pre-investment studies in *Mali;* and a $4.3 million IDA credit for maintenance in the *Central African Republic.* A $14.6 million joint Bank/IDA lending operation in *Morocco* will finance extensive road maintenance and improvement works as well as the construction of 64 miles of new roads.

Several of the loans and credits made for roads during the year were designed to provide transportation facilities in support of countries' agricultural development. The Uganda and Morocco projects mentioned above, together with a $23.5 million Bank loan to *Kenya* for trunk, feeder and farm access roads, and a $19 million joint Bank/IDA lending operation for road improvements and feasibility studies in *Cameroon* are examples of projects whose major justification was in terms of the benefits they would provide to agriculture (and to tourism in the cases of Morocco and Kenya).

Lending for **railways** during the year included a $55 million joint Bank/IDA lending operation in *Korea,* a $55 million IDA credit to *India,* a $42.4

million Bank loan to the East African Railway Corporation, the entity responsible for the rail network of the *East African Community (Kenya, Tanzania* and *Uganda)*—its third for the Community's railways—and a $5.2 million loan to *Cameroon,* together with $11.2 million of the *Nigerian* rehabilitation loan. The credit to *India* was the Group's tenth measure of assistance to that country's railways, which are of particular economic importance in that country. The IDA funds provided will assist a two-year expansion program whose total cost is estimated at over $700 million, of which over $600 million will be provided by funds generated by the railways' operations and from Indian government sources.

The East African railways loan was one of two made during the year to the transport corporations of the *East African Community*. The second, of $35 million, was for **port** development. This loan, together with a $9.6 million IDA credit to the *Malagasy Republic,* a $2.1 million credit to *The Gambia* and the port component of the *Nigerian* rehabilitation loan ($1.4 million) made up the $48.1 million provided by the Bank and IDA for port development during fiscal 1970.

The East African Community had received previous World Bank assistance for port improvements; the *Malagasy Republic* had received no previous assistance for physical port works, but the IDA credit made during the year for development of the port of Tamatave had been preceded by a Bank-financed pre-investment study for which a grant of $196,500 had been made in fiscal 1968; the $2.1 million IDA credit to *The Gambia* was the first Bank Group commitment to that country.

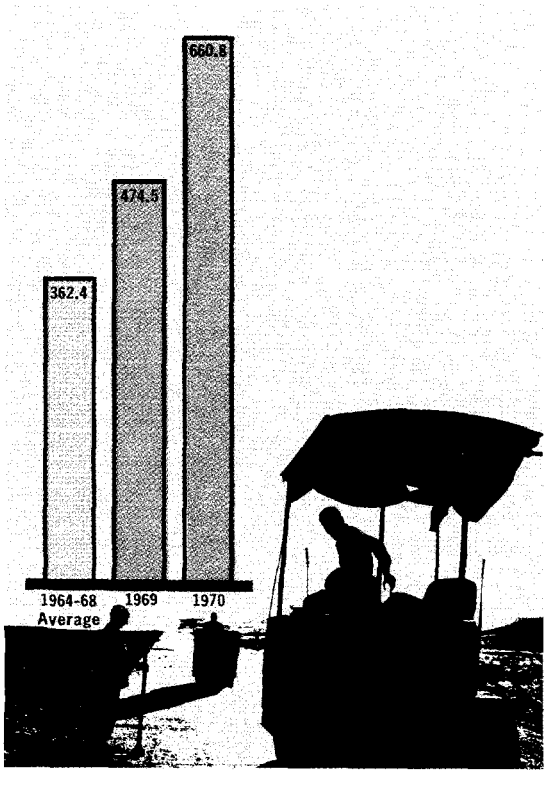
Most of the year's port loans were of methodological interest in that their evaluation included some "queuing" analysis to derive information about ship stays in ports. In particular the East African Harbours Corporation loan was undertaken with the assistance of a simulation model which enabled the Bank to refine considerably its evaluation of the size and timing of the investments. This simulation model was developed entirely within the Bank. In this as in other lending sectors, the Bank's staff is continually refining its project appraisal methods by developing new techniques of quantitative analysis, often involving computer simulations, which can usefully be applied to its operational work.

Two loans for **pipelines** were signed during the year, for a total value of $42.5 million. These loans were designed to assist the construction of natural gas pipelines in *Bolivia* and *Pakistan*. The loan to Pakistan amounting to $19.2 million, will assist the further expansion of the Sui Northern pipeline.

In addition to the above activities the Bank has some airport projects under preliminary appraisal. Careful project appraisal is basic to all Bank and IDA lending. In appraising transportation projects, the two institutions attach particular importance to the coordination of different modes of transportation. This stress on coordination also applies to the pre-investment studies undertaken by the Bank and IDA, which often lead to a group of projects involving loans or credits to more than one transport sub-sector: the major studies undertaken in Brazil, for example, are concerned with railways and ports as well as roads. The Bank is increasingly using sector-wide studies to determine a strategy for transport development and to determine the priority of different transportation projects for which financial assistance is sought.

Apart from the physical improvements they help to provide, the Group believes its projects should encourage member countries to create or improve their own institutions for the management and development of national strategies in this as in other sectors. A large number of the transportation loans and credits approved during fiscal 1970 included allocations of funds for the training of local personnel, for the establishment or improvement of planning units within government departments or for the development of units for project management and supervision.

Loans and Credits: TRANSPORTATION
(Million US dollars)



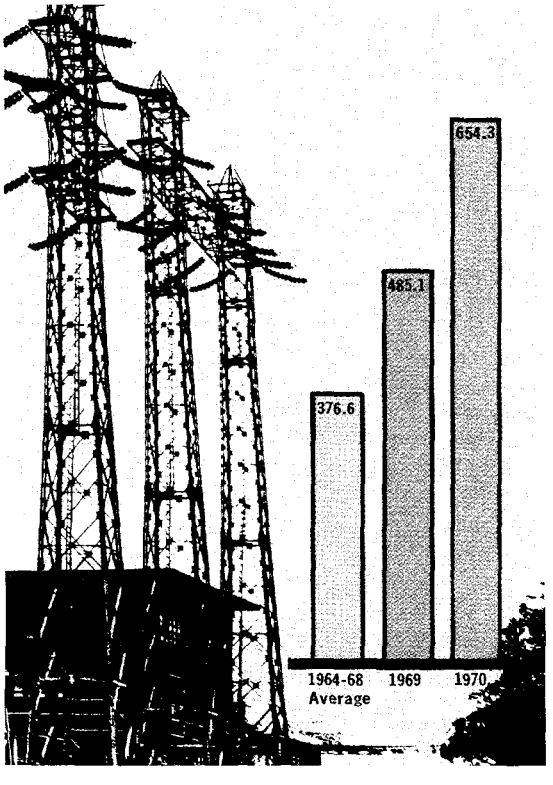
Electric Power

Bank and IDA lending for electric power development in member countries totaled $537.3 million in fiscal 1970. The two institutions supported projects designed to improve generation, transmission or distribution facilities in 14 countries. In addition an IDA credit of $2.5 million was provided for project preparation work in this sector (see below, page 27).

Power lending remains a major subsector of total Bank and IDA financing for a number of reasons. First, an adequate level of electricity supply has become a prerequisite for countries' economic growth. Second, lending for power, as for other infrastructure projects, represents an input into the whole economy of a country, benefiting other sectors such as industry, commerce and tourism. Third, the demand for power rises very rapidly once the growth of these sectors gets properly under way, and shortfalls in supply can seriously hinder further progress. Fourth, power projects are heavy consumers of capital, of which a large proportion often needs to be found in the form of foreign exchange.

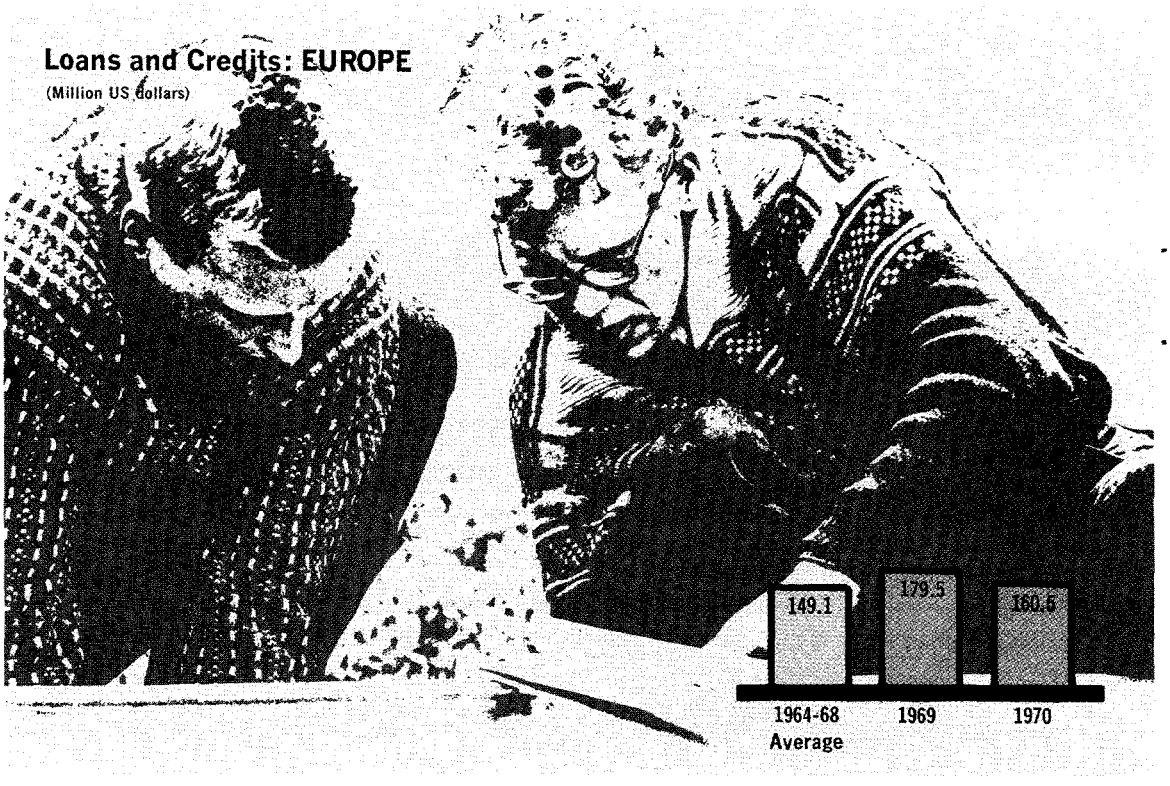
The geographical scope of Bank and IDA power lending continued to broaden during the year. Funds were committed for electricity generation or transmission in three countries — *Indonesia, Liberia* and *Malawi* — which had not previously obtained Bank Group finance for this purpose. A $15 million IDA credit to *Indonesia* will help that country's national power authority to improve its managerial and operating capabilities, and will assist the expansion of Djakarta's electricity distribution network, which is currently unable to serve the growing needs of the city's four million people. The credit also provides funds for the foreign exchange costs of a two-year program of organizational and training assistance, to be carried out by consultants; institution building assistance of this kind is of particular importance to Indonesia, which faces an acute shortage of managerial and technical skills. A $7.4 million Bank loan to *Liberia* will nearly double the generating capacity of the electricity system serving Monrovia, that country's capital, and its main port. A $5.3 million IDA credit to *Malawi* will help to finance a power expansion program which will serve the growing needs of the country's most important region; the credit will provide funds for the foreign exchange costs of new hydroelectric and thermal generating plant and will also assist the training program of Malawi's Electricity Supply Commission. The expansion of distribution and transmission facilities under this program will be assisted by a $3 million loan provided by the African Development Bank; this is the first time a member of the World Bank Group has joined with the African Development Bank to help finance a project.

Loans and Credits: PUBLIC UTILITIES
(Million US dollars)



The Malawi credit was one of several examples during the year of lending operations undertaken by the Bank or IDA in conjunction with other sources of external finance. Apart from participations in loans taken up by banks in developed countries, arrangements may be made for parallel financing of different components of a project by the Bank and other institutions, as in the case of Malawi, or for joint financing of particular items by the Bank and financial institutions in countries where orders for equipment are placed. Such joint financing arrangements were made for projects supported during the year in *Mexico* and *Brazil*, for which the Bank provided loans of $125 million and $80 million respectively. Complementary financing arrangements not only help the borrower but also provide encouraging demonstrations of the possibilities for international cooperation in financing development projects. (Details of the joint financing arrangements made for the Mexican and Brazilian projects are given on page 30).

The *Mexican* loan was the year's largest in the power sector, and made Mexico the Bank's second largest borrower for all purposes, net of cancellations. The present loan is the latest in a series which have assisted the expansion of Mexico's power sector since 1949: the growth of power



supplies has supported the evolution of the economy to a stage where manufacturing is now the largest sector.

A major aim of Bank Group power lending is institution building within the power sector. The development of well-managed, efficient power authorities can be fostered by the provision in loans or credits to new borrowers of finance for organizational improvements or staff training—as in the case of the IDA credits to Indonesia and Malawi—or through relationships built up over the years with existing borrowers. The Bank and IDA value such relationships, both because they assist the process of institution building, and because they enable the Bank and the borrower to evolve and adapt on a continuing basis agreed long-term programs for the expansion of the power sector as a whole. Apart from the loans to Mexico and Brazil mentioned above, loans or credits for projects which form parts of ongoing programs of system improvement and extension were also made to *Argentina, Ceylon* (2), *the Republic of China, Colombia, Costa Rica, Cyprus, Honduras, Panama* and *Thailand* during the year.

Water Supply and Sewerage

Three commitments totaling $32.5 million were made for water supply and sewerage during the year under review, to *Colombia, Ghana* and *Tunisia*. The cumulative total of Bank and IDA assistance to projects in this field now stands at $175.1 million.

The Bank made a loan of $18.5 million to *Colombia* in fiscal 1970. A $14 million 1968 loan had supported the improvement of the supply to the capital, Bogota; the new loan will help finance water supply and sewerage in Cali. The $10.5 million IDA credit to *Tunisia* made during fiscal 1970 was also the second measure of Bank Group assistance to that country for water supply (a $15 million Bank loan had been provided for this purpose in fiscal 1969).

The year's other commitment, a $3.5 million IDA credit to *Ghana*, will support the extension of the water distribution system in the capital, Accra, and the neighboring port of Tema, together with the installation of a modern sewerage system in Accra. The Ghana Water and Sewerage Corporation, which will administer the project, was established in 1966 with the assistance of the UNDP.

Water supply projects provide valuable benefits to the populations of areas in which they are located, but there are often serious problems involved in setting up sound projects for this purpose. The need for such projects is usually greatest in the rapidly growing cities of the developing world; all too often, however, these cities do not charge or collect adequate tariffs, and are dependent on their countries' already overburdened national budgets for urgently needed funds.

This situation, which often leads to the unavailability of sufficient funds to carry out projects, underlines the desirability of adequate levels of charges which will provide the funds to enable the water authority to work effectively.

The Bank Group is also concerned that the water authority has, or can develop, the ability to execute and operate the project in a reasonably effective manner. This often requires a large measure of institution building. The Bank's concern with rate levels and institution building is part of its overall policy of taking every possible step to see that the projects it assists provide a soundly based, economical and self-sustaining service to the community for whose benefit they were established.

Notwithstanding the real difficulties involved in establishing and expanding properly managed water supply systems, the Bank hopes it may be able to support further projects during the coming years in this area of urgent need. It encourages and assists in the preparation of suitable projects and examines with special interest UNDP preinvestment studies in this field being carried out by the World Health Organization (WHO).

Telecommunications

Adequate telecommunications networks provide a powerful stimulus to industry, commerce and tourism; they also assist the development of efficient government and administration. The Bank and IDA have continued to expand their lending for telecommunications projects during the year under review. The year's lending, totaling $84.6 million, brought the overall total of Bank/IDA lending in this field to nearly $400 million.

The six telecommunications projects supported during the year ranged from the first loan or credit made by the Bank Group to *Nepal* (a $1.7 million IDA credit), to a $40 million Bank loan to *Yugoslavia*, the Group's first loan for telecommunications to that country. Other lending operations undertaken for this purpose during the year included Bank loans to *Costa Rica* ($6.5 million), the *East African Community* ($10.4 million) and *Singapore* ($11 million), and an IDA credit of $15 million to *Pakistan*.

The year's largest and smallest loans in this field, to Yugoslavia and Nepal, serve as good examples of the importance of telecommunications in two different developing countries. *Yugoslavia* is a country with a relatively high per capita income, an expanding industrial sector, and an important tourist industry. It has a well developed, largely automatic telephone network, but recent rapid economic growth has created a surge of demand far beyond the capacity of the existing system. The project supported by the Bank's loan is designed to increase the number of telephone lines in the country from 400,000 to 1,400,000, almost to quadruple the number of long-distance circuits, and to improve international telecommunications links by providing new automatic exchanges and constructing a ground station for satellite communications using the INTELSAT network. Bank funds will assist the long-distance and international improvements.

The project to be assisted by the IDA credit to *Nepal* is small by comparison, but is nevertheless of great economic significance to the country. Because Nepal's terrain makes surface or air communications between different parts of the country peculiarly difficult, telecommunications facilities are of special importance. The $1.7 million IDA credit will provide part of the foreign exchange costs of a project to expand existing telephone exchanges and long-distance networks within Nepal, and to establish new facilities for international telephone and telex services. The Government of India is joining with the Bank and the Government of Nepal in financing the project.

During the year, IFC also undertook a commitment in the field of telecommunications, through its purchase of $4.5 million of an $11 million debenture issue made by the Philippine Long Distance Telephone Company. Further details are available in IFC's own Annual Report.

Financing Industry

The Bank and IDA help to promote member countries' industrial development through loans and credits to development finance companies, which relend the funds provided to productive industrial or commercial entities in the country concerned, and through loans or credits for specific industrial projects in member countries. In addition, IDA credits have been provided under special circumstances to two governments for the purchase of imports of raw materials and components essential for the operations of specified industries. Finally, investments by IFC in productive private enterprise ventures in the developing world represent an important part of overall Bank Group financing of industrialization in member countries.

Before considering the year's record in each of these categories, it is worth noting that Bank Group lending for agricultural, educational and public service projects helps to provide member countries with some of the major prerequisites of industrial growth — a cash economy, a trained labor force and an adequate stock of physical infrastructure. Moreover, under the Bank's general policy with regard to procurement of goods financed by its lending, a margin of preference equivalent to 15%, or the actual tariff rate if it is

lower, may be applied to bids submitted by local suppliers in the borrowing country for contracts under Bank-financed projects. (In certain cases, such a margin of preference may be extended to suppliers in other countries which are members of a regional grouping to which the borrowing country belongs.) Finally, the technical assistance and advice which the Bank Group provides to member countries contribute to the adoption of national economic policies and the building of local institutions conducive to industrialization along sound lines.

A growing number of the Bank's member countries have reached the stage where they can make good use of infrastructure built in past years, often with Bank Group assistance, for further economic development based on industrial growth. The Bank is presently engaged in a reconsideration of its industrial financing policies with this in mind.

Overall Bank and IDA assistance to industry during fiscal 1970 totaled $367.5 million. Of this total, loans and credits to development finance companies amounted to $216 million, and commitments for specific industrial projects to $76.5 million. In addition one IDA credit of $75 million was provided for imports of industrial materials. The investments of IFC in productive private enterprise ventures in the developing world totaled $111.8 million in the fiscal year.

As in previous years, loans and credits to **development finance companies** absorbed the largest single share of Bank Group industrial financing. These companies can play a vital catalytic role in the mobilization of capital for industrial and commercial development by providing loan or equity finance, by underwriting security issues, by serving as financial intermediaries between local and foreign businessmen and by providing locally established companies with managerial and technical advice. Development finance companies often also perform a useful institutional function within countries' financial structure by encouraging the development of capital markets. The Bank and IDA have now lent a cumulative total of more than $1,000 million to some 30 development finance companies in member countries.

The $216 million provided by the Bank and IDA during fiscal 1970 was lent to finance companies in twelve countries. Four companies, in *Brazil, Congo (Democratic Republic of), Pakistan* and *Singapore* received their first loans or credits from the Group (although funds had been previously provided to a different company in *Pakistan*). The eight other companies assisted during the year in *Ceylon*, the *Republic of China, Greece, India, Israel, Morocco*, the *Philippines* and *Tunisia*, had all received previous Bank Group financing. Lending during fiscal 1970 represented a record in terms of the value of commitments, the number of companies assisted, and the number of new countries to which loans and credits were made.

The $5 million IDA credit to the Société Congolaise de Financement du Développement (SOCOFIDE) in the *Congo* is of special interest. SOCOFIDE, a new type of organization for the country, is charged with financing productive business ventures, and also with promoting Congolese enterprise. Finance for the new company was provided not only by IDA, but also by IFC, by local investors, by the Congolese government and by financial institutions in Belgium, France, the Federal Republic of Germany, Italy, Japan and the United States. This credit is only the fourth Bank/IDA commitment to a development bank in sub-Sahara Africa. The Bank and IDA are anxious to increase their lending in this area and have been expanding their exploratory work to this end, but many African countries still need substantial amounts of technical assistance in setting up effective and viable development finance companies.

The $20 million IDA credit to the Industrial Development Bank of Pakistan (IDBP) is one of the first Bank or IDA lending operations for a development bank with majority government ownership, following the change of policy made pre-

Loans and Credits: INDUSTRY*
(Million US dollars)

*excluding industrial imports credits

viously to permit such financing. The credit will help IDBP to provide finance mainly to medium sized firms, and its benefits will be focused on industrial and commercial development in East Pakistan, hitherto a relatively poor region compared to West Pakistan. The credit will complement the assistance provided by the Bank Group in previous years to PICIC, *Pakistan's* other main source of long and medium term development finance.

The other two companies assisted during the year which had not previously received Bank or IDA finance also have majority government shareholdings. A Bank loan of $25 million was made to the Banco do Nordeste do Brasil, a government-sponsored regional development bank which, since its establishment in 1952, has been a principal instrument for promoting the development of the Northeast. That bank works in close coordination with the *Brazilian* planning agencies devoted to improving the infrastructure and raising the level of production in the Northeast. The fourth new company, to which the Bank lent $5 million during the year, is the Development Bank of Singapore which is 49% government owned. This company, established less than two years ago, will play a key role in the development of export-oriented industries in *Singapore* and in the creation of commercial urban facilities.

As noted above, IFC participated in the financing of SOCOFIDE, in the Congo, subscribing $0.8 million of the company's capital. Other commitments made by IFC to development finance companies during the year included a $0.1 million increase in its equity investment in a *Colombian* company; a $10 million loan to *Adela* Investment Company, S.A., a private financial institution whose charter permits it to assist enterprises throughout the Western Hemisphere, with the exception of Canada and the United States (the Group's first measure of assistance to a development finance company which operates in more than one country); a $0.6 million increase in its equity holding in a *Tunisian* finance company; and a $2 million investment in a new development finance company in *Yugoslavia*. IFC's operations in this sector totaled $13.5 million, and brought the total of Bank, IDA and IFC investment in development finance companies during the year to $229.5 million.

The Bank Group is anxious further to expand its support of development banks, both through lending and technical assistance. Such assistance can take a variety of forms, including help with the establishment of new institutions, finding staff, organizational and managerial advice, and staff training (which may involve either secondment of key local personnel to work with the Group at its Washington headquarters, or secondment of World Bank staff members to work in the offices of the development bank concerned). The establishment or improvement of sound lending criteria, staff expertise and efficient operating procedures are as important for the effective working of development banks as the provision of finance. The Bank Group's involvement with development finance companies extends, therefore, far beyond providing them with funds; it intends to increase still further the amount of time it spends on technical assistance to such institutions, and to extend such assistance to new ones, during the coming years.

As noted above (page 21) the Bank and IDA also provide direct financial assistance for **specific industrial projects** in member countries. Four loans or credits of this kind, totaling $76.5 million, were approved during the year under review, to the *Dominican Republic, Indonesia, Pakistan* and *Yugoslavia*. The year's largest commitment of this kind was a $30 million IDA credit to *Indonesia* for fertilizer production; the credit will help an existing and well-run fertilizer operation to expand its output from 100,000 to 480,000 tons of urea per year, and thus help the expansion of Indonesia's agricultural production. Complementary financing arrangements were made for this project involving funds supplied by the Asian Development Bank, Japan, and the United States.

The $25 million Bank loan to the *Dominican Republic* is for a large integrated nickel-ore mining and processing operation. The Bank loan will help finance the costs of a thermal power station, including the pipeline which transports fuel from the coast to the project site. The project will tap a rich source of mineral wealth, will help diversify economic activity and will provide the country with valuable foreign exchange earnings. (An agency of the Dominican Government is a shareholder in the corporation set up to operate the project, which is jointly sponsored by established Canadian and United States companies.) This is the first Bank Group operation in the Dominican Republic. The year's other two lending operations were an $18.5 million Bank loan to assist the automotive and ancillary industries and specialized steel production in *Yugoslavia*, and a $3 million IDA credit to *Pakistan* for small industry development.

A new Industrial Projects Department has been formed to take responsibility for the Bank's direct lending to industrial entities. The Department is also responsible for assisting member countries in the formulation of policies for industrial development, for undertaking industrial sector studies and for providing project-linked technical assistance or help with institution building where nec-

essary. Activities of this kind are becoming an increasingly important element in the overall pattern of Bank Group assistance to this and other sectors.

Under special circumstances IDA credits have been used to provide funds for essential **imports of industrial materials** needed for the production of capital goods. One operation of this kind was undertaken during the year, a $75 million IDA credit to *India*. The credit will help provide foreign exchange, urgently needed by a number of industries which make a vital contribution to India's overall development effort, for the purchase of imported raw materials and some essential components and spare parts. The industries assisted under the credit produce commercial vehicles, tractors, automotive ancillary parts, machine tools, cutting and small tools and abrasives, electric motors, fertilizers and pesticides. The value of their combined production is expected to exceed $1,000 million in 1970-71, and they provide employment for about 160,000 people. Industry is playing an increasingly important part in India's economy, both through its direct contribution to employment and income and through the provision of domestically manufactured goods required as inputs by other sectors, notably agriculture and transportation.

Investments by IFC form an important and growing type of Bank Group assistance to industry. IFC makes equity or loan commitments to productive private enterprise in the developing world. The cumulative total of its investments has now reached $476.5 million since 1956, when it was founded; $204.7 million of this total has been provided during the last two years. The effectiveness of IFC's activities cannot, however, be measured in terms of its own investments alone; IFC commitments are designed to stimulate participation in IFC-supported projects by outside investors from the developed world. To date, the total of such counterpart funds generated by IFC investments amounts to $2,132.7 million, of which $772.5 million has been provided during the past two years.

IFC financing during fiscal 1970 totaled a record $111.8 million, of which $80 million was provided for manufacturing, and the remainder for development banking ($13.5 million), mining ($12.4 million), services ($4.5 million), and tourism ($1.4 million). Investments provided by outside participants in IFC-supported projects totaled $380.9 million during the year.

As the chief source of Bank Group funds for private enterprise development, IFC plays a crucial role in the Group's overall strategy for stimulating member countries' balanced economic growth. During the year the Bank made a $200 million loan to IFC to replenish the Corporation's loan funds; this loan incorporated and replaced a 1966 $100 million loan, which had become almost totally committed by the middle of fiscal 1970. IFC expects to expand its activities still further during the years to come.

New Areas of Lending

Population

The Bank's interest in the population field arises from its awareness that the high rates of population growth in many of its member countries can severely impede their economic development efforts. At the same time, the Bank is deeply conscious that this is a complex and sensitive area, involving difficult ethical, political and social issues in addition to the technical aspects of the problem—economic, demographic and medical. The Bank believes that greater awareness is needed of the problems associated with excessive population growth, and that it should be ready to assist member governments seeking help in developing population policies and programs, and in the improvement of existing programs. A Population Projects Department was set up in fiscal 1969 to undertake responsibility for Bank Group activities in this area.

The Bank has responded to a number of requests for technical and financial assistance from member countries during the year under review. It undertook its first such lending operation, a $2 million Bank loan to *Jamaica*, in June 1970: the loan will help the government to develop a postpartum family planning program (i.e., for women who have just given birth) by financing the construction of an extension to Jamaica's largest maternity hospital in Kingston and of a number of rural maternity centers. Following a joint United Nations-World Health Organization-World Bank advisory mission to *Indonesia*, a five-year family planning program has been recommended to the Indonesian Government. Pre-appraisal missions have visited a number of countries during the year with a view to subsequent Bank Group assistance.

Technical assistance is often as important a requirement as financial assistance in the family planning field. Advice on program planning, administration, evaluation, personnel training and communications is of the greatest value in promoting the effectiveness of programs. The Bank expects such activities to form an important part of its effort in this area.

The Bank is making intensive efforts to increase its expertise in the field of population problems. Staff members keep in close touch with other organizations working in this field; international

consultants have served on the Bank's missions. The Bank expects to expand its operational and analytical activities in the coming years, in line with member countries' requirements for technical and financial assistance.

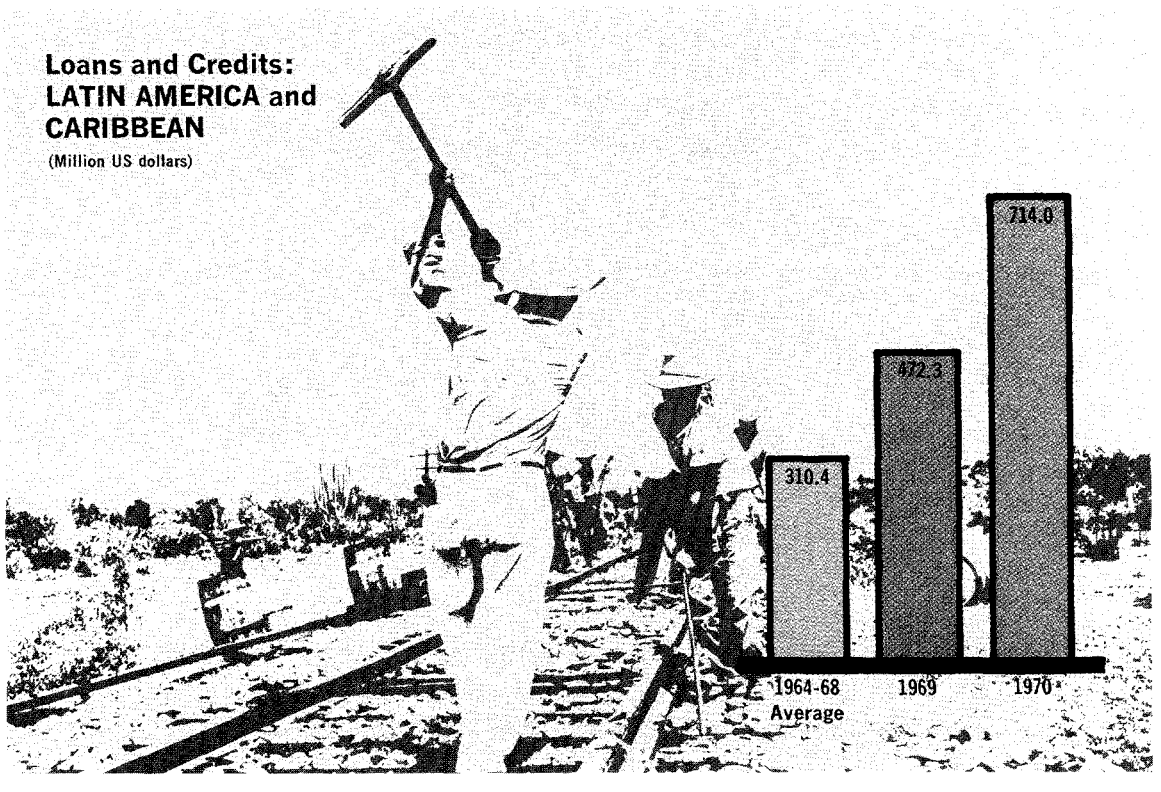
Tourism

Tourism is already a major source of foreign exchange earnings for a number of the Bank's developing member countries, and could become of similar importance in others. Moreover, tourism facilities are labor-intensive; their development can therefore help significantly to mitigate the severe unemployment problems facing most countries in the developing world.

Because of the importance it attaches to tourism development, and because of the complexities involved in the preparation of soundly based projects in this field, the Bank established a new Tourism Projects Department in fiscal 1969. Much of the Department's work during the latest fiscal year involved project identification and preparation. Member countries generally lack expertise in this field, and require extensive help with the preparation of master plans for the tourism sector as a whole, of feasibility studies for individual projects, and with the development of managerial and operational skills. Research on the magnitude of potential tourism demand must be undertaken before a satisfactory range of projects can be devised, and plans need to be drawn up for the coordinated development of both basic infrastructure and "superstructure" facilities (hotels, restaurants, etc.).

If a tourism project is to succeed, visitors need to be provided with adequate facilities for both accommodation and recreation. The Bank is working on an approach to tourism development involving the creation of tourism complexes which will include all necessary amenities, ranging from basic infrastructure services to recreation facilities. Tourism projects require careful and lengthy planning, however; by the end of fiscal 1970, the first full year of the Tourism Projects Department's operations, two projects were under appraisal, while the remainder were still at the identification or preparation stage.

Apart from preparatory work on its own projects, the Bank acted during the year as Executing Agency for a project funded by the UNDP, designed to provide a tourism master plan for the island of *Bali*. The Bank's Tourism Projects Department also cooperates closely with IFC on the Corporation's tourism investments: the cumulative amount of these investments (including the two totaling $1.4 million made in fiscal 1970) now stands at nearly $20 million. Finally, development finance companies in *Morocco* and *Tunisia* as-



sisted by the Bank Group have provided funds for tourism development.

Special Projects

The Bank is already involved, and expects to become more so, in activities related to intersectoral projects which involve lending in a number of different areas. The Special Projects Department set up in fiscal 1969 to work on such projects has been responsible during the year under review for Bank/IDA activities in three fields: continuing support for the program of integrated water and agricultural development in East Pakistan; the identification, preparation, preinvestment, appraisal and economic review work required for subsequent lending for urban and regional development projects; and investigation of the most effective role for the Bank Group in connection with the development of the Mekong River basin.

In the first of these fields, the Bank staff indicated during the year to the members of the *Pakistan* Consortium possibilities for the general intensification of the East Pakistan Agricultural and Water Development Program, with which it has been involved since 1967 in a technical capacity. Two IDA project preparation credits associated with this program were approved during the year, with a combined value of $3.2 million (see below, page 27). Apart from such lending operations for specific purposes, the Bank is continuing to provide assistance in the coordination of the program as a whole.

The second field, that of coordinated *urban and regional* development in a number of project areas, is, as such, new to the Bank, although many individual projects in the existing sectors of education, industry and public services have contributed directly or indirectly to the mitigation of urban problems. The Bank considers, however, that the time has come to develop an integrated approach to urbanization. The problems of cities (which are considered in the special section of Part II of this Report; see below, page 57) are not unique, but they are particularly complex; their difficulty is increased by the fact that concurrent action is often needed on the part of several institutions, while city governments which should coordinate action programs are often relatively weak and lacking in managerial and financial resources. The Bank Group intends to consider financial and/or technical assistance for urban development in the years to come.

The third special intersectoral field in which the Bank was involved during the year was the *Mekong* development program. In order to determine its own role, the Bank is currently evaluating, in consultation with the Asian Development Bank and others, the plans of the Lower Mekong Committee, which is composed of the four countries through which the Mekong River runs (Cambodia, Laos, Thailand and Viet-Nam). The Bank is also reviewing a number of small agricultural pilot projects and larger schemes tentatively put forward, and is exploring ways of developing relations between the riparian countries on the one hand and possible donor countries and organizations, including the Bank itself, on the other.

Technical Assistance and Other Activities

Technical Assistance

During the past year the activities of both national and international institutions in the field of economic development, and the adequacy of programs of technical assistance to developing countries, have been subjected to a number of intensive reviews. At the national level, several governments with substantial bilateral technical assistance programs have undertaken thorough examinations of their policies and methods. At the international level, the effectiveness of technical assistance in general, and its role in relation to particular sectors, such as agriculture, have been studied by the Secretariat of the Organization for European Cooperation and Development (OECD) and discussed in its Development Assistance Committee; the record of the United Nations and its Specialized Agencies in providing technical assistance over the past twenty years, and their capacity to do so effectively in the future, were examined in the "Study of the Capacity of the United Nations Development System" directed by Sir Robert Jackson. This examination included a valuable internal review by each agency of its own programs, organization and effectiveness in assisting its developing member countries.

Two general guiding principles have emerged from the process of reappraisal. The first, which lies at the heart of the World Bank's approach to the development process, is that the selection of development projects or programs for international support—technical or financial—must be undertaken in the context of a program or set of priorities established by each country and covering all its major development requirements. The second principle is that the UNDP, particularly its Resident Representatives, should play a central role in coordinating and providing the inputs of pre-investment and other technical assistance from the United Nations system to each participating country.

The establishment of investment priorities based

on sound economic criteria, firm adherence to such priorities once they are established, and the development of expertise in project preparation and implementation, are essential for the success of the development process. The World Bank has broadly concentrated its technical assistance, the bulk of which is geared to its lending program, on these areas in the past, and will continue to do so. During the year under review, with the expansion of its lending program, the scope of the Bank's technical assistance activities has also increased.

As in the past, the principal mechanism for the Bank Group's financing of technical assistance during the 1970 fiscal year was through the inclusion in its regular project loans and credits of funds for studies to identify and prepare further projects for the same borrower (e.g., a power authority) or in the same sector (e.g., agriculture). During the year, Bank loans or IDA credits with a combined value of $1,041.0 million contained funds for technical assistance activities. The technical assistance component of this lending amounted to $40.4 million. Of this total, $15.3 million was provided for feasibility studies of future projects. $23.0 million was provided for consultants or outside experts to help in organizing the projects being financed, and to provide managerial or technical services during their early stages. The remaining $2.2 million was provided for training and overseas fellowships to enable borrowers to become self-supporting in management and other essential project skills as soon as possible.

Bank Group technical assistance also takes a number of other forms: (a) special loans or credits for project preparation, usually involving engineering and/or feasibility studies; (b) grant financing (up to $200,000) for small preinvestment studies in those relatively rare cases where the studies cannot, for some reason, be financed by the UNDP; and (c) work as Executing Agency for projects financed by the UNDP. The missions and representatives which the Bank maintains in a number of countries, together with the staff members it seconds from time to time to work with governments, and the advice and assistance which it is prepared to provide to governments on development planning also make up a valuable source of on-the-spot technical assistance.

Project preparation: During the year under review, six project preparation credits were extended to four countries for studies in the sectors of agriculture, transportation and electric power. A $2.5 million IDA credit to *Botswana* will finance consultants' services and design coordination work for the infrastructure needed to support a proposed nickel mining development project. Credits of $0.4 million and $1.5 million were provided to *Burundi* and *Ghana* respectively for highway engineering and (in the case of Burundi) maintenance studies. Two credits to *Pakistan,* of $0.8 million and $2.4 million, will provide funds for engineering studies designed to help lay the foundations of an adequate irrigation system in East Pakistan: these studies are associated with the East Pakistan Agriculture and Water Development Program (see previous page). A third credit to *Pakistan,* of $1 million, will help finance studies relating to the development and expansion of the port of Karachi. This work will be closely integrated with other studies of the port's future development which are being financed by the UNDP and being carried out under Bank supervision as Executing Agency.

Grant financing: The Bank made only one technical assistance grant in fiscal 1970—an allocation of $180,000 to *Ethiopia* for a water supply and sewerage study in Addis Ababa, the capital. The Bank has reduced its grant financing activities following policy changes made by the UNDP in mid-1969, which enabled that organization to provide funds promptly and under simplified procedures for relatively small studies which might otherwise have given rise to requests for Bank grants. This increased flexibility in UNDP procedures should make it unnecessary for the Bank to provide grant financing for small preinvestment studies on any significant scale in the future. The Bank is, however, prepared to organize such studies for the UNDP; during the year under review it agreed to do so in four studies, funded by the UNDP at a total cost of $478,000, in *Afghanistan, Burundi, Malawi* and *Rwanda.* The Afghan and Burundi studies are illustrative of those handled under these arrangements. The former is an investigation, costing approximately $60,000, of the prospects for expansion of Kabul Airport; the Burundi project is for the identification and study, at a cost of about $170,000, of a small hydroelectric power site.

Execution of larger UNDP financed projects: During the year, the UNDP approved nine major projects, representing commitments totaling almost $9 million, for which the Bank was designated Executing Agency. One of these will entail the recruitment of staff for the *Caribbean* Development Bank, which came into existence during the year. Under another project, advice and support will be provided to the *Philippine* Board of Investment. Similar assistance is being given to the Agricultural and Cottage Industries Bank of *Afghanistan.* Other UNDP financed projects approved during the year for which the Bank is

Executing Agency are transport studies in *Afghanistan* and the *Ivory Coast*, a power study in *Panama*, a tourism investigation for the island of Bali in *Indonesia*, the previously mentioned feasibility studies of the port of Karachi, *Pakistan* and a research project on water resources in *East Pakistan*.

By the end of the 1970 fiscal year, the Bank had been designated as Executing Agency for 62 UNDP financed studies, for a total value of $57.2 million. Seven studies were completed during the year, and a further 30 were under way. Many of these studies are intended for early investment follow-up. Ten studies completed in this and earlier years had led to a cumulative total of Bank or IDA project financing amounting to $918.9 million as of June 30, 1970.

Detailed analyses of member countries' economies, and of priority areas for subsequent investment, help to provide the essential framework within which the Bank's own lending programs are formulated; such analyses also represent a useful form of technical assistance to member countries themselves. During the year under review, steps were taken to expand the coverage of the Bank's country economic reports and to develop programs of preinvestment studies in close cooperation with the UNDP. The new comprehensive economic reports will include more detailed examination of the special problems of particular sectors, such as education, agriculture and industry, and will analyze in depth critical areas such as urbanization and employment. The coverage in these reports of the preinvestment requirements of key economic sectors will also be gradually strengthened. Staff discussions were held with the UNDP and with the specialized agencies of the United Nations particularly concerned to enlist their support and staff assistance in this important aspect of the Bank's work. The UNDP, FAO, the International Labour Office (ILO), Unesco and WHO have all responded warmly to the Bank's requests for cooperation.

Several Bank missions received the support of experts from other members of the UN family during the past year and further expansion of this cooperation at the operational level is likely. In particular, it is expected that UNDP Resident Representatives, who have been associated with several of the Bank's country missions during the year, will increasingly play a central role in the work of such missions in assessing countries' technical assistance and preinvestment requirements.

Under the Bank's Cooperative Agreements with FAO and Unesco, specialized support is provided by staff members of these agencies in the identification and preparation of projects for Bank financing. The Bank reimburses FAO and Unesco for part of the cost of this work, which has provided valuable and increasing support to Bank and IDA activities in the agriculture and education sectors. (See above, page 13 for cooperative activities in agriculture, and page 16 for those in education.)

The Bank's Permanent Missions in Eastern and Western Africa, located in Nairobi and Abidjan respectively, have continued to provide African member countries with assistance in putting forward priority projects suitable for Bank Group financing, especially in agriculture and transportation, while the Bank's Agricultural Development Service, attached to the Eastern Africa Mission, has continued to assist governments in Africa on a reimbursable basis with the management of certain agricultural projects.

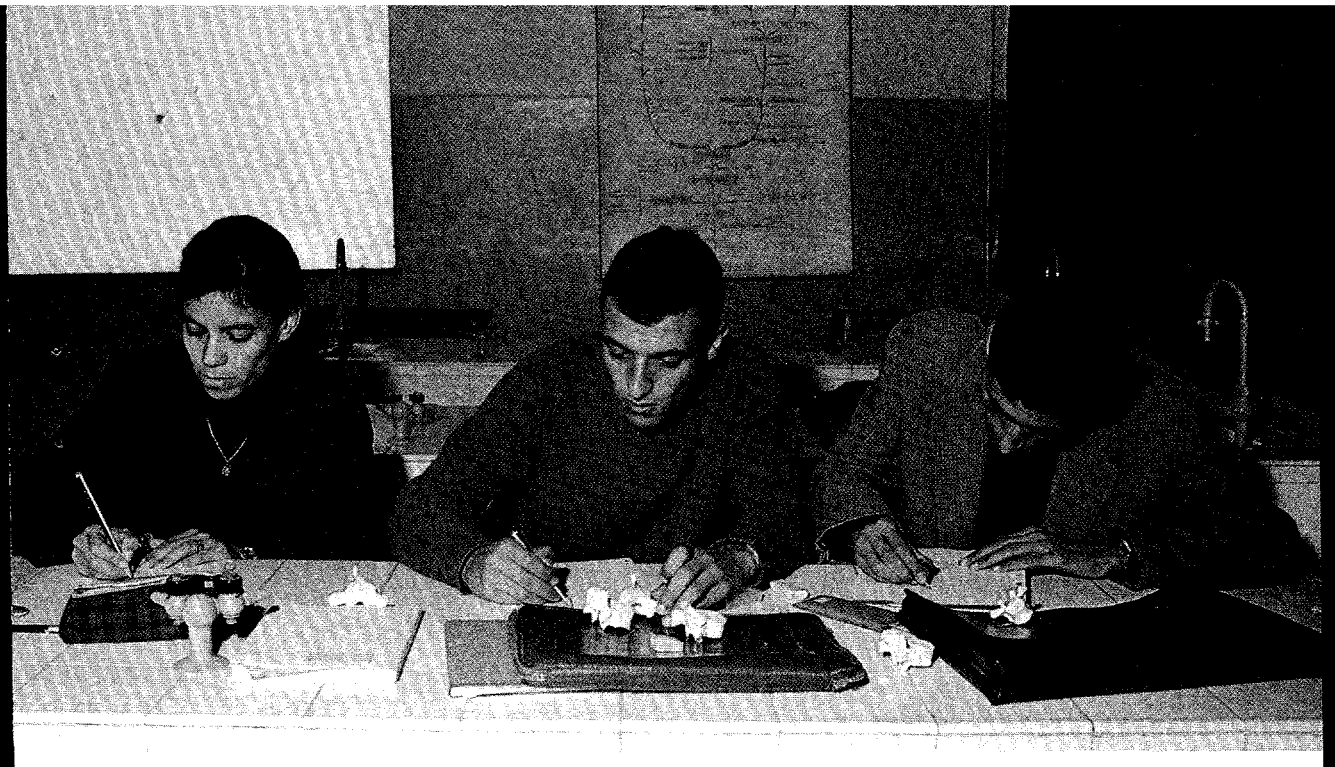
The Bank maintains Resident Representatives and staffs in India and Pakistan, and a Resident Economist in Colombia. During the year, Resident Representatives were assigned to Afghanistan and Ethiopia, and a new Bank Resident Mission was established in Nigeria to help the Government with reconstruction, planning and project identification.

The Bank's Resident Staff in Indonesia, established in June 1968, has continued to help the Government of that country to identify priority areas for external assistance. The Resident Staff works closely with the Government of Indonesia in an advisory capacity; it also provides local support for the aid programs of members of the Inter-Governmental Group for Indonesia (IGGI) and helps to identify projects for financing by the Bank Group and by members of the Inter-Governmental Group.

The Bank continues to provide advisory services to member governments facing special development planning problems. During the past year, staff members visited seven countries to appraise their development planning and policy-making machinery, and to advise on possible organizational improvements and technical assistance needs. The secondment continued of a planning adviser to the Government of Haiti, and members of the Bank staff were seconded to advise on development planning in Ethiopia and Mauritius. An agricultural economist seconded to the Government of the Sudan to help in the preparation of a public sector investment program completed his assignment in April 1970.

Economic Development Institute (EDI)

The Economic Development Institute was set up by the Bank in 1955 to provide training courses for senior officials from the Bank's member countries in subjects of special relevance to development. By the end of fiscal 1970 over 1,100 such officials had attended EDI courses. The 150 participants in the courses offered during the year



Tunisia—Education. Students attending a science class at the Teacher Training College in Tunis. This school is one of a number in Tunisia that have been expanded, modernized or re-equipped with the assistance of funds from IDA credits.

under review came from 68 developing countries and two international organizations.

Six courses were arranged during the year, including one six-month general course on development policies and problems conducted in English, and five courses of eight to eleven weeks in project-related subjects. Of the project courses, three were in English and one each in French and Spanish. The Institute has a small full-time staff; staff members from the operating departments of the Bank Group also assist as lecturers. The length and timing of the courses are such that two courses are offered simultaneously for much of the year.

Apart from regular courses, which are conducted at the Bank's headquarters in Washington, the Institute assists agencies in member countries to organize and conduct locally based training programs in the developing world. An eight-week project analysis course for English-speaking African participants was conducted in Nairobi in July and August 1969, in cooperation with the African Institute for Economic Development and Planning and the Institute for Development Studies at University College, Nairobi. EDI cooperated with the Agricultural Development Fund of Iran in offering a four-week course in Agricultural Project Evaluation in November 1969 for participants from Iran and four neighboring countries. In April and May 1970, the Institute provided staff assistance and teaching materials for a project evaluation course organized by the Government of Indonesia in Djakarta. In addition, individual staff members served as lecturers for shorter periods in a number of other overseas courses, including a project evaluation course in Athens sponsored by the OECD, a course at the Asian Institute in Bangkok, and a seminar in Rome on financing government enterprises, sponsored by the United Nations Industrial Development Organization (UNIDO).

Aid Coordination

A recurring theme in the recent reviews of the international development effort is the need for better coordination of assistance at the country level. Development assistance often still appears to be furnished without the benefit of an agreed set of priorities for the economic and social development of the country concerned.

The establishment of developmental priorities and the consequent coordination of assistance can be greatly facilitated by the kind of detailed analysis of member countries' economies and of major sectors within them which the Bank regularly undertakes and has recently expanded (see previous page). Country economic reports are now prepared annually for some 30 of its largest developing member countries, and every two or three years for others. Such studies provide a valuable basis for the coordination of development assistance at the country level.

The World Bank also supports consortia and consultative groups for a number of countries. It is currently sponsor of two Consortia, eleven Consultative Groups and the Aid Group for Ceylon. During the year the Bank took over from the International Monetary Fund the chairmanship of the Ghana Aid Group. In addition, the Bank provides staff support for the Inter-Governmental Group for Indonesia (IGGI) and the coordination groups convened by the Governments of Guyana and Honduras; it is also a member of the OECD-sponsored Consortium for Turkey.

Eleven meetings of Bank-sponsored aid groups were held in fiscal 1970. For the East Africa Consultative Group, separate meetings were held for *Uganda, Kenya* and *Tanzania;* the *India* Consortium met in November 1969 to consider the United Nations report on "Evaluation of the Family Planning Program of the Government of India", and again in May 1970; the Consultative Group for *Tunisia* met in October 1969 and June 1970. Single meetings were held of the *Pakistan* Consortium, the Consultative Groups for *Korea* and *Morocco,* and of the *Ceylon* Aid Group.

While much of the coordination of development assistance takes place at the meetings, the Bank makes every effort to encourage continuous consultation among members and recipient governments for aid groups sponsored by it; it provides all members with economic reports, special studies, project lists, proceedings of meetings and other related documents. The Bank also provides economic and related analytical reports for aid groups sponsored by other organizations.

During the year the Bank sponsored two intergovernmental meetings which resulted in agreements for joint financing of Bank-assisted projects in the power sectors of *Brazil* and *Mexico*. Understandings were reached under which ten major equipment-supplying countries will join with the Bank in financing on a 50-50 basis orders in excess of $200,000 won by their suppliers. While the exact amount to be financed by joint lenders will depend on the result of international competitive bidding, it is expected that it will total about $40-45 million in the case of the Mexican project and about $26 million for that in Brazil.

The Bank cooperates closely with other international organizations concerned with development assistance at the country level. As in previous years, representatives of the International Monetary Fund (IMF), the OECD, the UNDP and of the relevant regional development bank, have attended Bank-sponsored Consortia and Consultative Group meetings as members or observers. Personnel of the UN Population Division participated in the November 1969 meeting of the India Consortium. Organizations such as the Development Assistance Committee (DAC) of the OECD have given helpful consideration to the question of the appropriate functions for aid groups and have endorsed the Bank's objectives in this field.

During the year under review the rapid expansion of the Bank's activities, combined with a significant increase in the activities of the regional development banks, underlined the importance of ensuring appropriate coordination between the World Bank and the regional banks.

Instances of joint financing of the same projects are given elsewhere in this report, and efforts are being made to broaden the areas of cooperation still further. World Bank economic reports, project appraisals and commodity studies are sent routinely to the regional banks. Meetings take place among the economic staffs of all the institutions, in order to exchange information on research programs and in other ways to improve the coordination of economic work. The possibilities of participation by staff members of the regional institutions in Bank economic missions are being explored, and the first such participation has taken place.

A systematic exchange of operational information already goes on between the World Bank and the Inter-American Development Bank (IDB), and the lending programs of both institutions are reviewed together on a country-by-country basis. In addition, the IDB, the Inter-American Committee on the Alliance for Progress (CIAP) and the World Bank are working out arrangements for closer cooperation in the review of country development strategies. Both operational and economic missions of the World Bank regularly call at the headquarters of the Asian Development Bank in Manila on their way to or from member countries, and discuss findings with their opposite numbers.

The World Bank and the African Development Bank, together with the UNDP and the UN Economic Commission for Africa, have constituted a coordinating committee for preinvestment studies in Africa. World Bank officials also visit the African Development Bank on matters of common interest, and it has been agreed that some of the African Development Bank's officers should receive training at the World Bank's headquarters. With the agreement of the member government concerned, the World Bank's missions in Abidjan and Nairobi discuss with the African Development Bank, whenever that institution expresses an interest, projects which the missions have identified or are helping to prepare.

The Bank is also cooperating increasingly with other regional organizations such as the European Investment Bank (EIB) and the Fonds européen de développement (FED).

MEETINGS OF THE PRINCIPAL AID COORDINATING GROUPS
July 1, 1969-June 30, 1970

	Date of Meeting	Place	Chairman
A. Bank-Sponsored Groups			
1. Consortia			
India	November, 1969	Stockholm	IBRD
	May, 1970	Paris	IBRD
Pakistan	February, 1970	Paris	IBRD
2. Consultative Groups			
East Africa			
Meeting on Uganda	July, 1969	Paris	IBRD
Meeting on Kenya	February, 1970	Paris	IBRD
Meeting on Tanzania	April, 1970	Geneva	IBRD
Korea	April, 1970	Geneva	IBRD
Morocco	October, 1969	Paris	IBRD
Tunisia	October, 1969	Paris	IBRD
	June, 1970	Paris	IBRD
3. Other			
Ceylon	February, 1970	Paris	IBRD
B. Other Aid Coordination Groups in which the Bank Participates			
Guyana	September, 1969	Georgetown	Guyana
Honduras	March, 1970	Tegucigalpa	Honduras
Indonesia	December, 1969	Amsterdam	Netherlands
	April, 1970	Rotterdam	Netherlands
	April, 1970[1]	Paris	France
Turkey	March, 1970	Paris	OECD
	May, 1970	Paris	OECD

[1]Debt Rescheduling Meeting.

Pearson Commission Report

The Report of the Commission on International Development, sponsored by but independent of the Bank, was presented to the President of the Bank on September 15, 1969, by the Commission's Chairman, Mr. Lester B. Pearson, former Prime Minister of Canada. The Report, "Partners in Development," surveyed in detail the past performance and future prospects of the world development assistance effort; its publication in nine languages has stimulated wide-ranging discussion in official and other circles throughout the world, and has been followed by a number of new policy commitments by governments.

Apart from its historical and analytical survey of development, the Report contained a large number of specific recommendations for policy actions by both donors and recipients of assistance. The President of the Bank has submitted to the Executive Directors analytical memoranda on the recommendations directly affecting the Bank Group's policies and operations. The review of these recommendations by the Executive Directors has commenced and is continuing.

Commodity Study—Implementation of Decisions

The Bank Group took a number of steps during the year to implement the decisions of the Executive Directors regarding the role the Group could feasibly play in helping to solve problems related to the stabilization of prices of primary products.

The Directors' decisions related mainly to policies for the diversification of productive activity in the primary producing countries, for strengthening the competitive position of primary products, and for assistance to appropriate international commodity arrangements. The first of these objectives was furthered by the Group's lending during the year in a number of project areas—in particular its lending for livestock, fisheries and forestry development and for industrial projects (see above pp. 9-13 and 21-24)—and also by the economic analysis undertaken during the year of national economies, vital sectors of activity and other specialized topics. Efforts to meet the second objective included discussions with other international organizations concerned with commodity production and consideration by the Bank Group of the possibilities for its participation in programs of research into key aspects of agricultural commodity production, and into new types of end use. As to the third main objective, Bank/IDA staff members participated as observers in the meetings of major commodity groups, furnishing them with Bank commodity studies and other relevant material and discussing with them where appropriate opportunities for cooperation in financing specific projects. Arrangements were also made to receive authoritative data relating to problems of market access.

Economic Studies

Economic analysis is central to the effectiveness of the Bank Group's operational work. Studies connected with the economics of individual projects, with whole sectors of activity, and with the overall prospects and problems of national economies, are major determinants of the pattern of Bank Group lending programs. The Bank's economic work also includes the preparation of papers dealing with the problems and prospects of major commodities, with international development finance issues, with improvement of appraisal techniques and methods used in the Group's activities, and with subjects of special concern such as population and urbanization.

The Bank's economic staff may undertake specific studies at the request of other international organizations. During the year under review, Bank staff worked on a study of "Possible Improvements in Techniques of Lending"—a survey of the current terms of public international development lending (together with proposals for possible improvements) requested by the United Nations Conference on Trade and Development (UNCTAD). The Trade and Development Board of UNCTAD at its Ninth Session, on September 12, 1969, adopted a Resolution, based on the conclusions of the Intergovernmental Group, which

invited the Bank "to consider working out arrangements for supplementary finance and, if appropriate, to consider introducing them." This matter is under continuing study, and a progress report will be made to the Trade and Development Board on it at the appropriate time after review by the Executive Directors.

Selected studies prepared by the Bank's staff have been published in the series of "World Bank Staff Occasional Papers." Three Occasional Papers were published during the year under review: "Automotive Industries in Developing Countries" by Jack Baranson; "Manufacture of Heavy Electrical Equipment in Developing Countries" by Ayhan Cilingiroglu; and "Techniques of Project Appraisal under Uncertainty" by Shlomo Reutlinger.

The Bank is the world's chief repository of information on the external debt of developing countries. Comprehensive information is collected from debtor member countries directly by the Bank, and from creditor country members of OECD's Development Assistance Committee jointly by the Bank and the OECD under the two organizations' Expanded Reporting System.

During the year under review, the information requested from debtor countries was extended. It formerly covered complete details, regularly updated, regarding the status of existing public or publicly guaranteed debt, together with regular reports on all new such debts incurred. The Bank's requirements have now been expanded to include annual aggregate reports on non-guaranteed private debt and on grants received. Thus the constant review maintained of every public debt incurred by member countries (involving more than 20,000 individual active items, any change in which is regularly added to existing information) is now supplemented by aggregate information on the other major types of capital flows into the developing countries. Information supplied by the debtor is checked against creditors' reports covering the status of each individual official loan and grant and country aggregates of officially guaranteed private credits.

This system provides the Bank with a valuable source of information for country economic analysis. The system naturally depends on the accuracy of countries' reports, but these can often be cross-checked by comparing debtors' and creditors' figures. The Bank makes every effort to help debtor countries improve their debt management, accounting and reporting systems; over a dozen visits have been made to member countries for this purpose during the past year.

Detailed information is regarded as strictly confidential by the Bank, but basic data on debt trends and aggregates are made available where appropriate to officially sponsored groups studying development problems.

The Bank expects the individual items for which information is supplied to continue to grow substantially, and the overall picture they provide to increase in utility as the system becomes still more comprehensive. (See also Part II, pp. 49-53.)

International Investment Insurance Proposals

Discussions were resumed during the latter part of the year regarding the proposal for the creation of an International Investment Insurance Agency. A number of major issues were still under consideration by the Executive Directors at the end of the fiscal year.

International Centre for Settlement of Investment Disputes (ICSID)

The Convention on the Settlement of Investment Disputes between States and Nationals of Other States, which was sponsored by the Bank and came into effect in October 1966, created ICSID as a forum for conciliation and/or arbitration of international investment disputes at the request of the parties involved. By the end of fiscal 1970, 57 states had become parties to the Convention; a further seven states had signed but not yet ratified the Convention.

During the year under review, ICSID successfully completed a pilot study for the collection, classification and eventual dissemination of national legislation and international agreements relating to foreign investments. The Centre's own Annual Report provides details of ICSID's membership and affairs.

Borrowings and Finance

World Capital Markets[1]

The World Bank's borrowings need to be viewed against the background of conditions in the capital markets of the world. The Bank relies on sales of its obligations in these markets for the bulk of the funds it lends to its developing member countries; market conditions consequently have an influence on the amount of funds available to the Bank for lending, and the rate of interest it charges on its loans in member countries. Moreover, movements in world capital markets influence not only the Bank's own operations during the year, but also the ability of a number of developing countries to undertake external

[1] *The figures in this section refer only to long-term borrowings undertaken by external borrowers on foreign and international markets in calendar 1969. For the purpose of this section, "long-term" borrowing is taken to include any external borrowing with a maturity of more than one year.*

borrowings on these markets. Consideration of capital market conditions, and especially of movements in borrowing costs, is therefore of direct relevance to the development effort.

In calendar 1969, total long-term foreign and international issues by all external borrowers on world capital markets declined for the first time in six years to an aggregate of $6,694 million equivalent. This was the second highest annual volume recorded, but represented a fall of 9% below the record $7,371 million equivalent reported in 1968. All major categories of issuers except those in the industrialized countries borrowed less on the foreign and international markets than they did in 1968. Details of offerings on these markets in calendar 1969, with comparative figures for earlier years, are shown in Annex Table 11.

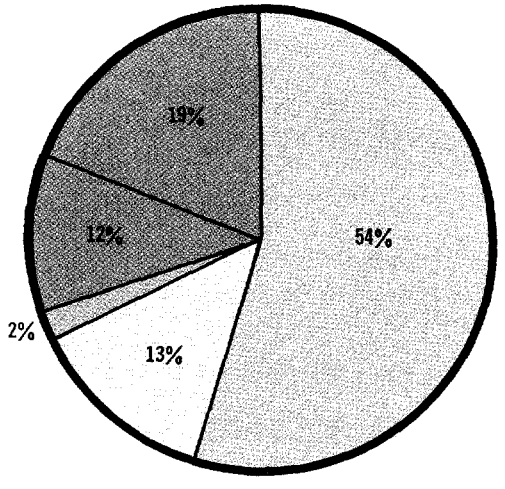
The decline in total sales of long-term obligations on world capital markets in 1969 occurred within the framework of a further general rise in borrowing costs during that year for all types of issuers. The movement has broadly continued through the first six months of calendar 1970, as indicated in Annex Table 12.

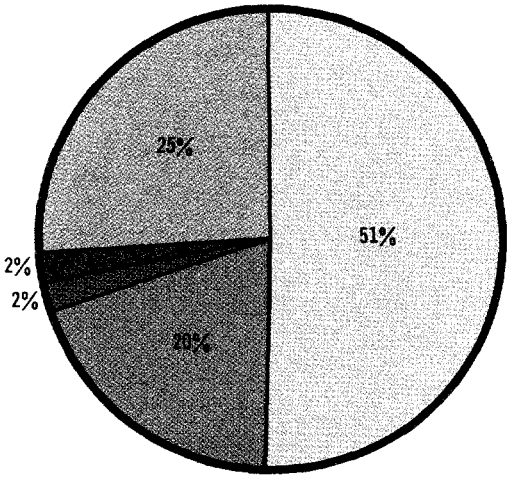
In the United States market, yields on new issues of high-grade, long-term domestic corporate obligations reached a new peak in December 1969. After declining in early 1970, a further upward surge began in February and, with a brief

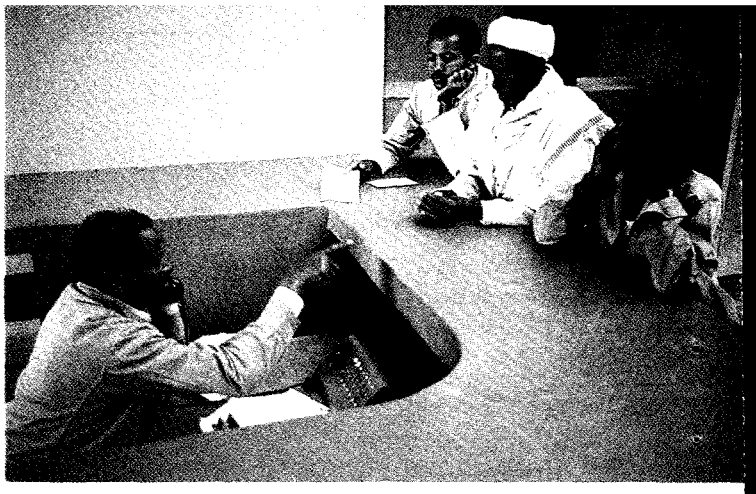
WORLD BANK
Source and Application of Funds
Fiscal Year Ended June 30, 1970

(Million US dollars)

Source		
Borrowings		
New and refunding issues	735	
Delivery of bonds sold in prior years	98	
Increase in debt outstanding as a result of currency revaluation	90	923
Repayments of loans		329
Sales and calls on participations in loans		195
Capital subscriptions used		39
Net income		
From operations	213	
Gain from currency revaluation—net	3	216
		1702
Application		
Loan disbursements	772	
Increase in loans outstanding as a result of currency revaluation—net	96	868
Debt retirement		436
Payment on IDA transfer		[illegible]
Other		[illegible]
Total Application		1360
Balance—Increase in cash and liquid securities		342
		1702







Ethiopia—Telecommunications. Customers waiting to make telephone calls at the pay station at Gondar. The operator on the left makes the necessary connection, indicates the booth to be used and collects the charge. Four World Bank loans amounting to $13.7 million have helped to develop the Ethiopian telecommunications system—the first loan was made 19 years ago.

interruption, continued to a new record level of over 9% in mid-May.

Similar, though less dramatic, movements in the cost of long-term borrowings occurred in other major capital markets, and in markets for long-term foreign and international obligations. In the German market, which was the largest source of foreign issues (excluding international issues) after the United States during the year, the costs to corporate issuers increased during 1969 by more than a full percentage point, to over 7½%, and then rose further to the 9% level in the first half of 1970. Long-term rates in the markets for foreign and international issues denominated in US dollars and Deutsche mark also increased substantially in the year, with rates on issues denominated in Deutsche mark rising proportionately faster, to a point where the spread between yields on issues denominated in US dollars and Deutsche mark had virtually disappeared.

Issuers in the industrialized countries undertook long-term borrowings totaling $5,259 million equivalent during 1969—79% of the year's total, and an increase of $128 million over 1968. The increase in such borrowings was, however, the smallest in six years; a $635 million rise in issues sold by borrowers located in Europe (to a total of $1,601 million) was largely offset by a decrease of $510 million in issues sold by borrowers located in other industrialized countries (to a total of $3,658 million).

Long-term borrowings on world capital markets by issuers in developing countries and by international development institutions fell in 1969, both in absolute amount and as a proportion of the year's overall total. Such borrowings in 1969 amounted to $1,330 million equivalent (about 20% of all issues sold), compared with $2,046 million or 28% of total sales in 1968. The developing countries borrowed $465 million in 1969, a decrease of $175 million from the previous year, and borrowings by international development institutions dropped to $865 million compared with $1,406 million in 1968. Borrowings by the World Bank amounted to $713 million of the calendar 1969 total, compared to $1,240 million in calendar 1968. (See also below pp. 35-36.)

Europe was the principal market for long-term external borrowings in 1969 for the fourth consecutive year. Sales of obligations in this market totaled $4,976 million. Within Europe, the German market was the largest supplier of funds, absorbing foreign issues amounting to the equivalent of $1,112 million. In addition, international issues denominated in Deutsche mark and sold on the Eurobond market totaled $966 million equivalent, 31% higher than in the previous year.

Issuers located in the industrialized countries sold long-term obligations totaling $3,790 million in Europe during 1969, including the equivalent of $974 million of foreign issues sold on the German, Swiss, British, and Belgian markets; and the equivalent of $2,816 million sold internationally on the Eurobond market. Total European sales by this class of issuers in 1969 were nevertheless $75 million below similar sales in 1968.

United States corporations and their affiliates were the largest borrowers in Europe, but their long-term issues, totaling $1,436 million in the form of straight debt and convertible bonds, represented a decline of 35% compared with 1968. Canada, with borrowings equivalent to $315 million, of which issues totaling the equivalent of $184 million were sold internationally and $131 million in Germany, was the second largest borrower in Europe in 1969. Other important borrowers in the European markets in the year were issuers in the United Kingdom with sales totaling $264 million equivalent; Japan, $261 million; France, $241 million; Germany, $229 million; the Netherlands, $179 million; and Italy, $169 million. All these borrowings showed large increases over the previous year, with the exception of those of issuers in the Netherlands, which remained virtually unchanged.

The developing countries undertook long-term borrowings totaling $216 million in Europe in 1969. Argentina borrowed the equivalent of $60 million, made up of public offerings in Germany and Switzerland and two offerings internationally. Official agencies of the Government of Mexico borrowed $61 million in the international market in Europe. Israeli corporations sold a total of $35 million in Luxembourg and internationally in Europe during the calendar year.

The United States market supplied a total of $1,717 million to long-term foreign borrowers during 1969. By far the bulk of the year's borrowings in this market was undertaken by issuers in Canada, who placed obligations amounting to $1,456 million, an increase of $195 million over 1968. The remainder of the total was made up by relatively small borrowings by affiliates of one German and one Japanese corporation (together amounting to $12 million), and by a number of developing countries, whose combined borrowings in the US market totaled $250 million during the year, compared with $290 million in 1968. Israel was the largest such borrower, with issues amounting to $151 million. Other developing countries whose issuers placed obligations in the US market during the year included Argentina ($51 million), Brazil ($1 million), Colombia ($1.1 million), Mexico ($26 million), the Philippines ($11 million) and Venezuela ($8.2 million).

As already noted, sales of long-term obligations in world capital markets by international development institutions totaled $865 million in 1969. The Asian Development Bank floated its first bond issue during this year, a DM 60 million public offering of 7% bonds in the international market in Europe. The Inter-American Development Bank sold issues equivalent to $137 million in the year, tapping the markets in Austria, Germany and Italy, and the international market in Europe. In the previous year, the IDB had sold issues equivalent to $166 million. Sales by the World Bank again represented a major proportion of all borrowings for development financing; a total of $713 million was raised in calendar 1969 compared with $1,240 million in calendar 1968. The Bank's calendar 1969 borrowings were made up of a public offering in Germany of DM 250 million (US$62.5 million equivalent at the time of offering), private placements in Germany totaling DM 1,130 million (US$282.5 million equivalent at the time of placement) and sales of $367.7 million of Two-Year US Dollar Bonds to central banks, other government accounts and international organizations.

The Bank's Borrowings

The Bank's borrowings in its 1970 fiscal year (July 1, 1969-June 30, 1970) totaled $735 million equivalent, compared with the previous fiscal year's record level of $1,224 million equivalent. A further $172.4 million was, however, added in 1970 to the funds available to the Bank for lending, as a result of unusually large sales of items from the Bank's portfolio of outstanding loans: such sales had totaled only $35 million in fiscal 1969. (See also below, and page 37.) The Bank did not borrow in the United States or Switzerland (both traditionally substantial suppliers of borrowed funds) during fiscal 1970, and undertook new money borrowings in Germany of DM 150 million as compared to DM 1,600 million in fiscal 1969.

The $735 million borrowed by the Bank in fiscal 1970 included $362 million equivalent of obligations sold to raise new funds, and $373 million equivalent of refunding obligations that replaced items that matured in the period. In fiscal 1969, new borrowings had totaled $851 million equivalent, and refunding obligations sold had also amounted to $373 million equivalent.

The principal supplier of new borrowed funds in fiscal 1970 was The Bank of Japan, which lent a total of Y 72,000 million (US$200 million equivalent) to the World Bank. These were the World Bank's first Yen borrowings. When announcing the loans, The Bank of Japan stated that it had decided to extend them on the basis of recent developments in Japan's balance of payments which had added materially to the country's monetary reserves. The Bank of Japan added that further factors influencing its decision regarding the loans were "the great contribution toward the development of the Japanese economy" made by the World Bank, and a desire on the part of Japan to "help the World Bank's activities and thereby strengthen international monetary cooperation".

Lending by The Bank of Japan to the World Bank was divided into two separate loans of Y 36,000 million each, in February and March 1970. Terms were favorable by comparison with those generally prevailing in world capital markets and included interest at a rate of 7.14% a year and repayments of principal serially over the period 1973-75.

In addition to supplying the equivalent of $200 million in new funds during the year, The Bank of Japan also supplemented the World Bank's lendable resources by purchasing more than $160 million of the outstanding debt of the World Bank's Japanese borrowers (see below, page 37).

In Germany, the Bank raised new funds totaling DM 150 million through placement on July 1, 1969, of an issue of 6% Bonds due over the 1972-81 period with the Deutsche Genossenschaftkasse. Central banks and other governmental institutions

in 61 countries, together with international organizations, supplied the remainder of new funds raised in the year. The Bank placed with these institutions two issues of Two-Year US Dollar Bonds totaling $349.5 million, made up of a $175 million issue bearing an interest rate of 8%, and a $174.5 million issue at 8⅛%. $225 million of the total replaced two maturing issues and $124.5 million was added to the resources of the Bank.

The outstanding funded debt of the Bank was increased during the year by the delivery to investors of $97.6 million of bonds sold in previous years on a delayed delivery basis. The US dollar equivalent of the principal amount of outstanding Bank debt was raised by a further $90.3 million as a result of the upward revaluation of the Deutsche mark.

A total of $377 million equivalent of debt matured in fiscal 1970. Virtually the whole of this debt was held by the Deutsche Bundesbank and by other central banks and government institutions located outside the United States. The Bank also retired a further $59 million equivalent of debt by means of sinking fund and purchase fund operations during the year.

At June 30, 1970, the Bank's outstanding funded debt stood at $4,568 million equivalent an increase of $487 million during the year. Holdings of the Bank's obligations continued to broaden internationally in fiscal 1970. The estimated division of holdings by investors as of June 30, 1970 was about 37% in the United States; 29% in Germany; 6% in Switzerland; 5% in Japan; and 4% in Canada. The remaining 20% is held largely by central banks and other governmental accounts in some 75 countries.

The further rise in the costs of funds to all borrowers during the year under review was reflected in the Bank's borrowing costs. These averaged 7.69% in fiscal 1970 compared with averages of 6.46% in fiscal 1969 and 6.17% in fiscal 1968. On August 1, 1969, the Bank increased its lending rate from 6½% to 7%. The Bank's 7% lending rate was maintained through the remainder of the fiscal year, reflecting its continuing efforts to keep the cost to its borrowers of its loans at as low a level as is compatible with the maintenance of its own sound financial position.

The cash resources of the Bank continued to increase in fiscal 1970. On June 30, 1970, they stood at $2,092 million, or some $244 million higher than their level at the end of fiscal 1969. The Bank's cash resources have been built up to meet the increase in disbursements which is expected to follow the rapid recent rise in commitments made by the Bank.

Increase in Capital: Bank

On January 6, 1970, the Executive Directors of the Bank submitted to the Board of Governors a report and a draft Resolution providing for increases in the subscriptions of 75 of the Bank's member countries corresponding to the selective element of the increases in their IMF quotas resulting from the Fund's Fifth General Review of member countries' quotas.

To accommodate the recommended increases in subscriptions and to provide the Bank with sufficient authorized capital for new members' subscriptions and future increases in individual members' subscriptions, the Executive Directors concurrently submitted to the Board of Governors a report and a draft Resolution authorizing an increase of $3,000 million in the authorized capital stock of the Bank.

Voting on the two Bank Resolutions was still in process at the end of the fiscal year. The Resolutions provide, however, as does the parallel Fund Resolution, that no increase shall become effective prior to October 30, 1970.

Other Financial Operations: Bank

Loans held by the Bank on June 30, 1970, net of exchange adjustments and including those not yet effective, totaled $9,868 million, an increase of $1,247 million in the fiscal year. Effective loans held totaled $8,889 million as of June 30, 1970. Loan disbursements amounted to $772 million, compared with $762 million in the previous year. The cumulative total of disbursements as of June 30, 1970, amounted to $10,355 million; the undisbursed portions of loans held by the Bank was $3,905 million at the end of the fiscal year, compared with $3,007 million at the end of fiscal 1969.

Disbursements in fiscal 1970 continued to rise at a slower rate than commitments. This is partly attributable to the normal procedures of placing equipment orders and to the time consumed in the manufacture, delivery and installation of such equipment. But the pace of disbursement on loans is also affected by problems of project programming and management leading to delays in the placing of orders and in implementation of projects. The Bank Group is increasing its efforts—both through the provision of funds for technical assistance in its lending operations and through other activities designed to help borrowers improve project management—to speed the process of project implementation, and hence the flow of disbursements.

Repayments by the Bank's borrowers were $442 million in the period, including $329 million paid to the Bank and $113 million to investors who had purchased borrowers' obligations from the Bank.

Cumulative repayments as of June 30, 1970, were $3,763 million: $2,126 million to the Bank and $1,637 million to purchasers of its loans.

The year's sales of participations and of items from the Bank's loan portfolio amounted to $172.4 million, the highest level in any year since fiscal 1964, and an increase of some $137 million over such sales in fiscal 1969. The increase is almost entirely attributable to the purchase of $162.5 million of portfolio items by The Bank of Japan. By June 30, 1970, the aggregate of sales of participations in loans and from loan portfolio was $2,350 million.

During the year the Bank fully liquidated special interest-bearing deposits it had made in the Reserve Bank of India to offset temporarily part of the effect on India's balance of payments of debt service payments to the Bank during the year ended March 31, 1968. The final withdrawal, amounting to $8.7 million, was made in February 1970; no further deposits of this nature are planned.

Income and Expenditure: Bank

Net income for the fiscal year was $213 million, an increase of $41.5 million compared with the previous year. The main factor in this sharp rise to a new record level of net income was a substantial increase in the level of the Bank's cash and liquid securities accompanied by a higher level of yields on such securities. There was also an increase in interest income from loans, reflecting increases in outstanding loans receivable and the average rate of interest on such loans.

Commission still charged on outstanding portions of a few of the Bank's earliest loans dwindled to about $382,000 as additional principal on these loans was repaid. Commission was credited to the Special Reserve which amounted to $292 million on June 30, 1970.

Gross income for the year was $504 million compared with $410 million the previous year. Contributing to the increase were gains of $61 million in investment income to $149 million; of $30 million in income derived from loans to $344 million; and of $3 million in other income to $11 million.

Expenses in the period totaled $291 million, $53 million more than in fiscal 1969. Bond and note interest and issuance costs rose for the third consecutive year, reflecting increases in the Bank's funded debt and the rising costs of funds borrowed in the market. The total of these expenses in fiscal 1970 was $246 million, compared with $197 million in 1969. Taking into account the substantial amount of funds derived by the Bank from its paid-in capital and accumulated earnings, the overall cost of all funds (capital, accumulated earnings and borrowings) through fiscal 1970 was 3.3%.

The higher level of Bank Group activity, which has entailed the recruitment of large numbers of new staff (see below, page 39), together with general increases in costs, raised the administrative costs of the Bank and IDA to $61 million, compared with $45 million in the previous fiscal year. After deducting $16 million of management fees charged to IDA (compared with $4 million charged in 1969), administrative costs of the Bank amounted to $45 million compared with $41 million in fiscal 1969. The increased management fee charged by the Bank to IDA in fiscal 1970 resulted from a change in the basis upon which such fees had been determined in 1968 and 1969. This change was designed to make the fee charged to IDA reflect more accurately the staff time taken up by the IDA share of total Bank/IDA operations.

At their 1969 Annual Meeting, the Board of Governors approved a transfer of $100 million of the Bank's net income for fiscal 1969 as a grant to IDA; the remaining $71 million of that year's net income was allocated to the Supplemental Reserve Against Losses on Loans and from Currency Devaluations. After the close of the 1970 fiscal year the Executive Directors allocated $113 million of net income for the period to the Supplemental Reserve, raising it to $1,150 million and total reserves to $1,442 million. The Executive Directors at the same time recommended that a further $100 million be transferred to IDA as a grant.

Finances: IDA

The second general replenishment of IDA's resources, providing $1,201.4 million equivalent of additional funds for development credit commitments by the Association, became effective on July 23, 1969. To date 17 Part I countries with pledges aggregating $1,140.96 million have deposited notifications of their acceptance of the terms of the replenishment agreement. Sixteen of these countries have paid in two installments of their shares in it, and one country has paid in advance the third and last installment, due in November 1970. A further $12.1 million is being supplied by Switzerland under a loan related to the second replenishment agreement. One country has not as yet deposited notification of acceptance, but is expected to do so on completion of action on pending legislation.

New credits signed by IDA in the fiscal year totaled $606 million bringing the aggregate of credits since the start of operations to $2,822 million gross on June 30, 1970. Funds available for further commitments on that date amounted to $409 million, exclusive of the $100 million which

the Executive Directors recommended as a transfer from the Bank's net income to IDA after the end of the fiscal year.

Disbursements by IDA in the fiscal year amounted to $143 million, a decrease compared with the $256 million disbursed in fiscal 1969. The decline is primarily attributable to the low level of commitments in fiscal 1968 and early fiscal 1969 when IDA was hampered by lack of funds.

The rapid recent growth of IDA commitments and the still faster growth of developing countries' needs for concessionary development finance of the kind IDA provides make it essential that the Association obtain more funds to meet the legitimate requirements of the developing countries. On July 21, 1970, after the end of the fiscal year, the Executive Directors recommended and transmitted to member governments for approval a proposal for a replenishment of IDA's resources for a three-year period. The eighteen Part I countries, three Part II countries (Ireland, Spain and Yugoslavia) and one non-member, Switzerland, proposed making available a total of approximately $813 million per year, the first payments being scheduled for November 8, 1971. It was also agreed that the voting power of the Part I countries should be adjusted so as to reflect more accurately the share of each of them in the total contributions of the Part I countries to IDA. It was further agreed that the Part II countries be given the opportunity to make additional subscriptions on easy terms to IDA in order to permit them to maintain the relative voting power of the Part II countries as a group.

Annual transfers from net income in the form of grants have been made by the Bank to IDA in each year since 1964; the six-year total amounts to $385 million. These transfers have been of sums which would otherwise have been available for distribution as dividends to the Bank's member countries and which are not needed for allocation to reserves or otherwise required to be retained in the Bank's business. After the close of the 1970 fiscal year, the Bank's Executive Directors recommended to the Board of Governors a further transfer to IDA in the amount of $100 million. This recommendation will be considered by the Governors at the 1970 Annual Meeting in Copenhagen.

Organization and Administration

Staff and Department Changes

During the year under review, Mr. William S. Gaud succeeded Mr. Martin M. Rosen as Executive Vice President of IFC. Fuller details of this and other IFC staff changes appear in IFC's own Annual Report.

It was announced in May 1970 that Mr. Irving S. Friedman would hand over later in the year his duties as The Economic Adviser to the President of the Bank to Professor Hollis B. Chenery of Harvard University. Mr. Friedman will take sabbatical leave from the Bank after Professor Chenery's arrival.

A number of other staff and organizational changes took place during the year. Mr. Abdel G. El Emary became Special Adviser to the President with effect from January 1, 1970; Mr. Michael L. Lejeune succeeded Mr. El Emary as Director of the Eastern Africa Department; and Mr. Munir P. Benjenk was promoted to succeed Mr. Lejeune as Director, Europe, Middle East and North Africa Department.

Recent rapid increases in Bank activities in the Western Hemisphere and the further increases planned, together with the Bank's determination to ensure that proper attention is still given to the needs of all the countries in the region, led to the creation as of January 1, 1970, of two new Area Departments to replace the Western Hemisphere Department. Mr. Gerald Alter, who had been that Department's Director, became Director of a new South America Department; Mr. Edgar Gutierrez, formerly Director of the National Planning Department in Colombia, joined the Bank as Director of a new Central America and Caribbean Department.

A new Industrial Projects Department was set up during the year, to deal with the rising volume of Bank activity in this sector. The Department will work closely with appropriate IFC staff, and a joint Bank-IFC committee has been set up to coordinate the Bank Group's overall work in the field of industrialization. Mr. Hans Fuchs, formerly Director of IFC's Engineering Department, was appointed Director of the new Bank Department in October 1969.

Directors were appointed during the year to the three Projects Departments established in fiscal 1969 to deal with new areas of lending, and new Directors were assigned to two others. Dr. Alfred Koch, formerly Secretary General of the German Institute for Tourism Economics, joined the Bank in September 1969 as Director of the Tourism Projects Department; Dr. Kandiah Kanagaratnam, formerly Chairman of the Family Planning and Population Board of Singapore, joined the Bank in September 1969 as Director of the Population Projects Department; Mr. Robert Sadove, formerly Director of the Bank's Transportation Projects Department and Acting Director of the Tourism Projects Department, was appointed Director of the Special Projects Department in October 1969. At the same time, Mr. A. David Knox, formerly

Director, Public Utilities Projects Department, was appointed Director of the Transportation Projects Department, and Mr. Mervyn Weiner was promoted to become Director, Public Utilities Projects Department.

Recruitment

The activities of the Bank Group continue to grow rapidly, both through sharp increases in existing types of assistance to member countries, and through expansion into new kinds of operational and analytical activity. The Bank is determined that the consequent rising overall workload will not in any way diminish the high professional standards which have always been applied to its lending and other activities. The intensive program of recruitment of highly qualified new staff initiated during the previous year has, therefore, continued in fiscal 1970. 293 professional staff members were recruited for the Bank during fiscal 1970, compared with 208 recruited during the previous fiscal year. After allowing for promotions of existing staff and departures, the increase in professional staff between June 30, 1968 and June 30, 1970 was 426, an expansion of 57%.

The recruitment program has two main objectives: to attract to the Bank a sufficient number of new staff members of the high caliber needed to maintain the quality of the Bank's work at a time when the quantity of work undertaken is increasing rapidly; and to broaden the nationality base of its staff. The second requirement involves recruitment of staff from countries which have hitherto supplied few if any staff members to the Bank, and the consequent reduction of the proportion of total staff represented by nationals of countries which have traditionally been large suppliers of staff. The success of recruitment efforts during the year in this respect is reflected by the further decline in the percentage of professional staff represented by nationals of the two largest traditional suppliers—the United Kingdom and the United States. By the end of fiscal 1970, this group represented 43% of all professional staff, compared with 48.2% of a smaller total on June 30, 1969, and 49.4% of a still smaller total on June 30, 1968. The number of nationalities represented among professional staff rose from 55 to 71 during fiscal 1970.

The Bank takes particular care to avoid depriving its member countries of key personnel who may seek employment with it. In such instances it may offer fixed term appointments, in the belief that the period of service such staff undertake at its headquarters should provide them with valuable experience which can be put to good use when they return home.

YOUNG PROFESSIONAL PROGRAM

Cumulative Appointments Currently in Service, Undergoing Training or Committed

Afghanistan	1
Algeria	1
Argentina	2
Australia	3
Austria	4
Belgium	7
Brazil	2
Canada	6
Chile	1
China	1
Colombia	1
Finland	1
France	15
Germany	7
Greece	1
India	11
Iran	2
Ireland	1
Israel	2
Italy	7
Jamaica	1
Japan	4
Lebanon	1
Malaysia	1
Mexico	1
Morocco	1
Netherlands	7
New Zealand	2
Nicaragua	1
Nigeria	2
Norway	3
Pakistan	5
Philippines	3
Rhodesia	3
Sierra Leone	1
South Africa	3
Spain	4
Sweden	8
Switzerland	4
Trinidad and Tobago	1
Tunisia	1
Turkey	1
United Arab Republic	2
United Kingdom	13
United States	15
Uganda	1
Yugoslavia	1
Total	166

As of June 30, 1970, the total staff of the Bank, professional and other, amounted to 2,252, comprising nationals of 85 countries.

The Bank's Young Professional program continued to expand its activities during the year. 94 staff members who had originally entered the Bank under this program have now been assigned to regular Bank/IDA or IFC posts. A further 40 Young Professionals are now in training and an additional 32 are expected to join the program during the next few months. This will bring the total number of Young Professionals serving the Bank Group to 166 from 47 countries as shown in the table on page 39.

Office Facilities

During the year, the Bank completed occupation of the recently constructed building which forms part of its headquarters in Washington. The European Office moved to a newly constructed building, at 66 Avenue d'Iéna, Paris, which was formally opened on May 20, 1970.

Membership and Executive Directors

Membership

The membership of the Bank rose from 110 to 113 governments during fiscal 1970. Swaziland joined the Bank in September 1969, Southern Yemen joined in October and the Yemen Arab Republic in May 1970. Swaziland and the Yemen Arab Republic also became members of IDA; Guinea, already a member of the Bank, joined IDA in September 1969. IDA's membership thus increased during the year from 102 to 105 governments. At the end of the year action was pending on membership in the Bank of Cambodia, Equatorial Guinea and Malta, and on membership in IDA of Cambodia, Malta, Trinidad and Tobago, Uruguay, Venezuela and Southern Yemen.

New Members' Subscriptions
(Millions of US dollars)

Country	Amount
Swaziland	6.4
Southern Yemen	23.5
Yemen Arab Republic	8.5
Total	38.4

Increased Subscriptions
(Millions of US dollars)

Country	From	To	Amount
Democratic Republic of the Congo	60.0	96.0	36.0
Nigeria	66.7	106.7	40.0
Jamaica	32.0	40.0	8.0
Total			84.0

New members' subscriptions to the Bank and increases in three existing members' subscriptions raised the Bank's subscribed capital from $23,036.4 million to $23,158.8 million during fiscal 1970—an increase of $122.4 million.

Increases in subscriptions by two other countries—Panama and Uruguay—totaling a further $21.7 million were pending at the end of the year.

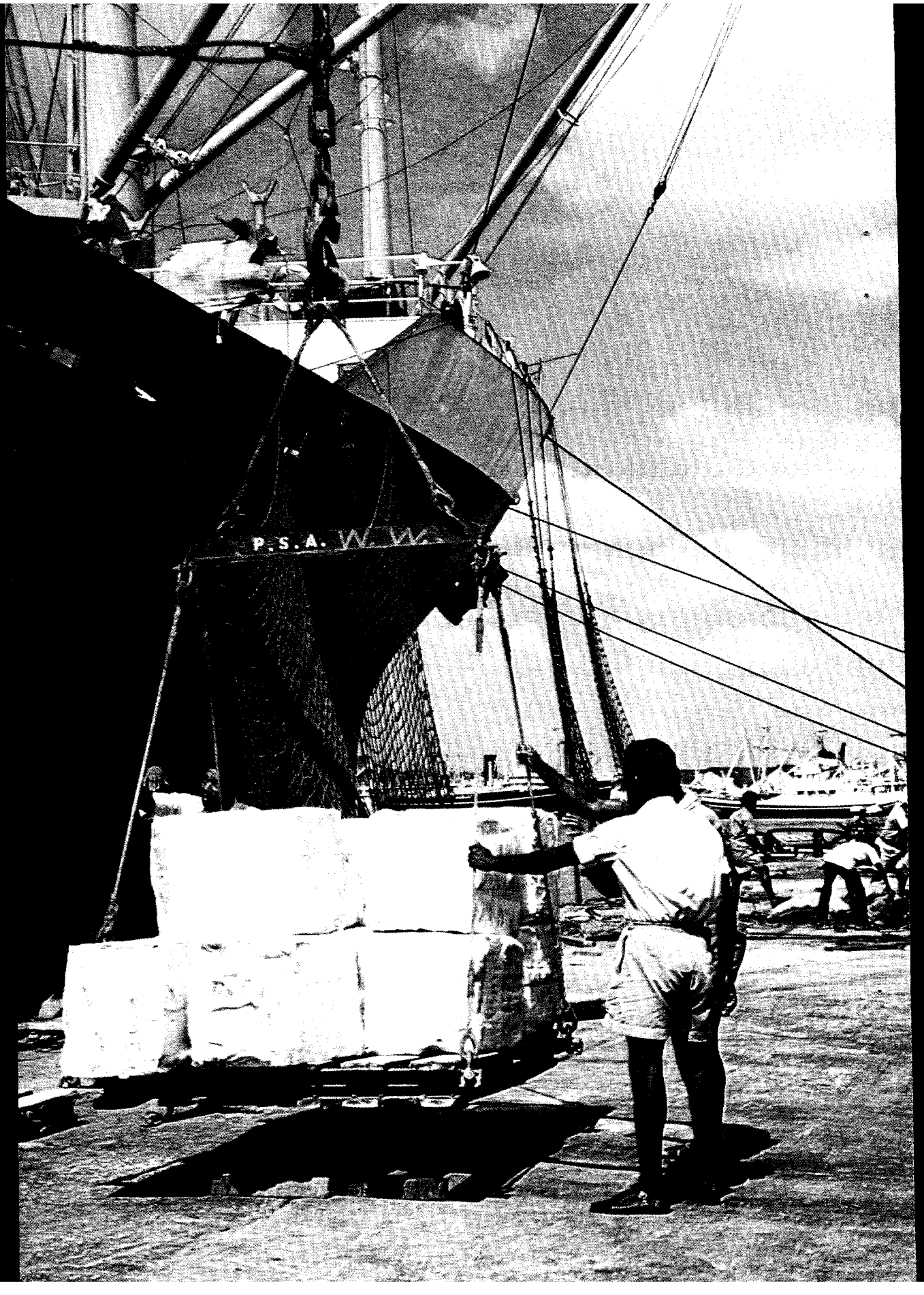
Executive Directors

During the fiscal year there were several changes among the Executive Directors. Mr. Covey T. Oliver, Executive Director for the United States since November 1968, resigned on November 3, 1969, and was succeeded on November 4, 1969, by Mr. Robert E. Wieczorowski. Mr. E. W. Maude, Executive Director for the United Kingdom since August 1967, resigned on October 21, 1969, and was succeeded on November 7, 1969, by Mr. Derek J. Mitchell. Dr. Ernst vom Hofe, Executive Director for Germany since May 1968, resigned on January 31, 1970, and was succeeded on February 1, 1970, by Dr. Wilhelm Hanemann. Mr. S. Jagannathan, Executive Director for India since March 1968, resigned on June 15, 1970, and was succeeded on June 23, 1970, by Mr. S. R. Sen. Mr. Hideo Suzuki (Japan), Executive Director for Burma, Ceylon, Japan, Nepal and Thailand since November 1966, and also for Singapore since 1968, resigned on June 15, 1970. Mr. Seitaro Hattori was elected to succeed him with effect from June 16, 1970.

Audit Committee

An Audit Committee, made up of five Executive Directors designated on the basis of seniority of service, was established on May 5, 1970. The Committee is responsible, under its terms of reference, for the nomination to the Executive Directors of a firm of auditors to conduct the annual audits of the accounts of the Bank, IDA and IFC; to discuss with the auditors the scope of their examination; and to review the Financial Statements and the Auditors' Opinion. The Committee will also consult with the auditors on the most effective systems of internal controls over the Bank Group's expenditures. The Bank Group's auditors have traditionally been chosen from among private, independent, internationally established firms of accountants, and this will continue to be the practice. The Financial Statements and the Auditors' Opinions are reviewed by the Executive Directors before submission to the Board of Governors.

PART II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PART II
TRENDS AND OUTLOOK IN DEVELOPMENT AND DEVELOPMENT FINANCE

Recent Trends in Trade and Growth of the Developing Countries

Recent Trends in Trade of Developing Countries

World trade in 1969 recorded an impressive increase of 13% by value, surpassing even the high rates of growth previously experienced in 1964 and 1968. The exports of the developed countries increased by 15%. The developing countries, whose rate of trade expansion has typically been slower than that of the developed countries, attained a 9% rate of export growth during the year (compared with almost 10% in 1968—see text table, page 44). Reflecting these developments, total world exports (including those of centrally planned countries) achieved a level of $270 billion in 1969, of which $48 billion represented the exports of the developing countries. If present indications are borne out, 1970 may prove to be a third successive year of noteworthy expansion in the export trade of the developing countries. This expansion has been related to the high levels of economic activity in developed countries, which have in turn been reflected in the higher prices for many primary commodities experienced in 1969.

Singapore—Ports. Loading rubber at the Port of Singapore. At the Port of Singapore World Bank finance is assisting the construction of additional deep-water berths, new plant yard and workshop, the provision of additional floating craft and cargo-handling equipment and the provision of data processing equipment.

The share of developing countries in world exports declined slightly in 1969, from 18.5% to 17.7%, and accounted for somewhat more than 40% of all exports of primary products and 6% of all manufactured exports. An analysis of world trade by origin and destination (see Annex Table 2) confirms the prevailing trends of the past decade: the expansion of developed countries' exports has been absorbed by the developed countries themselves; the trade flow of developing countries is increasingly directed toward the developed countries; and the proportion of developing countries' exports to other developing countries has been gradually shrinking. Market economy developed countries import about three-fourths of the exports of developing countries, and the proportion of developing countries' trade represented by exports to other developing countries has been reduced (from 21.5% in 1961-65 to 19.5% in 1969). This is particularly true of Asia and Africa, where regional trade declined from 23% and 7% of their total trade in 1961-65, to 20% and 6% respectively in 1969. Only in the case of Latin America have exports toward other developing countries increased (from 18% to 20%), reflecting an expansion of trade within the region (from 8% to 12%).

Apart from the removal of trade barriers in the developed countries and the grant of non-reciprocal preferences to exports of manufactures and semi-manufactures from the developing countries, another possible way of accelerating the export trade of the low-income countries, as noted by the Pearson Commission, is to expand trade

among these countries themselves. The experience of regional trade arrangements suggests that the prospects for trade expansion are best between countries which are geographically close to each other and linked by good communications networks, rather than between countries which form parts of wider regions, or between different regions. For example, intra-regional trade among the Latin American Free Trade Association (LAFTA) countries in the 1960s has not exceeded the level reached in the mid-1950s, before the creation of the Association. Intra-regional trade rose sharply, on the other hand, among the Central American Common Market countries, from 7% of their total exports in 1960 to 25% in 1967; such trade accounted for 18% of the East African Community's total exports in 1965-67, marginally above the level in 1960-62. Manufactured products have a dominant position in the intra-regional trade of both these regions.

Trade expansion has been sustained, over the past year, by rising prices. The World Bank maintains an index of commodity prices, based on price quotations for 38 primary commodities which account for three-quarters of the total exports of the developing countries. The index reached a ten-year high in 1969 of 107 (1960-62 = 100) if petroleum exports are included, and of 118 excluding petroleum. Factors which contributed to this situation included a continuation of the four-year rise in cocoa prices, which reached a record high for the decade in 1969; the negotiation of the 1968 International Sugar Agreement, which came into effect in January 1969; an increase in coffee prices beginning in the last quarter of 1969, following widespread frost damage in Brazil; and a short-term recovery in rubber prices and a sharp rise in the prices of non-ferrous metals, reflecting in both cases mainly a sudden upsurge in demand. Movements in the prices of vegetable oils and oil seeds were notably divergent, increasing for soft oils but declining for lauric oils (coconut and palm kernel). The index rose further in the first half of 1970 (see text table and chart, page 45) as prices of some commodities continued to rise (notably those of coffee, copper, lead, tin and vegetable fats and oils).

Economic factors helping commodity price increases in 1969 included generally rising price levels in the United States and the strong economic expansion in Europe and Japan. Nevertheless, many countries have been unable to profit from these developments because a number of commodities which figure importantly in their trade have continued to face weakening markets. Prices of rice have been drifting downward from their unusually high levels; those of wool and hard fibers have been particularly weak in recent periods. Prices of tea, iron ore and manganese ore have continued to decline for a decade now; cotton prices on the other hand, although lower than in 1968, are generally being well maintained.

The behavior of commodity prices in 1969 was reflected in a continuation of the gradual improvement in the terms of trade of the developing countries which has been registered in most years since 1962. The regional impact of this favorable development was uneven, however, owing to the geographical concentration of production of the

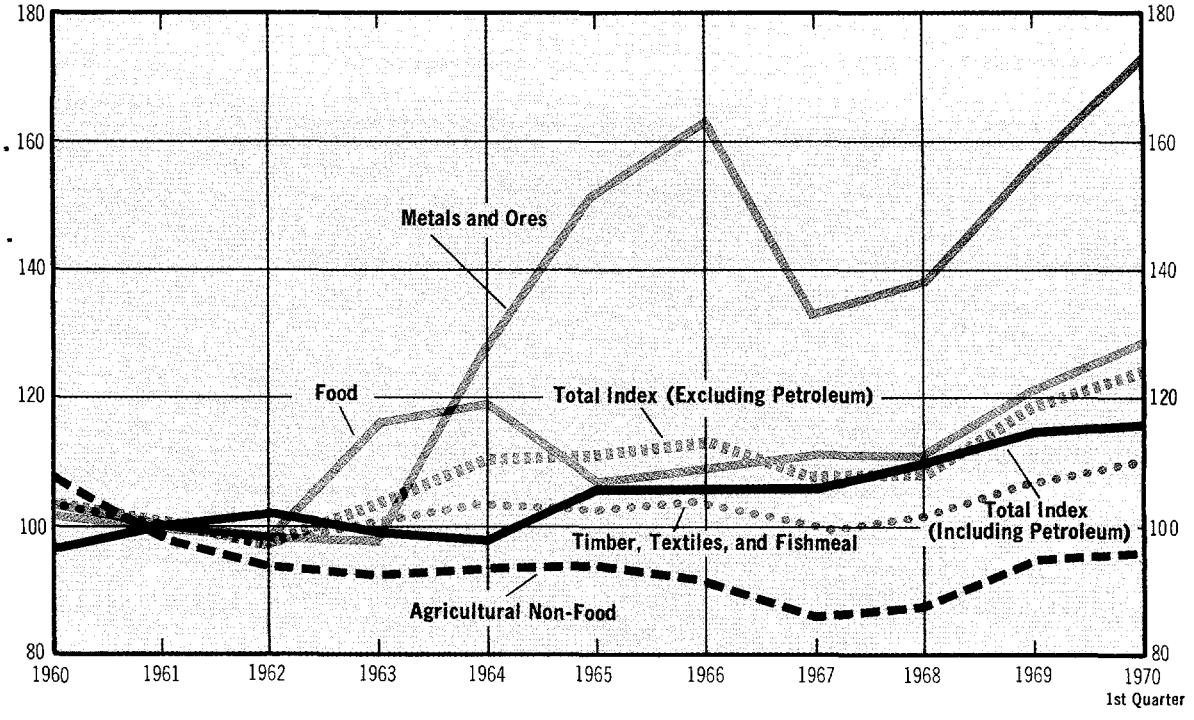
WORLD EXPORTS BY VALUE
(Billions of US dollars f.o.b.)

	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969[3]
Total World[1]	127.0	133.7	141.4	153.9	172.2	186.4	203.4	214.2	238.7	270.0
Primary Products[2]	56.2	58.0	59.7	65.0	70.9	73.7	77.1	79.7	84.5	90.5
Manufactures	69.7	73.5	79.4	86.3	98.8	109.7	122.5	131.2	150.7	176.0
Developing Countries	27.4	27.7	29.1	31.5	34.6	36.5	38.7	40.1	44.1	48.2
Primary Products[2]	23.4	23.5	24.6	26.5	28.8	29.9	31.0	31.7	34.2	36.8
Manufactures	3.8	4.0	4.3	4.9	5.7	6.4	7.6	8.1	9.7	11.4
Developed Countries	85.0	90.3	94.9	103.6	117.3	128.2	141.5	149.2	167.7	193.0
Primary Products[2]	26.5	27.8	28.4	31.3	34.7	35.7	38.9	38.7	40.7	44.8
Manufactures	57.4	61.1	65.1	70.7	80.8	90.0	101.0	108.1	124.3	145.2
Unit Value (1960=100)										
Total World	100	99	99	100	102	103	105	105	104	107
Primary Products[2]	100	98	97	101	104	104	105	102	101	105
Manufactures	100	101	101	102	103	105	108	109	108	112
Terms of Trade—										
Developing Countries (1950=100)	93	89	88	89	91	89	91	90	91	93

[1]Includes centrally planned countries; also includes unallocated and miscellaneous products.
[2]Excludes refined metals, which are included among manufactures.
[3]Preliminary.
Note: Items may not add to totals due to rounding and inclusion of miscellaneous items in totals.
Source: UN Monthly Bulletin.

INDEX OF SELECTED COMMODITY PRICES

(Price Index 1960-62=100)



commodities which were the main contributors to the increase in prices—coffee, cocoa and non-ferrous metals. Consequently, Latin America and Africa experienced conspicuously favorable terms of trade, whereas those for Asia, which had been declining throughout the past decade, failed to show much change. The long-term decline in prices of products like tea, iron ore and manganese ore may have been partly responsible for this diverse behavior.

INDEX OF SELECTED COMMODITY PRICES
(1960-62 = 100)

	Total Index (Incl. Pet.)	Total Index (Excl. Pet.)	Food	Agric. Non-Food	Metals and Ores	Others[1]
1960	104	104	104	108	102	97
1961	99	99	98	98	100	100
1962	97	97	98	94	98	102
1963	101	104	116	93	98	99
1964	104	110	119	94	127	98
1965	103	111	107	94	151	106
1966	104	113	109	92	163	106
1967	100	107	111	86	133	106
1968	101	108	111	88	138	110
1969	107	118	121	95	156	115
1970 1st quarter	111	124	128	96	172	116

[1]Timber, textiles and fishmeal.
Source: World Bank.

Recent Trends in Growth in Developing Countries

Growth in developing countries, measured in current dollar terms, rose at a faster rate in 1969 than in 1968 and previous years, both in overall and per capita terms. Expansion in real terms has, however, continued to be held back by the persistent rise in price levels. Preliminary and incomplete data from 74 countries indicate an average 6.7% rate of growth in 1969, an improvement on the 5.9% recorded in 1968 and the 5.1% average for the years 1961-1965. With population growth holding steady at 2.5% annually, the per capita increase is estimated at 4.1% for 1969, as compared with increases of 3.3% in the previous year and 2.5% in the 1961-1965 period. As the average price level is estimated to have risen by close to 3% for the world as a whole, expansion in real terms was probably held back to 3.5-4% overall and to somewhat over 1% on a per capita basis. The developing world fared well as compared with industrialized countries, whose GDP increase of 4.9% in 1969 was below the 5.4% achieved in 1968 and the 5.1% average over the 1961-1965 period. On a per capita basis, growth in industrialized countries was about the same as for developing countries—4% in 1969, down from 4.4% in 1968 but little changed from previous years. These trends are shown in Annex Table 1.

As in past years, growth was not uniform in 1969, reflecting a wide range of economic and population changes in different areas. The highest rate of growth was registered by the East Asian countries, with a sharp rise of 10% in 1969, compared with that of 7.8% registered by these countries in 1968 and an annual average rate of growth of 5.5% over the 1961-1965 period. Despite an above average rate of population growth (of 2.7%), East Asia also showed the highest rate of GDP increase on a per capita basis—7.1%, compared with 4.9% in 1968 and a 2.7% annual average over the 1961-1965 period. A high rate of growth was also registered by the Middle Eastern economies, amounting to 8.7% overall and 5.9% per capita. This represented a reduction from the 9.2% and 6.3% of the preceding year, but a further advance from the previous 1961-1965 average (7.4% and 4.4%). Recovering from a contraction in 1967-1968, Southern European economies reported a 7.3% advance in 1969; as their population grew least among developing countries (1.5%), their per capita growth (5.7%) was comparatively high. In other areas, overall rates of growth were 6.4% for the Western Hemisphere, 6.3% for South Asia, and 4.1% for Africa. With the increase in population ranging from a 3.0% high in the Western Hemisphere to a 2.4% low in Africa, per capita expansion was correspondingly held back to 3.3% in the Western Hemisphere, 2.7% in South Asia and 1.7% in Africa. By far the greater part of the growth continued to be accounted for by industrial activity, with agriculture still advancing at a slower pace. Adjusted for price increases, it appears that a number of countries actually experienced a contraction in their GDP in real terms and several others barely held the levels reached through their earlier advances; this was more than counterbalanced, however, taking the developing countries as a whole, by particularly rapid expansion in other countries in 1969.

The Flow of External Financial Resources to Developing Countries

The flow of financial resources from the major capital-exporting countries to developing countries and international development institutions has generally risen since the early 1950s, when global data on these flows began to be collected. Occasional reductions from one year to the next have usually been followed by a quick recovery, so that the trend has been one of long-range growth. The first year covered by the detailed statistics on aid and capital movements prepared regularly by the OECD was 1956. Since that year, the flow of net official financial resources[1] has increased from about $3.3 billion to almost $7.3 billion; most of this (well over 90% in most years) is official development assistance. The total net flow of resources from all sources, official and private, has more than doubled—from a level of about $6.1 billion in 1956 to over $13 billion in 1969—an average compound rate of growth of about 6% a year, somewhat less than the average rate of growth of the GNP of the DAC countries. Preliminary estimates for 1969 indicate that there was an increase in total flows of about $100 million as compared with 1968.

There have been important changes in both the composition of the total flow and its sources since 1956. In that year, and throughout most of the period since then, the United States provided about one half, the United Kingdom about 10%, and France between 15% and 20% of the recorded total net flow. More recently, and particularly since 1966, the relative role of these major donor countries has diminished. Together, their contributions had, by 1969, fallen from an historical level of 75-80% to about 55% of total net flows from all DAC countries, although flows from both France and the United States (until 1969) continued to increase in absolute terms. Overall growth in the flow of resources has been maintained by rapid expansion in the capital exports of a number of other countries. The most important of these in total volume have been Japan and the Federal Republic of Germany; total net flow from these two countries combined increased from about $550 million in 1956 to more than $3.2 billion in 1969. Even more dramatic increases have been registered in the flows from several of the smaller European countries, notably Austria,

[1]*Net flow as used in this Report refers to gross disbursements minus amortization of principal. Further subtraction of payments of interest yields what is commonly referred to as net transfer. The relationship among these concepts for DAC official bilateral flows and flows from the IBRD and IDA for several recent years is illustrated below (comparable data for private flows are not available):*

(Million US dollars)

	1965	1966	1967	1968	Total 1965-68
DAC Official Bilateral					
Gross Flow	6,605	6,949	7,248	7,548	28,350
Amortization	732	773	828	951	3,284
Net Flow	5,873	6,176	6,420	6,597	25,066
Interest Receipts	448	491	514	612	2,065
Net Transfer	5,425	5,685	5,906	5,985	23,001
IBRD and IDA					
Gross Flow	881	1,054	1,131	1,004	4,070
Amortization	314	336	359	371	1,380
Net Flow	567	718	772	633	2,690
Interest Receipts	254	277	303	331	1,165
Net Transfer	313	441	469	302	1,525

Note: Data for DAC bilateral flows do not reflect the most recent revisions incorporated into Annex Table 4.

Paraguay—Cattle. Rounding up cattle on the Estancia Riacho Negro, in the Chaco region. World Bank loans and IDA credits are helping livestock development programs in more than 20 countries in Latin America and Africa.

Denmark, Norway and Sweden. Total flows from these four countries amounted to about $520 million in 1969, nearly twenty times the $28 million which they provided in 1956. For the most part, this growth is a reflection of decisions on the part of the governments of these countries to increase their assistance to the developing countries.

From the point of view of the developing countries, the composition and terms of the capital available to them are of prime importance. From 1956 through 1964, the total net flow of private capital to developing countries and multilateral institutions hovered around $3 billion per year, although it reached a peak of $3.8 billion in 1957 and fell to about $2.6 billion per year in 1962-63. During most of the same period, total flows from official sources increased steadily, rising from about $3.3 billion in 1956 to $6 billion per year in the early 1960s, and remaining at about that level until 1965. As a result, the private share of total flow fell from 50% in 1956 to some 30-35% in the period 1962-64. Annex Table 4 illustrates recent developments. While the net flow of official resources has resumed a gradual increase (about 4% a year) private flows have increased by almost 90% since 1964 and again are approaching a level of 50% of the total.

The flow of private capital into the developing countries continues to be of major significance. The largest single component of this flow has been private direct investment. During most of the decade 1956-65, direct investment (including reinvested earnings) accounted for between $1.5 and $2 billion each year, or roughly two-thirds of total private flows. In 1965 net direct investment climbed to more than $2.5 billion, and after declining to about $2.2 billion in 1966-67 reached almost $3 billion in 1968. Preliminary estimates of the OECD Secretariat indicate that the accumulated book value of total foreign direct investment in the developing countries at the end of 1966 stood at about $30 billion. Net additional flows since that time increased the total to a level of some $37-38 billion by the end of 1969.

Reverse flows of funds back to the developed countries on account of this sizable total of direct investment have naturally been considerable. Consolidated balance of payments accounts of the DAC countries indicate that during 1964-67 these countries received an annual average of about $5.8 billion in income from their investments in all developing countries. Of this amount,

roughly $500 million per year consisted of interest on official loans outstanding, and an estimated $700-900 million of interest on short- and medium-term private debt. The remaining gross receipts of about $4.5 billion per year represent primarily income on direct investment. Of this amount, an annual average of $800 million was reported as reinvested, leaving a net level of repatriated direct investment income of roughly $3.7 billion per year on average. During this same 1964-67 period, new inflows of direct investment averaged less than $1.3 billion a year.

The flow of investment into the developing countries and the reverse flow of investment income do not, of course, tell the entire story. Of the roughly $30 billion cumulative investment in the developing countries at the end of 1966, a total of about $14.5 billion was in petroleum and mining, traditionally among the more attractive sectors for foreign investors. Although available information is not conclusive, it is probable that a substantial share of the output of the foreign-owned investment in these sectors in most developing countries is exported directly or indirectly to industrialized areas—Western Europe, North America and Japan. It is, therefore, of some interest to note that in the same year, 1966, exports from developing countries of only four major extractive commodities—petroleum, iron ore, bauxite and copper—amounted to more than $13.8 billion. The effects of import substitution, transfer of technology, employment creation and tax generation derived from the growing flow of direct investment have resulted in additional benefits for the developing countries.

Trends in the other two major types of private capital flows are more difficult to assess. In 1969, private portfolio investment in both developing countries and multilateral development institutions increased again, from a peak of more than $1.5 billion in 1968.[1] Surprisingly, this increase took place in the face of the rapid increase in the cost of borrowing during the past few years. Meanwhile, in spite of growing awareness of the potential debt problems of the developing areas, the third type of private flow, that of export credits, has continued to expand. From a level of about $500 million per year in 1956-57, the flow of total net export credits from DAC countries to developing countries tripled to almost $1.6 billion in 1968, and increased further in 1969.[2] For the past few years, about four-fifths of the total net flow recorded has come from France, Germany, Italy, Japan, and the United Kingdom.

As the staff of the IMF pointed out in a major study on the subject published earlier this year,[3] a number of factors underlie this steady expansion of commercial credits extended to the developing countries. Among the more important have been the increasing competition for export markets among the industrialized countries, the growing volume of world trade itself, the growing demand for capital goods in the developing countries (coupled with limited access to international capital markets and the limited supply of untied development assistance), and the liberalization of exchange, credit, and credit insurance policies in the DAC countries. There is less understanding, however, of the role of private export credits in development finance. On one hand there is general agreement that under appropriate circumstances, such credits constitute a significant addition to the financial resources available to the developing countries. On the other hand, resort to this type of financing can become excessive, and lead a developing country into an untenable debt situation.

Although the flow of private capital to the developing countries has been of growing importance, international attention has traditionally focussed on the financial resources made available through official channels. Throughout the past two decades the flow of official capital has represented a larger and more predictable share of total volume; moreover, the terms and conditions under which it is extended are more directly subject to the development assistance policies of the donor countries and international development institutions.

Net official flows from all DAC countries have increased by an average of about 4% a year since 1964 (the basic data are shown in Annex Table 4). This rate of increase has been less than the rate of growth at current prices of the combined GNP of these countries during the period, so that net official flows as a share of GNP have fallen from 0.49% in 1964 to an estimated 0.39% in 1969. The significance of this apparently rather small decline in the ratio of these flows to DAC countries' GNP becomes more clear when placed in the perspective of absolute amounts. Had the level of 0.49% been maintained throughout the period, almost $3.9 billion would have been

[1] *This figure represents net disbursements during the year and should not be confused with the figure of $2 billion shown in Annex Table 11. The latter constitutes the gross value of new issues floated during the year; it was, however, also a peak level for the period for which data are available.*

[2] *Unlike other data reported in DAC statistics, net flows of export credits refer primarily to net changes in export credit guarantees outstanding, rather than to disbursed credits in the conventional sense.*

[3] *"The Use of Commercial Credits by Developing Countries for Financing Imports of Capital Goods", in "IMF staff Papers, Vol. XVII No. 1, March 1970".*

added to net official flows between 1964 and 1970, including $1.8 billion in 1969 alone.

The bulk of the net official flow is made up of official development assistance, defined by the DAC as financing intended primarily to promote the economic development and welfare of developing countries, with terms which are intended to be concessionary in character. (Most of the remainder consists of government-financed exports and transactions in the securities of international institutions at commercial terms.) As indicated in Annex Table 4, flows of official development assistance have also declined in relation to the GNP of DAC countries—somewhat more, even, than total net official flows.

Grants and grant-like contributions make up by far the largest share of total official flows. From 1956 through the early 1960s, they were rarely less (and often considerably more) than three-fourths of total official flows each year. More recently, however, grants have been declining steadily as a share of official flows until, in 1968, they constituted somewhat more than 50% of the total. The single largest factor contributing to this decline has been the progressive reduction of loans repayable in local currencies (which are classified as grant-like flows) extended by the United States; these transactions are due to be entirely discontinued by the end of 1971. Bilateral grants declined further in 1969, but contributions to multilateral agencies rose sharply, bringing the share of grants and grant-like flows in the total net flow back to about the level of 1964-66.

While the flow of grants has thus been irregular, the volume of official loans—the other component of total official flows—has generally risen not only in relative terms but in absolute amounts as well. The terms of this lending are shown in the indicators for commitments shown in Annex Table 4. In spite of efforts by most DAC countries, there has been little significant improvement in the terms of new loan commitments, taken as a whole. Although there have been year-to-year fluctuations in the average maturity, grace period and interest rate of official loans, the concessionary element of total official loan commitments has varied within a fairly narrow range around 50%. The combined effect of these various indicators is perhaps best expressed in the grant element data for total official commitments, loans and grants combined. After remaining fairly stable during the mid-1960s, the concessionary element of such commitments, including grants, slipped from about 80% in 1964-1966 to about 75% in 1968. The apparent recovery in the grant element indicated for 1969 is, again, a result of the increased level of contributions to the multilateral institutions.

Considering these recent developments in the volume, composition and terms of the flow of financial resources to the developing countries, the immediate outlook for global development finance is not altogether clear. As a natural concomitant to the economic development and growth in trade of the developing countries, foreign direct investment and access to private export financing have continued to grow rapidly. Although external financing at concessionary terms from official sources, both bilateral and multilateral, has been rising in absolute terms, its rate of growth has been slower than the economic expansion of the major capital exporting countries. In addition, the grant element of total official commitments has shown no pronounced tendency to increase. At present, there is little to indicate that these trends are likely to be altered in the immediate future.

External Debt of the Developing Countries

The Articles of Agreement of the World Bank stipulate that in making or guaranteeing a loan, the Bank shall pay due regard to the prospects that the borrower (or guarantor) will be in a position to meet its obligations under the loan. From the very beginning of the Bank's lending operations, prospective borrowers have been required to provide the Bank with reasonably complete information on, among other things, their external debt situation. In order to facilitate the regular provision of this information, the Bank has, over the years, developed a relatively simple but effective reporting and processing system for external debt and capital movements.[1] As the analytical demands and capabilities of the Bank have increased, the reporting and processing requirements associated with the system have grown apace. While considerable progress has been made, the extension of data collection to cover systematically all

[1] *The Bank's debt data system is based essentially on three separate sources of information: a series of reports received periodically from Bank members on their external borrowing; a series of similar reports on the lending of major creditor countries under a reporting system operated jointly with the OECD's Development Assistance Committee; and a series of statistics on international capital markets maintained by the Bank in cooperation with the OECD's ad hoc Group of Financial Statisticians. The debt statistics included in this Report cover only public or publicly guaranteed debt with an original or extended maturity of more than one year. They do not include data on non-guaranteed debt of private borrowers or any short-term debt, defined as debt with a maturity of one year or less. As noted in Part I of this Report, the Bank's statistical reporting system is being revised; one element of this revision is an expansion of coverage to include data on non-guaranteed private debt, a significant factor in the external accounts of many countries.*

relevant debt and capital flow information will require a continued effort.

Total external public debt of developing countries outstanding at the end of 1968 amounted to about $53.4 billion, of which roughly three-fourths had been disbursed (see Annex Table 5).[1] This represented an increase of more than $5.4 billion over the level of $47.9 billion at the end of 1967, and continued the constant upward trend observed ever since data of this sort first became available about 15 years ago. For the past ten years, total external public debt outstanding has grown at an average compound rate of almost 15% a year. This rate of increase has doubled the total debt outstanding every five years since 1955. Preliminary estimates indicate that an additional $6 billion of external public debt was contracted by the developing countries last year. This would have raised the total to almost $60 billion by the end of 1969, roughly twice the amount outstanding at the end of 1964.

Total debt service, including both amortization of principal and payments of interest, has been growing almost as rapidly as debt outstanding. In 1968, total debt service rose to almost $4.7 billion, an increase of more than 12% over the 1967 level of nearly $4.2 billion. Over the past decade, the rate of growth of both debt outstanding and debt service payments has been about twice the rate of growth of export earnings of the developing countries, and almost three times that of their combined gross domestic product.

It is worth emphasizing that aggregate data such as these mask a wide range of debt situations in individual developing countries, including differing relationships between long- and short-term indebtedness, and variations in debt servicing capacity (see below, page 52). In most countries in recent years external debt has been held to manageable proportions, although in a few there have been problems. In its analysis of member countries' economic prospects and creditworthiness the Bank considers each country's situation on an individual basis, within the context of its domestic and international economic activity. Nevertheless, aggregate data, when considered together with global trends in economic growth, export earnings, capital movements and aid terms, provide a useful frame of reference for consideration of debt problems and debt management policies. In a general sense, developments over the past few years in the global debt picture correspond fairly closely to what might have been expected. Economic development requires investment in capital goods and human resources; as with many of the industrialized countries during earlier periods in their history, much of the demand for financial resources in the developing countries today is being met from external sources. Until at least some of the more advanced developing countries reach the stage of development at which they themselves become net capital exporters, external debt, along with the associated debt service, is likely to continue to increase. Whether debt and debt service can continue to increase as rapidly as during the past decade, particularly in those countries which already have relatively large external obligations, will depend in large part on the implementation of policies to manage this growing debt burden in an orderly fashion and on their general economic performance.

Annex Table 5 also presents figures for debt outstanding and debt service by major regions. It must be emphasized that any conclusions which might be drawn from the regional variations which appear in these figures would have to be based on a thorough appraisal of the many factors which underlie them. Explanations of such differences do not derive solely from the financial arithmetic of the volume and terms of lending. The various regions covered differ widely in stage and level of economic development and industrialization, in relative attractiveness for external investment, in economic efficiency, etc. A thorough and satisfactory explanation of regional variations in levels of debt and debt service would have to take all these factors into account, both for meaningful comparisons between regions and for comparisons of the very heterogeneous country situations within regions. The discussion which follows does not attempt to provide the basis for such a systematic analysis, but only to document the facts of the regional incidence of present debt, and the service to which it will give rise.

The data shown in Annex Table 5 indicate the trends which have been emerging since the early 1960s. Both debt outstanding and debt service of the Western Hemisphere countries have doubled since 1960. The region continues to account for by far the largest share of debt outstanding, more than 31% of the global total. Debt payments of this region in 1968 made up an even larger share of the year's total—almost one-half. The countries of South Asia, chiefly India and Pakistan, accounted for almost 23% of total debt outstanding at the end of 1968, but for only about 12% of total debt service during the year. The debt outstanding of these countries has more than tripled since 1960, but debt service payments in

[1] *The undisbursed amounts included in the total debt statistics in this Report represent the undrawn balances of commitments with specified repayment terms, under which, for the most part, disbursements have already begun. Undisbursed amounts outstanding under frame agreements, earmarking arrangements and other less firm types of commitment, are excluded.*

1968 were just over twice the level at the beginning of the decade.

Debt service by region is given in Annex Table 10 broken down by principal type of creditor from 1965 to 1968, showing future payments due up to 1980 on debt outstanding as of December 31, 1968. In this Table, debt service for export financing consists of payments on suppliers' credits and loans from private banks and other financial institutions. Payments to other private creditors cover primarily debt service on bonds and on funded debt arising from the nationalization of private property. The official categories are self-explanatory. In the Western Hemisphere, service payments on privately held debt outstanding as of December 31, 1968, drop off rapidly during the next few years; by 1980 they will have declined to less than 10% of their 1968 level. Debt service payments to official creditors at the end of the period will, by contrast, remain at 60% of their 1968 level. In South Asia, while service on privately held debt outstanding at the end of 1968 almost vanishes by 1980, payments to official creditors will then be higher than they were in 1968. Payments to governments on existing debt will continue to rise after 1968 for seven years, only beginning to diminish in 1976 and remaining 16% higher in 1980 than in 1968. Similarly, the debt service schedules for East Asia show that even after eleven years, service payments on existing official debt will be higher than at the beginning of the projection period for the countries of that region.

In 1968, slightly over half of total public or publicly guaranteed debt service of the developing countries was paid to private creditors, although only about one-fourth of total debt outstanding originated from private sources. By 1980, service to private creditors on existing debt will have diminished, as would be expected; it will represent only about 15% of the total due in that year. Service on debt outstanding at the end of 1968 to governments and international lending institutions, however, will have declined by only about 20%.

Not surprisingly, the outstanding debt of the developing areas is concentrated in relatively few countries. Nineteen of the 81 countries included in

India—Agriculture. Ploughing a rice field with an oxen-drawn plough near Jamalpur in West Bihar. An IDA credit assisted the improvement and extension of the Sone irrigation system in this area, making possible the irrigation of nearly a million acres annually.

Annex Table 5 accounted for three-fourths of the amount outstanding at the end of 1968. Half of the total debt was located in only eight countries (which also account for just over half of the total GNP of the developing countries). Details of debt outstanding by type for these and other countries included in the total are shown in Annex Table 6.

Since 1960, eight developing countries have negotiated 15 multilateral debt relief operations involving the consolidation and rescheduling of just over $3 billion in disbursed and outstanding debt. Until 1965 multilateral debt rearrangements were concerned almost exclusively with private suppliers' credits, and in almost every case since 1956 commercial credits have figured importantly. In the mid-1960s it became necessary to undertake rescheduling operations involving official as well as private debt.

In April of this year, an agreement was reached with Indonesia by a number of donor countries to provide major, long-term debt relief. It was agreed to reschedule payments on almost $900 million of Indonesia's external debt outstanding on July 1, 1966. The principal will be repaid in equal installments over a 30-year period beginning in 1970. No new moratorium interest will be paid on the rearranged payments of principal, and interest on the rescheduled debt will not be paid until the second half of the repayment period. Further flexibility was introduced into the agreement under a provision for additional relief through an option to defer part of the principal repayments due during the first eight years. Provision was also made for a limited review of these arrangements any time after 1980 in the light of Indonesia's economic situation at that time. This agreement will improve Indonesia's present external debt structure, facilitating orderly planning for her economic recovery and long-range growth. Nevertheless, the agreement is unique to Indonesia and cannot be considered as a precedent for general application. Indonesia's economy was prostrate after a lengthy period of grave political and economic difficulty, and drastic measures were required to support the process of rehabilitation—which, once undertaken with determination, could be expected to bear valuable fruit.

Formal multilateral debt relief arrangements are not, of course, the only way to deal with these problems. Other kinds of agreement have been made bilaterally with a number of debtors. These arrangements have included rescheduling or refinancing of debt service owed to both official and officially guaranteed private creditors. In recent years, some arrangements have also been made to consolidate or refinance short-term debt and commercial arrears. This amounts to relief for short-term debt, but it also results in a net addition to long-term debt outstanding if the terms of the commitment provide for an extended repayment period of more than one year.

The capacity to service debt is a function of a country's overall economic situation and strategy, including its international trading and financial position. Inter alia, debt servicing capacity depends on a country's ability to generate savings, to pursue sound fiscal and monetary policies, and to earn foreign exchange through exports of goods and services to meet its import requirements as well as to satisfy its external financial obligations and maintain adequate levels of reserves. The World Bank's regular country analyses normally take into account a wide range of such factors, in addition to external public debt. One commonly used indicator in the Bank's country analyses, which is derived in part from statistics produced by its debt data system, is the debt service ratio. As just noted, this indicator cannot substitute for the comprehensive analysis of a country's economy needed to provide a judgment on debt carrying capacity, but it frequently constitutes a starting point in considering trends in this capacity. Although the definition of the ratio is sometimes varied to meet specific analytical requirements, the most common concept is that used in Annex Table 7: the ratio of total public debt service payments to earnings from exports of goods and non-factor services. The relative burden of external public debt service is indicated in the very high or rapidly growing ratios of some developing countries, particularly Argentina, Brazil,[1] Ceylon, Chile, Mexico, Pakistan, Peru and Tunisia. In some cases, the debt service ratio has increased even though export earnings have grown rapidly over the past few years: the export earnings of Mexico and Peru increased by an average of more than 8% a year from 1965 to 1968, and those of Chile and Tunisia by about 10% on average. The ratios of Ghana and India, on the other hand, have shown temporary reductions during the past two or three years, largely as a result of recent debt relief operations rather than improvements in exports: Ghana's earnings from exports of goods and services were less in 1968 than in 1965, while India's increased at an average rate of less than 3% a year during the period. The relatively favorable ratios for Indonesia are the result of a combination of the effects of past debt relief, temporarily reduced external borrowing and rapidly increasing exports.

In considering these and the many other elements of a member country's domestic and

[1]*The data for Brazil include a substantial amount of private debt, and are not fully comparable with those for other countries.*

external economic situation, the World Bank is utilizing to an increasing extent quantitative analytical techniques and models. Various debt projections have been constructed with the help of the Bank's debt data base and computer routines for purposes of internal analysis. Adequate interpretation of projections such as these would be beyond the scope of this Report. Although it has long been accepted as a general proposition, this work confirms the crucial role of the composition and terms of capital flows to the developing countries. Moreover, the analysis provides a measure of the magnitude of the international effort which would be needed simply to maintain the present level of net resource transfer to the developing countries, much less to increase it as their trade and investment requirements grow over the next decade. In addition, it suggests that the debt service problems facing a number of developing countries are likely to grow more difficult during the next few years if recent trends in capital flows, aid policies and development performance remain unchanged. Globally, both the gross domestic product and export earnings of the developing countries have continued to expand. External debt and debt service requirements have increased more rapidly, however, while during the past few years the net flow of external capital has tended to level off and the terms at which it is obtained to become somewhat harder. Several developing countries, including some of the largest, have felt it necessary to seek partial relief from existing debt service obligations in recent years. It is clear, therefore, that the debt situation of the developing countries will continue to require the careful attention of the international financial community.

Prospects for Domestic Financing of Economic Development

The mobilization of domestic resources in developing countries is acquiring new and decisive importance, in view of the rising capacity of their economies to use capital effectively. Locally mobilized funds finance by far the main proportion of the costs of economic development projects; external finance, while forming an essential complement to such local funds, depends very significantly for its effectiveness on the availability of local financial resources in sufficient amounts and appropriate forms. Resource planning has received wide attention over the past decade, but inflation has had disturbing effects on resource allocation and on the balance of payments, ultimately hampering economic development. Inflation reflects inter alia inadequacies in mechanisms for mobilizing domestic savings; such savings are essential for sustaining a high level of investment and maximizing the contribution of foreign capital to the large inputs of resources that a modern economy requires.

There are two fundamental processes of savings mobilization—through fiscal policy by budgetary surpluses, and through concentration of private savings in financial institutions. Particular attention has been paid to resource mobilization through the fiscal system, but there is increasing awareness that the development of financial institutions to attract savings may represent an even more significant aspect of total resource mobilization in the developing countries as it is in the developed. The fiscal process has been and will remain a most important source of funds, particularly for the financing of public investment. Nevertheless, it is subject to limitations stemming from competing demands for public needs and the time lag between initiation and implementation of budgetary plans. A well organized financial system can reconcile what savers expect in terms of liquidity and return and what investing enterprises require in terms of amount and cost of money. As such it can introduce greater flexibility into the resource mobilization process, particularly for private investment, and is capable of playing a significant role in many developing countries.

Savings Formation by Fiscal Policy

Both national governments and the World Bank have emphasized improved taxation as the main method of domestic resource mobilization for economic development. The average tax ratio for most developing countries for which figures are available appears to have increased to about 16% of national income in recent years (see text table on page 54). In several countries (e.g., Brazil, Chile, the Republic of China, Israel and Mauritius) yields from taxes, expressed as a percentage of GNP, are close to, and in some cases as high as, those of developed countries. Furthermore even low-taxed countries not separately shown in the tables have in most cases experienced marked upward movements in their tax ratios.

In another large sample of developing countries (see text table, page 55), a majority increased the ratio of tax revenues to GNP during the mid-1960s. As shown in this table, rising levels of taxation in many developing countries have not raised national savings as much and in as many countries as could be expected, given the emphasis attached to fiscal policy for such purposes.

The willingness and ability of governments to pursue firm fiscal policies, on which successful resource mobilization through the tax system largely

Ratio of Tax Revenue to National Income
Selected Developing Countries

	Simple Average 1950-59	Simple Average 1965-67
Developing Countries	14.9	15.8
Asia[a]	11.8	11.7
Ceylon	19.2	20.4
China	19.7	17.9
Burma	16.1	16.1
India	8.2	14.1
Philippines	10.8	12.6
Korea	8.0	11.1
Africa[b]	13.1	15.8
Mauritius	15.5	22.9
Southern Rhodesia	14.5	15.4
Ghana	12.3	14.4
Kenya	13.4	13.6
Latin America and Carribean[c]	15.8	17.6
Brazil	23.8	34.6
Uruguay	28.4	31.0
Chile	20.3	28.0
Guyana	20.9	23.8
Jamaica	14.4	20.1
Ecuador	16.7	19.1
Peru	13.9	18.8
Central American Common Market	12.1	13.4
Europe[d]	14.3	17.0
Greece	21.5	26.3
Spain	13.8	19.1
Middle East[e]	22.8	19.3
Israel	25.5	34.6
Iraq	32.7	26.8
Jordan	20.2	12.0

The table above refers to 79 developing countries. The countries covered in the area totals are as follows:

[a] *South Asia*—Afghanistan, Burma, Ceylon, India, Iran, Nepal, Pakistan.

East Asia and Pacific—Cambodia, China (Republic of), Indonesia, Korea (Republic of), Laos, Malaysia, Papua and New Guinea, Philippines, Singapore, Thailand, Viet-Nam (Republic of).

[b] *North Africa*—Algeria, Libya, Malta, Morocco, Tunisia.

East Africa—Botswana, Burundi, Congo (Democratic Republic of), Ethiopia, Kenya, Lesotho, Malagasy Republic, Malawi, Mauritius, Southern Rhodesia, Somalia, Sudan, Tanzania, Uganda, Zambia.

West Africa—Chad, Dahomey, Gabon, Ghana, Ivory Coast, Nigeria, Senegal, Sierra Leone, Togo.

[c] *South America*—Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Guyana, Panama, Paraguay, Peru, Uruguay, Venezuela.

Central America and Caribbean—Barbados, Central American Common Market (Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua), Dominican Republic, Jamaica, Mexico, Trinidad and Tobago.

[d] *Europe*—Cyprus, Greece, Spain, Turkey.

[e] *Middle East*—Iraq, Israel, Jordan, Lebanon, Syria, United Arab Republic.

Source: IBRD World Tables for all individual countries listed above and for area totals, which include other countries not shown above.

depends, is subject to various political and economic constraints. A high degree of political leadership and of social unity are necessary if increases in taxation are to be legislated for and executed. In economic terms, taxable capacity is constrained by such factors as the level of per capita income and the degree of governmental direction of an economy, which set limits to the ability of governments both to improve tax assessments and to implement effective collection procedures. Improvements in the machinery of assessment and collection would undoubtedly reduce the gap which exists in many countries between a formal tax structure with high and progressive rates, and a low revenue yield from these taxes.

Governments generally seek to recoup by taxation some part of the cost of development, particularly from those groups which have benefited most from it. Economic development helps to create new wealth in the hands of particular individuals. Reforms of personal and indirect taxation are needed to ensure that such individuals contribute to public needs on a broader and rising basis. Linked to this and to other objectives of fiscal policy is the need to ensure that the systems of direct and indirect tax administration reinforce each other in maximizing revenues.

Another important potential source of increased tax yields is the agricultural sector. The introduction of technological changes in farming, combined with improved domestic terms of trade for agricultural products in many developing countries, have sharply improved opportunities for higher farm incomes in certain portions of the agricultural sector, which consequently both can and should bear a larger share of the tax burden. Agricultural taxation is often complicated, however, by contrasting policies: on the one hand exemptions or lower income tax rates may be applied to farm income, while on the other hand such benefits may be offset by other factors which tend to reduce farm earnings; in some cases these include regulated low domestic prices and overvalued exchange rates for agricultural exports, which reduce overseas sales of farm products.

Tax concessions are not unique to agriculture; they form only a part of more general schemes of tax concessions, some to individuals, mostly to business. Such concessions represent dilutions of a fiscal system's potential to raise revenue for public needs: even when justified, their effect in eroding the tax base should be clearly recognized and the loss in revenue calculated and taken into account by the authorities. Another problem lies in policies designed to hold down charges on public services (railroads, power, water, etc.). Such policies act as disguised or concealed subsidies to users; when not properly covered by charges entered in the budget, they reduce the resources that should become available to such utilities from their own earnings.

The growth of government expenditures has been an important aspect of the budgetary picture in most developing countries. Part of this increase can be regarded as arising out of the process of economic growth itself. It makes little sense to build up additional productive capacity while failing to provide the resources needed for proper

Classification of Selected Developing Countries According to Changes in Tax Revenues and National Savings

(period taken in most instances is average 1963-65 to average 1965-68)

Changes in savings as proportion of GNP	Increase in Tax Revenue	Decrease in Tax Revenue
	Number of Countries	
Increase in Public and Private Savings	10[a]	—
Increase in Public Savings with Decrease in Private Savings	10[b]	2[c]
Stability in Public Savings with Decrease in Private Savings	2[d]	—
Decrease in Public Savings with Increase in Private Savings	11[e]	9[f]
Decrease in Public and Private Savings	4[g]	1[h]
Total	37	12
Public Savings		
Increase in Public Savings	20	2
Stability in Public Savings	2	—
Decrease in Public Savings	15	10
Total	37	12
Private Savings		
Increase in Private Savings	21	9
Decrease in Private Savings	16	3
Total	37	12

The table above covers 49 developing countries. References are as follows:

[a] Bolivia, Central African Republic, China (Republic of), Cyprus, Jamaica, Kenya, Korea (Republic of), Panama, Paraguay, Turkey.

[b] Argentina, Brazil, Chile, Guyana, Honduras, Iran, Mauritania, Morocco, Uganda, Zambia.

[c] United Arab Republic, Uruguay.

[d] Ecuador, Malagasy Republic.

[e] Botswana, Cameroon, Costa Rica, Greece, Guatemala, Malaysia, Peru, Singapore, Tanzania, Thailand, Tunisia.

[f] El Salvador, Ghana, Iraq, Israel, Mauritius, Mexico, Philippines, Senegal, Trinidad and Tobago.

[g] Algeria, Ethiopia, Spain, Venezuela.

[h] Nicaragua.

Source: IBRD World Tables.

maintenance and full utilization of existing facilities. In addition, however, governments have frequently taken on expenditure commitments unrelated to the needs of economic development.

This growth of non-development current expenditure is a worrying aspect of the overall fiscal problem of developing countries. This worry finds expression in almost every country economic report of the World Bank. For many countries, increases in such current expenditures require a much more rapid growth of tax revenues; this may be difficult to achieve, particularly if GNP is growing more slowly than predicted at the time the recurrent expenditure obligations were entered into.

There is a growing awareness of the possibility that the growth of non-development expenditure has been stimulated by the growth of revenue itself. Furthermore, it is frequently difficult for governments to reject proposals for additional spending programs in the light of high and rising needs for such expenditure. The solution to this problem does not lie in the reduction of the quantity of tax receipts but in an improvement in the quality of expenditure. For example, there could be scope under special circumstances for earmarking a greater share of revenue increases for development objectives which provide new benefits to individuals and to the community.

Savings Mobilization by Financial Institutions

A financial system can complement the fiscal mechanism and the sustained inflow of foreign capital in assuring an orderly process of economic development. The function of the financial system is to link savings, particularly those deriving from the growth of modern sectors of the economy, with the investment needs of business enterprises. The efficiency of a financial system may be best judged from three interrelated points of view: its ability to attract and mobilize domestic savings, its adequacy in channeling funds towards productive uses, and its function as intermediary and guarantor for the inflow and investment of foreign capital.

The development of a financial system involves the adaptation of existing financial institutions, and the introduction of new instruments designed to broaden and strengthen institutions' intermediary functions, in accordance with specific countries' social structures and the level of their agricultural, industrial and infrastructural development. A financial system can best attract confidence and savings when broadly based on well recognized institutions, when its practices are clearly understood, and when changes take place in response to emerging needs. Neither a financial system whose institutional mechanisms lag behind the public and private financing needs of the economy, nor one involving the introduction of new and complex institutions which find an inadequate response in the existing level of financing requirements, can be realistically integrated with or support economic development.

The contribution of financial intermediaries consists not only in bringing together savings in amounts and forms appropriate to needs, but also, and more significantly, in accustoming savers to shift from deposit to security types of assets. Certain non-banking institutions, such as cooperatives and savings institutions, form natural extensions of deposit banking; others, such as mortgage and finance companies, may help to introduce savers and investors to the use of marketable instruments. These institutions are characteristic of the process through which some developing countries have already passed, and others are passing now. In some, the economy has progressed far enough

and financial institutions have grown and diversified to a point where investment requirements may begin to be financed through sales of securities to the public. The maintenance of monetary order is essential for sustained progress in this sphere, as shown by the experience of many countries where it has been hampered or delayed by inflation.

Rigidities in supervision, and in regulations introduced by governments in order to direct credit and hold down the cost of money, can impede progress toward institutional structures responsive to social and economic change. Undoubtedly, banking supervision and credit regulations are necessary instruments of public and financial policies, but their exercise by the authorities should not be carried to the point of impinging on the flexibility of the financial mechanism. In many countries, the rigidity of government regulations has stifled innovation within the institutional system and stimulated the growth of "parallel" or extra-banking markets, in which transactions are taking place outside official surveillance, at higher interest rates, on more onerous terms and for purposes other than those envisaged by the authorities.

It has been a widespread practice to keep interest rates low by legislation, regulation or market intervention—and to enforce such rates by direct controls on internal and external transactions. It is understandable that governments should wish to keep interest rates as low as possible, in view of the damaging effects of high borrowing costs on economic development programs. Nevertheless, artificially low rates hinder savings mobilization; also, by providing borrowers with uneconomic and concealed subsidies, they distort performance criteria as to the efficiency of investment, and contribute to the mis-allocation of resources. Policies to hold down interest rates at levels not much higher (or actually lower) than those prevailing in the leading external money and capital markets also stimulate damaging outflows of funds by groups commanding sufficiently large amounts to justify their transfer out of the country. All in all, rigid controls and low interest rates have rarely been effective for the purpose or progress they intended to achieve; indeed their effects have generally tended to produce precisely the situation the authorities had intended to avoid, namely, to create a scarcity of resources.

Despite shortcomings, progress has been made in a number of countries toward the development of financial systems appropriate to the level reached by their economies or by certain leading sectors. In practically all developing countries, commercial banks constitute the nucleus of the financial system and are equipped to provide a variety of facilities. The penetration of commercial banks into the economy differs widely from country to country. Their share in the collection and provision of funds is relatively larger in developing countries than in the developed world, owing to the absence or inadequate development of specialized financial institutions, such as exist in more advanced countries. A great change has been in progress, however, over the past decade; a number of developing countries (such as Argentina, Brazil, India, Israel, Mexico and some others) have attained nearly as diversified financial systems as exist in more developed countries, offering to savers alternative types of assets (in maturity, risk and return) and providing various types of financing related to the diverse and changing needs of their economies.

A variety of patterns has emerged in this evolution, with special characteristics in certain areas. For instance, mortgage financing for home ownership has proved most popular in Latin America, with specialized institutions and instruments facilitating a larger flow of saving for this purpose. Everywhere agricultural financing has involved official agencies or special funds, but the experience of certain countries in Latin America and Asia points to the important role that commercial banks and cooperative-type institutions can play in opening traditionally closed sectors to a "money economy" and mobilizing local saving for local financing. In some countries, like India and Pakistan, the postal savings bank has provided widely diffused facilities through which money could be saved from and transferred down to the hamlet level, and a reservoir of funds secured for financing public needs.

Finance companies have also become very popular, but there is no uniformity in their purposes and functions. Private companies have tended to concentrate on the provision of consumer finance in some countries (Argentina, Brazil, Nigeria), or on financing established business in others (Colombia, Israel, Mexico, Pakistan, Philippines); in addition, such institutions have occasionally participated in the provision of funds for new ventures, jointly with foreign capital and initiative.

The World Bank Group has supported the formation of market-oriented development finance companies in some thirty countries. Many of these institutions are playing a significant role in financing industrial development, and some have helped to build a local capital market. In some countries, public institutions are assigned the task of providing vast capital outlays needed by new urban centers emerging in developing (as well as in developed) countries. Of particular importance in this respect are the various forms of "contractual" savings institutions — ranging from the compulsory

charges levied for social security to contractual arrangements, offered by insurance companies on a collective or individual basis, assuring a flow of savings to common pools available for financing public works which result in social change.

There are no complete, comparable and systematic data as to the degree to which various developing countries have been able to advance the formation of their financial systems, in terms of their economic development and the diversification of their financing requirements. For illustrative purposes, a number of countries have been chosen, for which certain data could be assembled. Annex Table 3 indicates the relative importance reached by these countries' banking and non-banking financial institutions in the course of the past decade; the table shows the percentage of gross national product represented by currency, liabilities of commerical banks and non-banking institutions, and claims on the private sector. In a number of these selected countries (Colombia, Costa Rica, Israel, Morocco, Tunisia) demand deposits have become more important than currency in domestic transactions, reflecting the leading role and acceptance of commercial banks as key institutions in their financial systems. Moreover, obtainable data for some of these and other countries (Republic of China, Honduras, India, Mexico, Pakistan, Peru, Philippines, United Arab Republic), indicate that non-banking financial institutions are complementing commercial banks in a significant way.

The World Bank has a special interest in the performance of developing countries' financial systems in terms of the contribution they can make to the productive combination of domestic and foreign capital. This is generally linked to the recognition that domestic institutions have become able to mobilize domestic financial resources in appropriate forms and amounts. A country's ability to mobilize domestic resources and to participate in combined ventures with foreign capital depends to a large extent on its policies with respect to acceptance of foreign capital and financial regulations. Along with financial policies, the development of skilful finance management is important in bringing capital and know-how together; its scarcity is often a major constraint on the expansion of investment, domestic or foreign. Finally, the development of a financial system able to mobilize an increasing share of domestic savings, and to attract foreign capital in amounts commensurate with its most efficient use, also involves still broader factors: these include social and cultural changes which influence the general attitude of the population toward saving and investing — what might be called, the "development climate" of the country.

Urbanization

The Bank is finding itself increasingly involved in problems of urbanization, and is attempting to see how it can respond to these problems. The special section which follows presents an outline of the Bank's preliminary thinking on this important subject.

Introduction

Historically, urbanization has been inseparably associated with the process of economic development. The city, with its concentration of industry, commerce and administration, of capital, labor and technology, has traditionally been a powerful generator of national economic growth. But the economic and social costs associated with urbanization can be heavy. This was true of the cities of the currently developed world during their period of rapid urbanization; it is equally true of the cities of today's developing countries. Urbanization can hardly be stopped; the object of analysis must be to identify the costs it entails, and to devise policies to minimize these costs and to promote more balanced urban growth. Then the power of the city as an engine of development can be harnessed for the benefit of the economy of the country as a whole.

The urban problem is not unique to the developing countries. In the more developed nations a good deal of attention is paid to urban problems. Yet there is a fundamental difference. In the developed nations the urban poor, the migrant from the country and inhabitants of backward regions form a relatively small part of generally affluent societies where population pressures are also far less. Further, immigration from the countryside is frequently offset, at least in part, by emigration from the city of the better-off—who leave behind an infrastructure of roads, power, sanitation, school and transportation facilities. Accordingly, attention may be focused more intensely on questions such as urban renewal, pollution, congestion, housing and recreation. In the developed world, therefore, the problem is more one of proper resource allocation and the creation of appropriate social mechanisms to integrate those still outside the main stream into the modern economic and social systems enjoyed by the majority.

In contrast, the developing countries are experiencing a very fast pace of urbanization, accompanied by growing and pervasive social and economic problems whose major symptoms are, with some variations, evident throughout the developing world. Urban populations are rising faster than new employment opportunities, thus causing serious unemployment and underemployment.

Cities' financial inability to meet the sharply rising demand for social services and social overhead investment, is leading to a deterioration in the quality of urban life for a substantial part of their inhabitants; a large and growing proportion of the urban population is forced to live at the margin of existence in slums and shanty towns. Problems associated with the growth of cities, ineffective allocation of resources and lack of basic infrastructure retard industrialization and inhibit the growth of employment and of the national economy. Urban centers also lack adequate mechanisms for the cultural integration of new inhabitants, and are unable to prepare them for productive economic life. Consequently, the cities of important parts of the developing world are increasingly spawning a "culture of poverty" which is more akin to rural peasant society than it is to modern urban society. At the same time, in the developing countries as in the developed, city growth all too often occurs without adequate consideration of the ecological and economic costs of environmental pollution.

Urbanization is an integral part of the economic and social transformation of the developing world. This transformation is currently an unbalanced one largely because of excess population growth rates, and the imbalance may well become more pronounced for a time given current demographic trends, economic growth rates and constraints on resources. Nevertheless, the economic growth of urban areas, where most modern industry is centered, determines to a very large extent that of the nation; and the problems involved in urbanization will therefore profoundly influence achievement of national development objectives. It is important that planning promote both the most efficient use of space in cities, and the emergence of a system of cities which responds adequately to countries' changing economic needs—in turn enabling the mobilization of resources for subsequent orderly urban development. That this can be done is evident from the examples of some cities in the developing world which are, at least in comparative terms, making progress in finding social and economic solutions to the problems of rapid urbanization.

Urbanization Trends

Between 1920 and 1960 the world's population rose by about 60% from 1.9 billion people to 3.0 billion. In this period, the world's urban population (defined as groupings of 20,000 people and over) rose from 270 million to 750 million, a rise of 185%. The rise in urban population in the developed countries (125%) was much less rapid than that in the developing world (350%). Within the overall picture of rapid urbanization in the developing countries, there are a number of discernible trends.

1. The least developed countries are also those with the lowest percentage of their populations urbanized, and it is these countries which now are experiencing the sharpest rise in population growth in general and urban growth in particular. The prospects are for still more accelerated urbanization in this least urbanized and developed group of countries; by 1960, these countries had only 13% of their populations in urban areas, compared with over 50% in the developed regions.

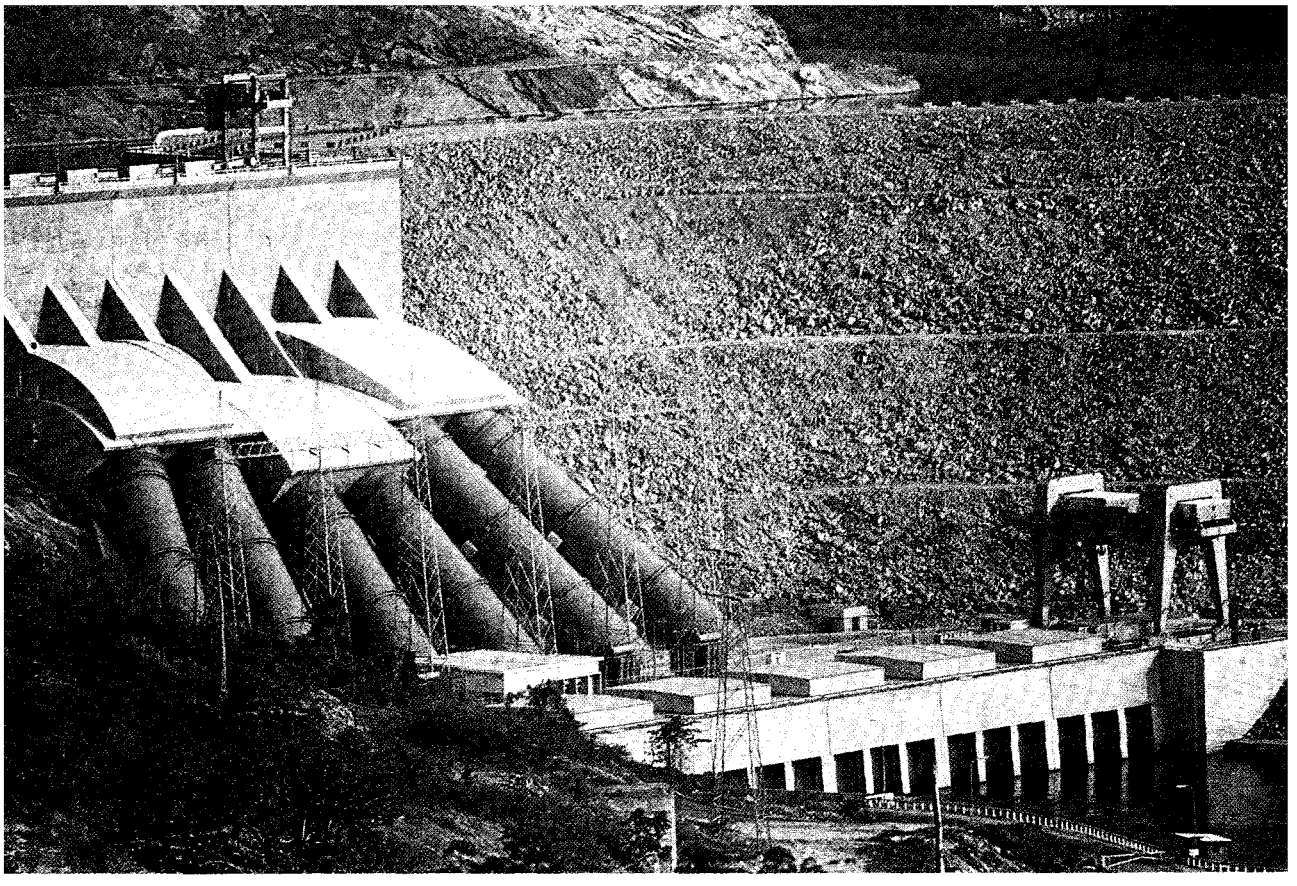
2. Urban growth in the developing world is concentrated to a striking extent in large cities (those with populations of 500,000 and over). Between 1920 and 1960 big cities absorbed about one-half of the urban growth in East Asia, about one-third in South Asia and Latin America and about one-quarter in Africa. In 1920 only 13% of the world's big cities were located in developing countries; by 1960, 37% of such cities were in the developing world. Both total and urban population growth accelerated in the decade of the 1950s, the last period for which census data are available; during that decade the rate of increase of the urban population of the developing countries was over 50% higher than that of the previous three decades. Projections for the period 1960 to 2000 indicate that the urban population of the developing regions may quadruple to over 1.4 billion people, while the rural and small town population of those areas may double in this period to some 3.2 billion.

The past and projected growth of urban and rural population is shown in the table below.

TOTAL ESTIMATED URBAN AND RURAL POPULATIONS 1920-2000
(in millions)

	1920	1960	2000
Urban			
More developed	200	450	900
Less developed	70	310	1,400
Rural and Small Towns			
More developed	470	530	500
Less developed	1,120	1,710	3,200
Total World Population	1,860	3,000	6,000

3. Rates of urban growth will probably be highest in Africa (at 4.5% annually) starting from a relatively low level of urbanization, followed by Latin America, South Asia and East Asia. The trend towards concentration in large cities is expected to continue; the big cities of the developing world may have to accommodate an additional 100 million people in the decade of the 1970s alone.



Ghana—Electric Power. The Akosombo Dam and power plant on the Volta River. This giant dam and power plant with a capacity of 588,000 kilowatts and an ultimate capacity of 882,000 kilowatts was built with the assistance of a $47 million World Bank loan. The largest user of power from this plant is an aluminum smelter at Tema, constructed at the same time as the power plant.

Most major cities are growing at rates of from 5% to 8% annually, and can be expected to double their population in 10 to 15 years' time.

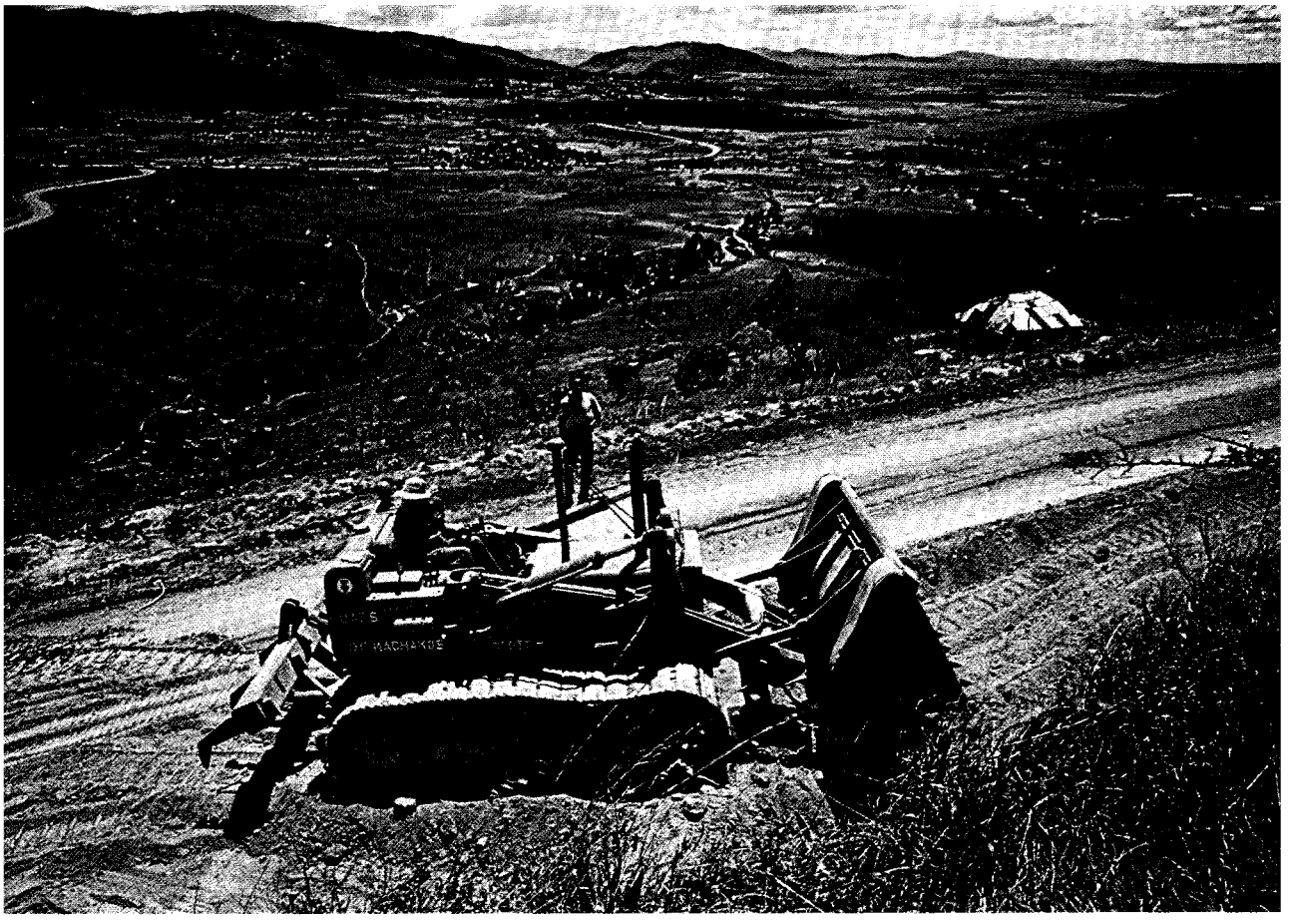
Labor Force, Employment and Output Implications

The urban labor forces of the developing regions may rise five or sixfold by the turn of the century. The prospects of absorbing these people in modern sector employment are not good. In the decade from 1955 to 1964, manufacturing output in the developing world rose at an annual rate of 7% and employment in this sector by only 4% annually. About one-fourth of the urban labor force in Asia and Africa, and about one-third in Latin America, is in manufacturing and public utilities.

These proportions of workers in manufacturing and public utilities can probably be maintained up to the year 2000, given labor force projections and recent output and productivity trends. But in order to increase employment in these sectors sharply and to prevent the continued growth of surplus urban labor, a marked rise in manufacturing and public sector investment and output would seem to be required. Government, commerce and related activities cannot be expected to grow much more rapidly than public revenues and total transactions. Accordingly, in the absence of new job opportunities, the prospect is that a larger proportion of underemployed urban workers will have to find work in traditional service occupations. One element in policies to mitigate this problem would be a concentrated effort to upgrade the quality of "human capital" through job-oriented educational programs, which could facilitate the process of integrating unskilled urban labor forces into the urban economy. Moreover, it is essential that foreign trade and subsidy policies which make scarce capital artificially cheap relative to labor be considered with respect to their impact on the urban employment problem.

Internal Migration

Migration to urban centers, despite high levels of underemployment, accounts for half or more of total urban growth. Whereas population growth can be reasonably predicted from birth and mortality rates, migration is essentially a response to incentives. Motivation for people to migrate is based on some combination of perceived welfare



Kenya—Highways. Constructing a new road about 50 miles southeast of Nairobi. The World Bank has been supporting the development of the highway systems in East Africa for the past 15 years. Bank loans have also been used to improve the railway system and expand and improve ports in the region.

and economic incentives, and reflects a combination of rural push and urban pull factors. Though conditions are not good in the towns, conditions in rural areas in most developing countries are probably still less satisfactory, especially for the young and dynamic members of the population. The facilities available in the cities—electricity, transportation, water supply, education, shopping, entertainment—are likely to compare favorably, however overburdened they may be, with those in the countryside; at the same time, the industries located in or around cities will probably provide workers with higher rewards for their labor than the kinds of job available in rural areas or small towns. Thus the decision to migrate to the cities is a rational one; furthermore, the costs to society do not appear to outweigh the benefits to the individual.

Migration is partly caused by excess population growth in relation to economic growth. "Over-ruralization"—more people trying to earn a living on the same amount of land—in one context leads to migration and "over-urbanization" in another. Thus high rates of population growth in many developing countries contribute greatly to the pressure on urban areas and to the demand for resources for current consumption instead of for growth. Successful family planning programs can lead to important short-term savings in resources but will not provide any relief for about two decades to the general problem of the migration of surplus labor to the cities, since those who will enter the labor force over the next 15 years are already born. Thus, even if population growth rates in the developing nations were to fall sharply, their urban areas would continue to grow rapidly. As the lowest income areas of the world, including most of Asia and tropical Africa, have yet to reach a 25% level of urbanization, a vast number of potential migrants are available to come to the cities and probably will.

Urbanization and Economic Development

Historically the city has grown in response to the need to manage resources and labor forces in societies which were able to produce surpluses of goods. In the industrializing West the urban center itself became the center of economic activity, as the important surpluses produced were

chiefly in the manufacturing and service sectors, rather than in agriculture. Industrialization changed the technical-organizational base of society. The functional specialization of activity went hand-in-hand with the concentration of population in particular places. But patterns of urbanization differ depending on culture, historical circumstances and economic structure. Indeed, the urban responses of the developing countries tend to differ sharply from the patterns experienced in the West.

These new patterns of urban response are largely accounted for by differences between the socio-economic factors pertaining in nineteenth-century Europe and America on the one hand, and in today's developing countries on the other. For example, health conditions are notably better in the cities of today's developing world than they were in the nineteenth-century West. Consequently, today's urbanizing countries face a higher rate of natural population increase than did the cities of the developed world during its period of intensive urbanization. At the same time, industry forms a relatively smaller proportion of total economic activity. Moreover, in the earliest phases of industrialization and technological development in the West, far more labor was needed per unit of output than would be appropriate in the industrialized countries today, given the changes in the relative costs of factors of production. Today's developing countries, wishing to create industrial sectors which can compete internationally, do not have to go through the process of recreating a modern industrial technology since they can draw on existing techniques developed in the West. On the other hand, in choosing to adopt this technology, they may find it inappropriate to the relative costs of capital and labor in their societies. So far as labor is concerned, therefore, they may consequently face both an acute shortage of skills and a high overall level of urban underemployment. In the nineteenth-century West a rapidly growing industrial sector operating within the context of a comparatively slowly-growing labor force was able to absorb the influx of largely migrant workers; in effect, the pace of urban growth was in better balance with the general trend of the then urbanizing countries' economies than it is in today's. Urban pull was the main factor in the West's urbanization; by contrast, city growth in the developing countries must be considered in the light of a combination of urban pull and rural push factors.

The Urban Economy

The city may conceptually be viewed as a producer trading with the rest of the economy. The service sector of the city supports its dynamic productive activities. In the longer run, however, its service sector may well be the chief determinant of the competitiveness of a city's output. With the growth of a national economy, involving demand for new products and specialization in production, an industrial complex may grow which both trades with other areas and provides goods for the large market of the city itself. The large urban center can offer important economies of scale for productive trade and industry, and for public sector activities. It can also generate so-called "external economies" in the form of inter-industry linkages, pools of skilled labor, finance and research.

Urban concentration must achieve a certain "critical mass" for external economies and internal economies of scale to raise productivity and foster further growth. At the same time, careful study is needed to determine at what point the external diseconomies of city growth in the form of the costs of pollution, traffic congestion and ineffective administration, for example, overwhelm the benefits provided by urban concentration and begin to affect adversely the prospects for new investment and growth.

The Region

The city is not an isolated economic unit. A nation may be said to consist of a system of cities in which each performs functions for its surrounding regions. Cities may also be regarded in a hierarchial framework with certain "primate" cities (i.e. those which dominate a nation, or in some cases a region) performing functions for the entire economy; other cities may depend on the primate city in varying degrees. A number of writers have referred to a "trickling down" effect in which the rapid growth of primate urban centers in the early stages of development is replaced by more balanced growth at later stages of development when interior areas are opened and transport and education become more widely available. But concentration in primate centers may inhibit subsequent balanced growth; the big city may exert such an influence that it draws in capital, labor and entrepreneurship in a continuous self-perpetuating process. Traditional rural areas may fail to respond to the changing demand for agricultural products, or to adopt modern technology and inputs. The integration of such areas into the nation's market economy may require substantial structural reforms, in land tenure for example. Yet the process of modernizing agriculture often reduces the need for labor and may stimulate migration to the cities. Economic development policy for cities cannot, therefore, be based on a purely urban strategy, but must also consider the interaction between

urban and rural areas in making the most effective use of resources.

Urbanization Issues for the 1970s

The Nation

National policy making and resource allocation needs to take into account a new dimension in thinking about urban growth. The cities are not just absorbers of resources which must be rationed if other national goals are to be financed; rather, they are instruments of economic and social transformation of the whole nation. Choices must be made over a wide range of priorities between investment in commodity production and what may be termed settlement infrastructure and urban services. In this respect the standards of urban public services can best be set in relation to the availability of resources and the need to achieve urban growth and employment objectives.

A related issue concerns the problem of regional imbalance, which frequently leads to policies designed to limit the size of big cities. Such policies may achieve certain distributional goals in backward regions, but at the expense of overall national growth. Of course, national policy must take into account the longer run objectives of integrating the nation both socially and economically. But a national development strategy should consider selecting regions where concentrated activity and investment can have a decisive impact on the economic development of a wide area. The selection of critical growth regions will depend largely on the opportunities for industrial growth and, in some cases, prospects for the development of untapped resources. Publicly provided infrastructure facilities and fiscal policies can be powerful forces for the promotion of such centers. Failure properly to select and promote "growth poles" can lead to a serious waste of scarce development resources.

The Urban Region

The creation of coherent national strategies for urban-regional development will require careful reappraisal of the economy of the city and its surrounding region. Many cities face problems of fragmented administration, inefficient municipal or regional utility systems and a general lack of coordination in planning and in the allocation of investments. Municipalities are often underfinanced and find it difficult to plan effective budgets and resource allocations. An overall development framework within which investment programs can be evaluated and carried out is essential. Urban development strategy should aim at optimizing output and employment in a given area and providing basic urban works and services at the lowest cost.

The critical limiting factor in the urban economy may well be management. Large cities provide the bulk of modern sector jobs and incomes and a good part of a nation's traditional service employment; effectiveness of the management function may be a crucial determinant in the ability of a society to achieve its development goals.

Financing Urban Growth

National Resource Allocation

In a number of countries effective regional and urban development programs cannot be carried out as long as insufficient consideration is given to the appropriate division of resources between national and local authorities. The contribution of the urban economies ought to be considered in the formulation and implementation of national strategies of development. In some countries better coordination may be required between national, regional and urban development authorities. Allocations of resources which are made mainly for distributional, political or welfare reasons may not maximize growth in cases where this remains the fundamental aim of national economic policy.

Resource Mobilization at the Local Level

Most urban administrations lack sufficient funds for capital requirements, and even current revenues to maintain existing services. It can be shown that the management effectiveness of comparable cities in a given economy varies with the efficiency of local resource mobilization through tax systems, rate structures, assessments and borrowing on local markets. In particular, the rate policies of public utility service systems need to be reviewed in the context of the prospects for financing public investments from internally generated sources.

Savings Mobilization for Housing

Housing is a central issue in the problem of urbanization. Migrants and the poor, who make up an increasing proportion of existing urban populations, need shelter. A construction industry, particularly for housing, can have important employment creating effects for the lower unskilled-income groups, while at the same time creating a demand for building materials. Where the necessary labor and materials are locally available, an important economic sector can be stimulated without adverse balance of payments consequences—provided that the financial resources generated for expenditure on housing programs do not contribute to excess demand pressures. Savings thus become a critical element in national housing policies. Institution building and resource mobilization are difficult at this level where

financial savings are not large. Yet the lesson of experience is that people who are offered the incentive of a housing site with perhaps minimum services will build their own dwelling from intermittent savings. Such housing does not saddle the owner with large fixed debts and provides more housing at an earlier stage of urban development than does standard public housing. Public policy should find ways to mobilize this large building potential by encouraging the use of land for immigrant settlements in ways consistent with overall metropolitan development strategy, and without a large diversion of public savings.

At higher income levels a number of developing countries have had a good deal of success in stimulating home building through savings and loan associations, building societies or savings banks. These may take a variety of forms, ranging from fully public to mixed and private associations. When tied to the possibility of acquiring a long-term loan for a house, the savings generated may be of a kind previously untapped. The element of public subsidy need only be sufficient to supplement what should be basically a savings effort on the part of the private sector. But high rates of inflation present a problem in this context. Unless compensatory monetary adjustments are made, inflation tends to reduce both the incentive to save and the value of the financial assets of the institution mobilizing housing savings.

Conclusion

Many of the cities of the developing world will double in population, and probably in size, within the foreseeable future. An opportunity exists to provide for this growth in a far more efficient manner than was done in the past, precisely because so much of urban growth is yet to come. The developing countries can plan for more rational urban growth patterns. They can conserve resources through improved management and resource allocation procedures. They can greatly improve local resource mobilization. The economic and social decisions involved in urbanization policy need to be planned and undertaken at the sub-national urban level as well as at the national level. Objectives must be specified, means identified, choices made and a mechanism devised for the efficient carrying out of decisions.

Urbanization is intimately connected with overall national economic growth. Strategies for urban development should, therefore, be based on comprehensive economic development considerations; detailed investment planning should aim to concentrate on infrastructure packages which promote soundly-based urban growth within the context of national economic priority needs. The World Bank, as the leading multilateral development agency, has already helped to finance the expansion of urban infrastructure, urban economic activity and social services in a number of countries, notably through its lending programs for public utilities, industry, and education.

The Bank is aware of the complex analytical problems involved in formulating and carrying out sound urban/regional development strategies; such strategies will require a multi-sectoral approach, including consideration of such broader questions as family planning, training and employment. Time and experience will be necessary to deal with these problems. Further, the costs of urban development are likely to be enormous, and to be largely in the form of local currency. The Bank can at best only address itself to those aspects which are consistent with its terms of reference and financial capabilities. As in other fields, therefore, the roles of the Bank and of other international agencies are likely to be catalytic in relation to what must essentially become an expanded effort on the part of the developing countries themselves.

Statistical Annex

Selected Economic Indicators for Developing and Industrialized Countries—Regional Summary

Average Annual Rates of Growth and Shares in GNP, 1961-1969 (Percentages)

Region	1961-65	1966	1967	1968	1969(P)
Developing Countries					
Average Annual Rates of Growth:					
Total GDP	5.1	4.8	5.2	5.9	6.7
Agricultural production	2.3	1.8	4.6	3.0	—
Manufacturing production	8.4	7.0	5.2	9.2	—
Population	2.6	2.6	2.6	2.5	2.5
GDP per capita	2.5	2.2	2.6	3.3	4.1
Gross investment	6.4	3.9	4.0	9.5	—
Share in GNP:					
Gross investment	18.4	18.8	18.1	18.6	—
Savings	15.9	16.2	15.7	15.8	—
Africa					
Average Annual Rates of Growth:					
Total GDP	4.3	3.4	4.8	4.8	4.1
Agricultural production	2.2	0.1	2.9	1.7	—
Manufacturing production	9.7	1.1	4.4	8.9	—
Population	2.4	2.5	2.6	2.4	2.4
GDP per capita	1.9	0.9	2.1	2.3	1.7
Gross investment	2.5	9.7	—0.5	3.7	—
Share in GNP:					
Gross investment	15.4	16.5	15.8	15.9	—
Savings	12.4	13.9	14.4	14.4	—
Southern Europe					
Average Annual Rates of Growth:					
Total GDP	7.3	7.5	4.5	4.9	7.3
Agricultural production	2.5	11.3	1.1	2.0	—
Manufacturing production	11.3	13.3	5.3	7.4	—
Population	1.4	1.4	1.5	1.4	1.5
GDP per capita	5.8	6.0	3.0	3.4	5.7
Gross investment	10.8	8.1	3.6	5.8	—
Share in GNP:					
Gross investment	24.5	25.0	22.6	22.9	—
Savings	21.2	21.6	19.9	19.8	—
East Asia					
Average Annual Rates of Growth:					
Total GDP	5.5	7.2	4.4	7.8	10.0
Agricultural production	3.0	5.9	—1.9	4.2	—
Manufacturing production	8.1	11.1	11.9	17.0	—
Population	2.8	2.7	2.8	2.8	2.7
GDP per capita	2.7	4.4	1.6	4.9	7.1
Gross investment	10.7	22.8	5.9	19.5	—
Share in GNP:					
Gross investment	15.2	18.9	18.0	19.5	—
Savings	11.5	15.8	15.1	16.1	—
Middle East					
Average Annual Rates of Growth:					
Total GDP	7.4	6.3	6.5	9.2	8.7
Agricultural production	5.4	—4.0	13.2	7.7	—
Manufacturing production	11.0	8.0	7.0	14.2	—
Population	2.9	2.8	3.0	2.7	2.7
GDP per capita	4.4	3.4	3.4	6.3	5.9
Gross investment	8.2	0.4	—0.5	17.2	—
Share in GNP:					
Gross investment	19.8	18.4	17.6	19.7	—
Savings	13.0	12.8	12.8	13.3	—

(continued)

Table 1

Region	1961-65	1966	1967	1968	1969(P)
South Asia					
Average Annual Rates of Growth:					
Total GDP	3.5	1.9	7.4	5.3	6.3
Agricultural production	0.8	—1.1	8.4	4.7	—
Manufacturing production	9.7	—0.6	2.7	3.5	—
Population	2.5	2.5	2.5	2.5	2.5
GDP per capita	0.9	—0.6	4.8	2.7	2.7
Gross investment	5.9	—12.0	8.0	10.5	—
Share in GNP:					
Gross investment	16.1	15.0	15.1	15.7	—
Savings	13.9	11.9	12.2	13.0	—
Western Hemisphere					
Average Annual Rates of Growth:					
Total GDP	5.0	4.7	4.5	5.9	6.4
Agricultural production	3.8	—0.7	5.2	—0.4	4.4
Manufacturing production	5.8	6.1	4.3	9.3	7.7
Population	3.0	3.0	3.0	3.0	3.0
GDP per capita	1.9	1.7	1.4	2.9	3.3
Gross investment	4.1	2.9	3.7	8.3	—
Share in GNP:					
Gross investment	19.1	18.8	18.5	18.5	—
Savings	18.0	17.6	16.9	16.4	—
Industrialized Countries					
Average Annual Rates of Growth:					
Total GDP	5.1	5.5	3.4	5.4	4.9
Agricultural production	1.8	2.0	6.1	2.7	—
Manufacturing production	6.0	7.5	2.3	6.7	—
Population	1.3	1.1	1.0	1.0	0.9
GDP per capita	3.8	4.4	2.4	4.4	4.0
Gross investment	6.3	6.4	0.6	7.1	—
Share in GNP:					
Gross investment	21.3	22.0	21.3	21.6	—
Savings	21.9	22.5	21.8	22.2	—

Note: *Regional coverage, in terms of GDP, of countries included in the computations:*

Developing countries—96%, Africa—91%, South Asia—100%, East Asia—94%, Southern Europe—100%, Western Hemisphere—99%, and Middle East—78%.

Definition of Regions

Estimates for the following countries are included in this table:

DEVELOPING COUNTRIES—74 countries and territories covering approximately 96% of GDP of all developing areas.

Africa: Algeria, Angola, Cameroon, Congo (Democratic Republic of), Ethiopia, Gabon, Ghana, Ivory Coast, Kenya, Libya, Malagasy Republic, Malawi, Mali, Mauritius, Morocco, Niger, Nigeria, Rhodesia, Senegal, Sudan, Tanzania, Togo, Tunisia, Uganda, United Arab Republic, Upper Volta and Zambia. These countries account for 91% of the aggregate GDP of the region.

South Asia: Burma, Ceylon, India and Pakistan (Coverage 100%).

East Asia: Cambodia, China, Hong Kong, Indonesia, Korea, Malaysia, Philippines, Singapore, Thailand and Viet-Nam (Coverage 94%).

Southern Europe: Cyprus, Greece, Portugal, Spain, Turkey and Yugoslavia (Coverage 100%).

Western Hemisphere: Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Guyana, Honduras, Jamaica, Mexico, Nicaragua, Panama, Paraguay, Peru, Trinidad and Tobago, Uruguay and Venezuela (Coverage 99%).

Middle East: Iran, Iraq, Israel, Jordan, Lebanon and Syria (Coverage 78%).

INDUSTRIALIZED COUNTRIES

North America: Canada and United States.

Western Europe: Austria, Belgium, Denmark, Finland, France, Germany, Iceland, Ireland, Italy, Luxembourg, Netherlands, Norway, Sweden, Switzerland and United Kingdom.

Other industrialized countries: Australia, Japan, New Zealand and South Africa.

(P) Preliminary.

Source: World Bank.

World Exports by Origin and Destination, 1961-1969 — Table 2

(F.o.b., Millions of US dollars)

Exports from \ Exports to	World[1]	Developed market economies[2]	Developing market economies: Total[3]	Developing market economies: Latin America	Developing market economies: Africa	Developing market economies: Asia	Centrally planned economies
World							
1961-65, annual avg....	157,508	105,138	33,116	8,634	7,028	15,018	18,148
1967.....	214,110	147,390	41,760	10,600	8,330	19,700	23,460
1968.....	238,680	165,810	45,960	12,120	8,920	21,700	25,380
1969 (P).....	271,000	190,513	51,490	13,550	10,569	24,390	28,857
Developed market economies							
1961-65, annual avg....	106,862	78,580	23,886	6,768	5,488	10,214	3,986
1967.....	149,240	112,170	30,280	8,190	6,300	13,850	6,270
1968.....	167,670	126,920	33,690	9,380	6,860	15,400	6,510
1969 (P).....	193,500	147,834	38,700	10,836	7,740	17,415	7,341
Developing market economies							
1961-65, annual avg....	31,854	22,876	6,840	1,170	1,056	3,590	1,810
1967.....	39,980	29,310	8,130	1,530	1,220	4,200	2,160
1968.....	44,060	32,670	8,780	1,780	1,290	4,560	2,220
1969 (P).....	48,100	36,075	9,380	2,020	1,299	4,810	2,378
Latin America							
1961-65, annual avg....	9,864	7,384	1,776	810	86	89	686
1967.....	11,700	8,650	2,270	1,210	63	130	800
1968.....	12,190	9,030	2,420	1,380	69	162	755
1969 (P).....	13,000	9,620	2,600	1,560	78	195	777
Africa							
1961-65, annual avg....	6,422	5,208	774	39	454	273	404
1967.....	8,330	6,680	940	42	540	320	530
1968.....	9,720	7,910	1,040	50	600	340	582
1969 (P).....	10,800	8,856	1,134	54	648	356	619
Asia							
1961-65, annual avg....	13,788	8,846	3,986	209	464	3,210	724
1967.....	17,860	12,260	4,610	201	580	3,710	835
1968.....	19,900	13,850	5,030	250	600	4,040	875
1969 (P).....	21,900	15,440	5,475	285	613	4,380	943
Centrally planned economies							
1961-65, annual avg....	18,780	3,682	2,394	690	482	1,218	12,350
1967.....	24,890	5,910	3,350	880	810	1,655	15,030
1968.....	26,960	6,210	3,480	965	775	1,750	16,645
1969 (P).....	28,980	6,626	3,751	1,076	756	1,855	18,190

(1) Includes miscellaneous items not broken down by destination.
(2) *Includes developing countries of Southern Europe.*
(3) Includes Caribbean and Pacific Islands.
(P) Preliminary.
Source: United Nations.

Financial Indicators for Selected Countries, 1960, 1965 and 1968

Table 3

(Percentages of GDP)

Country and Year		Monetary Liabilities			Financial Liabilities	Claims on Private Sector	
			Commercial Banks				
		Currency	Demand Deposits	Time & Sav. Deposits	Non-Bank Financial Institutions, Time Accounts and Bonds	Banks	Non-Banking Financial Institutions
Developed Countries							
United States	1960	5.9	22.8	13.9	20.7	24.0	19.4
	1965	5.5	20.0	20.6	25.2	29.5	24.9
	1968	5.1	18.6	22.5	24.2	30.8	24.0
United Kingdom	1960	8.2	27.5	11.9	11.5	17.8	17.6
	1965	7.5	22.5	11.2	14.6	20.3	18.6
	1968	6.9	17.7	12.9	18.3	19.9	22.7
France	1960	13.7	14.4	3.0	14.7	21.0	12.2
	1965	13.6	17.8	4.1	20.4	24.8	18.4
	1968	12.0	17.8	8.2	25.3	30.7	24.6
Japan	1960	7.2	16.0	58.3	28.7	58.6	25.4
	1965	7.1	25.2	47.4	27.1	85.9	29.6
	1968	7.0	22.6	46.9	27.9	82.3	28.1
Developing Countries							
Africa							
Ghana	1960	9.1	5.5	2.7	1.1	4.2	—
	1965	7.2	7.7	3.7	0.6	7.8	—
	1968	6.0	6.3	4.5	0.4	7.8	—
Malagasy Republic	1960	—	—	—	—	—	—
	1965	9.4	7.1	1.0	0.8	16.9	1.0
	1968	10.2	7.5	2.2	0.8	19.7	1.4
Malawi	1960	—	—	—	—	—	—
	1965	6.5	8.0	4.6	2.9	7.8	0.9
	1968	6.1	7.7	5.4	3.6	10.2	1.3
United Arab Republic	1960	15.1	11.3	5.4	0.3	16.9	3.9
	1965	20.5	9.0	8.9	0.9	15.0	4.1
	1968	18.3	10.2	8.9	0.8	14.3	4.5
Asia							
China	1960	4.3	4.6	7.5	2.4	8.9	1.9
	1965	5.1	8.0	16.3	6.1	19.7	4.9
	1968	5.6	8.9	20.0	6.1	24.9	3.9
India	1960	14.0	5.3	8.2	2.4	8.9	1.1
	1965	13.1	6.4	7.3	3.5	10.7	1.8
	1968	9.8	5.6	7.3	2.9	10.1	2.1
Korea	1960	5.8	4.8	2.2	—	10.4	6.6
	1965	4.0	3.4	4.8	—	9.8	4.8
	1968	5.3	4.8	16.5	—	21.3	5.5
Pakistan	1960	13.2	6.1	3.5	1.6	6.2	—
	1965	11.3	7.1	6.3	1.6	14.1	0.9
	1968	9.8	6.7	9.0	1.3	14.9	0.8
Philippines	1960	7.7	5.7	8.3	2.8	14.0	4.4
	1965	6.5	5.2	10.6	3.1	18.9	6.0
	1968	6.1	5.8	15.5	5.5	22.0	8.1
Middle East							
Iran	1960	4.4	6.4	4.3	0.3	13.4	3.4
	1965	4.6	6.7	8.5	0.7	19.3	3.8
	1968	4.7	7.8	11.9	0.9	24.4	5.0
Israel	1960	6.5	12.6	7.8	0.4	18.8	—
	1965	6.0	11.4	8.0	7.1	12.7	12.9
	1968	7.7	12.7	19.9	12.7	21.8	12.8
Southern Europe							
Cyprus	1960	8.2	9.0	27.2	—	35.5	—
	1965	8.8	9.5	32.1	4.4	35.7	3.6
	1968	8.5	9.7	35.2	5.1	40.3	5.7
Greece	1960	10.2	3.5	9.9	1.0	13.7	11.3
	1965	13.5	3.5	13.4	1.6	16.6	12.1
	1968	15.1	3.8	18.7	1.8	20.0	13.6
Spain	1960	12.2	20.4	30.1	3.8	37.0	7.4
	1965	11.7	22.2	37.8	1.9	50.1	8.7
	1968	12.3	23.1	46.4	1.3	60.7	10.8

(continued)

Financial Indicators for Selected Countries, 1960, 1965 and 1968 (continued)

Table 3

(Percentages of GDP)

Country and Year		Monetary Liabilities			Financial Liabilities	Claims on Private Sector	
			Commercial Banks				
		Currency	Demand Deposits	Time & Sav. Deposits	*Non-Bank Financial* Institutions, Time Accounts and Bonds	Banks	*Non-Banking* Financial Institutions
Developing Countries (cont.)							
Southern Europe							
Yugoslavia	1960	6.7	11.1	12.0	—	29.1	—
	1965	6.5	17.6	13.3	5.7	35.9	67.6
	1968	8.5	14.1	18.5	16.4	35.9	89.3
Western Hemisphere							
Argentina	1960	10.9	11.8	6.2	0.1	14.8	3.9
	1965	9.2	9.1	7.2	0.7	13.3	1.8
	1968	9.8	12.8	8.7	1.8	18.6	2.6
Brazil	1960	6.1	16.2	1.1	—	20.5	—
	1965	4.7	16.7	0.6	2.7	14.8	3.7
	1968	4.2	14.2	1.0	7.5	19.2	9.0
Colombia	1960	6.1	8.8	2.2	5.3	11.6	9.2
	1965	6.0	9.1	2.4	2.7	11.9	7.8
	1968	5.7	9.2	2.4	3.5	11.7	8.9
Costa Rica	1960	6.9	8.3	4.5	1.1	21.8	5.9
	1965	6.0	9.1	4.0	2.8	20.8	8.9
	1968	6.1	11.4	4.4	2.5	18.2	8.1
Guatemala	1960	5.9	4.1	3.0	0.4	7.7	2.4
	1965	5.8	4.2	6.2	1.4	10.9	1.6
	1968	5.3	4.2	8.1	0.3	12.4	1.6
Honduras	1960	4.8	3.3	2.7	2.3	5.8	3.0
	1965	4.7	4.8	4.4	2.1	7.8	5.1
	1968	4.6	5.4	6.8	1.2	12.2	6.9
Mexico	1960	5.2	5.9	1.7	8.2	4.6	17.7
	1965	5.0	6.7	2.8	15.1	5.8	20.5
	1968	5.0	7.1	3.1	19.1	6.2	25.0
Venezuela	1960	5.8	8.0	6.6	—	15.7	—
	1965	4.2	8.2	7.5	1.4	15.8	1.5
	1968	4.4	8.8	8.4	2.2	16.5	2.2

Explanatory Notes:

Currency consists of coins and notes in circulation outside banks.

Commercial banks are institutions offering demand deposit facilities available for payment and transfer through checks. Includes ordinary commercial banks, the commercial department of the central bank and in certain countries, so-called savings banks, where either they have large demand deposits or their savings deposits appear to be regarded by the holders as money.

Demand deposits include deposit liabilities due by commercial banks to depositors other than banks and governments, and subject to withdrawal and transfer by check.

Time and savings deposits include balances due by commercial banks through passbook or certificate transferable into demand deposits, but not available for payments outside banks.

Non-banking financial institutions are financial intermediaries which acquire their resources through acceptance of deposits by passbook or the issuance of credit instruments (promissory notes and bonds), but which do not carry checking accounts. These are largely specialized institutions such as cooperative banks, development banks, mortgage banks and post office savings institutions.

Claims include loans as well as investments. For this table, claims of banks and non-banking financial institutions are limited to those on the private sector, in order to provide a measure of the intermediation of the financial system with respect to supply and demand of funds in the private sector.

Sources: Data based on monetary, banking and other financial institutions' statistics provided by the International Financial Statistics of the IMF, except for adjustments based on statistical information available from World Bank sources in the cases of Ghana, Guatemala, Honduras, Mexico, United Arab Republic, and Yugoslavia, and for Brazil and India, for which data have been obtained primarily from World Bank sources.

The Flow of Financial Resources from DAC Countries[1] to Developing Countries and Multilateral Institutions, 1964-1969 —Analytical Summary

Table 4

(Billions of US dollars)

	1964	1965	1966	1967	1968	1969(P)
Net Disbursements						
Total, Official and Private	9.14	10.41	10.35	11.31	13.19	13.30
Total Official	5.94	6.24	6.52	7.08	7.14	7.25
Official Development Assistance	6.02	5.94	6.14	6.69	6.41	6.68
Grants[2]	4.25	4.21	4.28	4.39	4.10	4.38
Loans and other Long-term Capital	1.76	1.72	1.86	2.30	2.31	2.30
Other Official Flows	—0.07	0.30	0.38	0.40	0.73	0.57
Total Private	3.20	4.17	3.83	4.22	6.06	6.05
Direct and Portfolio Investment	2.34	3.42	2.70	3.22	4.46	4.31
Private Export Credits	0.86	0.75	1.12	1.01	1.59	1.73
Volume Indicators (Net Disbursements)						
Total Flow as Share of GNP (%)	0.75	0.78	0.71	0.73	0.79	0.72
Total Official Flow as Share of GNP (%)	0.49	0.48	0.45	0.46	0.43	0.39
Official Development Assistance as Share of GNP (%)	0.49	0.44	0.42	0.43	0.38	0.36
Private Flow as Share of GNP (%)	0.26	0.31	0.26	0.27	0.36	0.33
Terms Indicators (Commitments)						
Grants as a Share of Total Official Commitments (%)	60.2	60.9	62.2	56.1	51.4	59.0
Weighted Average Maturity of Official Loans (years)	28.6	22.6	25.1	24.0	26.0	24.3
Weighted Average Grace Period of Official Loans (years)	6.5	4.6	5.8	5.5	6.0	6.1
Weighted Average Interest Rate of Official Loans (%)	3.1	3.6	3.1	3.8	3.6	3.5
Grant Element of Total Official Commitments (%)[3]	82	77	81	76	75	(79)

(1) Australia, Austria, Belgium, Canada, Denmark, France, Germany, Italy, Japan, Netherlands, Norway, Portugal, Sweden, Switzerland, United Kingdom, and United States.

(2) Including "grant-like" flows denominated in recipients' currencies and contributions to multilateral institutions.

(3) *Discounted at 10%.*

(P) Preliminary

Note: Items may not add to totals due to rounding.

Source: OECD.

External Public Debt Outstanding and Debt Service Payments of 81 Developing Countries[1], 1965-1968

Table 5

(Millions of US dollars)

	Total	Africa	East Asia	Middle East	South Asia[2]	Southern Europe	Western Hemisphere[3]
Debt Outstanding Dec. 31							
1965	37,776	6,284	4,167	2,428	8,528	4,126	12,243
1966	42,698	7,349	4,632	3,149	10,147	4,328	13,093
1967	47,934	8,058	5,480	3,866	10,766	5,056	14,708
1968—Total	53,363	8,719	5,950	4,456	11,981	5,526	16,731
—Disbursed	39,958	6,942	4,770	3,233	9,153	3,949	11,911
—Undisbursed[4]	13,405	1,777	1,180	1,223	2,828	1,577	4,820
Service Payments During							
1965	3,388	468	194	285	355	436	1,652
1966	3,897	474	225	358	428	440	1,970
1967	4,162	472	273	315	514	438	2,150
1968	4,673	625	310	411	540	488	2,298

(1) Includes 81 countries as follows:

Africa: Botswana, Burundi, Cameroon, Central African Republic, Chad, Democratic Rep. of Congo, Dahomey, East African Community, Ethiopia, Gabon, Ghana, Guinea, Ivory Coast, Kenya, Lesotho, Liberia, Malagasy Republic, Malawi, Mali, Mauritania, Mauritius, Morocco, Niger, Nigeria, Rhodesia, Rwanda, Senegal, Sierra Leone, Somalia, Sudan, Swaziland, Tanzania, Togo, Tunisia, Uganda, United Arab Republic, Upper Volta, Zambia.

East Asia: China, Indonesia, Korea, Malaysia, Philippines, Singapore, Thailand.

Middle East: Iran, Iraq, Israel, Jordan, Lebanon, Syria.

South Asia: Afghanistan, Ceylon, India, Pakistan.

Southern Europe: Cyprus, Greece, Malta, Spain, Turkey, Yugoslavia.

Western Hemisphere: Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Guyana, Honduras, Jamaica, Mexico, Nicaragua, Panama, Paraguay, Peru, Trinidad and Tobago, Uruguay, Venezuela.

(2) Does not include suppliers' credits of India.

(3) For Brazil includes private debt and excludes undisbursed amounts.

(4) Due to a lack of information on amounts undisbursed for Ghana, Indonesia, Israel and Lebanon, the entire amount outstanding is considered as disbursed.

Note: *Items may not add to totals due to rounding.*

Source: World Bank.

External Public Debt Outstanding of 81 Developing Countries by Country, December 31, 1968

Table 6

(Millions of US dollars)

Country	Disbursed only	Including undisbursed				
	Total	Total	Export financing	Other private	International organizations	Governments
Africa						
Botswana	10.9	10.9	—	1.3	3.6	6.0
Burundi	6.0	6.7	1.3	—	4.2	1.2
Cameroon	80.3	135.2	0.7	—	32.7	101.8
Central African Republic	21.9	22.3	1.8	—	0.2	20.3
Chad	28.0	44.6	8.1	1.9	7.1	27.4
Congo, Dem. Rep. of	375.5	414.3	71.2	4.5	8.6	330.0
Dahomey	40.2	41.1	10.0	0.1	—	31.1
East African Community	176.1	194.6	0.8	82.1	61.7	49.9
Ethiopia	135.3	236.5	28.0	—	85.3	123.2
Gabon	62.4	73.6	9.2	5.6	24.0	34.7
Ghana[1]	554.4	637.9	303.3	—	66.5	268.0
Guinea	222.3	319.2	31.5	—	64.5	223.1
Ivory Coast	186.5	341.0	118.3	23.3	6.5	192.9
Kenya	254.6	343.2	52.2	13.7	51.2	226.1
Lesotho	6.4	7.2	0.6	—	4.1	2.5
Liberia	158.6	169.0	44.0	—	4.3	120.7
Malagasy Republic	82.7	115.2	0.1	4.9	22.8	87.3
Malawi	67.6	101.3	1.2	16.8	27.5	55.8
Mali	172.5	213.7	2.6	—	9.1	202.0
Mauritania	26.0	43.7	0.8	9.8	6.7	26.3
Mauritius	30.6	31.1	2.5	6.6	6.2	15.8
Morocco	566.5	701.3	72.4	38.0	82.0	508.9
Niger	12.7	35.9	11.2	—	7.6	17.1
Nigeria	421.3	587.3	16.2	97.4	223.1	250.5
Rhodesia	220.9	220.9	2.9	121.3	52.8	43.9
Rwanda	1.9	2.4	0.2	—	—	2.2
Senegal	59.7	81.5	—	0.2	13.0	68.3
Sierra Leone	53.2	61.2	20.4	6.7	7.4	26.6
Somalia	54.5	79.4	—	—	8.5	70.9
Sudan	234.6	309.1	33.7	2.7	138.9	133.8
Swaziland	37.3	39.9	14.3	—	9.3	16.4
Tanzania	131.5	209.8	23.6	21.0	31.8	133.5
Togo	30.1	37.4	4.2	—	3.7	29.5
Tunisia	450.9	611.3	163.1	2.6	68.7	376.8
Uganda	101.2	148.6	5.0	19.6	28.3	95.6
United Arab Republic	1,491.2	1,721.7	n.a.	n.a.	n.a.	n.a.
Upper Volta	17.7	20.1	0.7	—	—	19.4
Zambia	189.4	264.3	69.5	45.7	78.0	71.2
East Asia						
China	639.1	842.1	131.4	—	167.9	542.9
Indonesia[1]	2,452.0	2,984.8	262.8	195.3	67.0	2,459.7
Korea	970.2	1,597.8	1,080.9	—	40.3	476.5
Malaysia	291.0	460.3	12.1	66.2	202.4	179.6

Service Payments on External Public Debt as Percentage of Exports of Goods and Services, 1965-1968

Table 7

(Percentages)

Country	1965	1966	1967	1968
Africa				
Botswana[1]	3.6	3.6	5.7	4.2
Burundi[1]	n.a.	n.a.	n.a.	3.5
Central African Republic	n.a.	n.a.	n.a.	2.6
Chad	n.a.	n.a.	n.a.	5.0
Ethiopia	4.8	7.1	9.4	9.3
Gabon	5.0	4.6	4.9	4.9
Ghana	18.6	5.5	5.8	12.3
Guinea	n.a.	n.a.	n.a.	7.9
Ivory Coast	n.a.	n.a.	6.6	5.8
Kenya[2]	5.6	5.7	6.8	6.9(P)
Lesotho[3]	n.a.	n.a.	1.7	n.a.
Liberia	8.6	6.0	6.0	6.8
Malagasy Republic[1]	n.a.	3.7	4.8	5.2
Malawi	n.a.	n.a.	6.9	7.0
Mali[4]	n.a.	n.a.	10.1	13.7
Mauritania	n.a.	n.a.	1.5	n.a.
Mauritius	2.3	3.2	3.7	6.5
Morocco	4.9	7.3	7.4	7.9(P)
Nigeria	3.3	5.4	5.3	6.3(P)
Rwanda[1]	n.a.	n.a.	3.5	2.9
Senegal	1.4	1.8	1.8	1.7
Sierra Leone	5.3	6.4	8.0	5.2
Somalia	n.a.	2.0	2.0	1.8(P)
Sudan[4]	5.8	6.4	5.6	7.5
Swaziland[1]	11.7	9.5	9.0	9.4
Tanzania (excl. Zanzibar)[2]	4.5	3.9	5.0	6.7
Tunisia	7.7	14.9	21.2	24.0
Uganda[2]	5.8	4.5	5.4	8.0(P)
Zambia	4.2	2.1	2.3	2.6(P)
Southern Europe				
Cyprus	1.4	1.4	2.2	1.8
Greece	4.1	4.5	5.6	5.5
Malta	0.5	0.8	1.1	1.2
Spain	2.0	1.7	1.6	2.2
Turkey	n.a.	15.9	14.1	13.2(P)
Yugoslavia	14.4	13.7	12.9	14.0
Middle East				
Iran[3]	5.8	5.0	5.1	6.9(P)[5]
Iraq	n.a.	0.8	0.9	1.4(P)
Jordan	1.0	1.3	1.5	1.8
Syria[1]	11.3	11.6	14.2	18.7

Philippines	417.1	493.2	200.8	12.6	131.1	148.7
Singapore	41.0	80.0	1.2	—	75.9	2.8
Thailand	246.7	311.3	20.5	—	201.5	89.4
Middle East						
Iran	829.9	1,932.3	672.8	—	223.1	1,036.4
Iraq	233.1	254.5	34.8	—	23.0	196.7
Israel	1,807.3	1,807.3(2)	636.1	802.4	85.2	283.6
Jordan	93.2	150.5	—	—	10.0	140.5
Lebanon(1)	59.9	95.9	18.2	—	19.7	58.0
Syria	216.8	258.9	57.8	—	8.5	192.6
South Asia						
Afghanistan	476.1	648.9	—	—	3.5	645.4
Ceylon	203.9	336.7	62.5	7.3	46.2	220.6
India(3)	6,201.4	7,733.5	115.1	3.9	1,639.0	5,975.5
Pakistan	2,271.1	3,261.1	270.6	—	778.2	2,212.3
Southern Europe						
Cyprus	22.3	28.9	0.9	2.2	17.2	8.6
Greece	546.2	612.4	170.3	184.3	81.4	176.4
Malta	18.5	18.5	—	—	5.2	13.3
Spain	761.3	1,153.3	313.8	20.2	202.6	616.6
Turkey	1,451.9	1,963.0	63.5	19.9	388.0	1,491.6
Yugoslavia	1,148.5	1,749.7	373.9	33.2	316.2	1,026.4
Western Hemisphere						
Argentina	1,714.1	2,221.1	1,043.0	298.5	384.9	494.7
Bolivia	295.0	359.7	38.0	67.4	25.8	228.5
Brazil(4)	2,736.5	4,310.1	1,095.0	414.2(5)	749.8	2,051.1
Chile	1,268.5	1,842.9	334.8	173.9	238.7	1,095.5
Colombia	947.1	1,296.9	184.1	26.2	539.6	547.0
Costa Rica	122.0	162.3	30.5	14.9	64.5	52.4
Dominican Republic	171.6	220.8	22.7	—	4.1	194.0
Ecuador	163.1	274.3	91.3	3.6	71.1	108.3
El Salvador	77.2	102.6	11.9	1.0	50.0	39.8
Guatemala	89.8	161.2	34.1	30.7	54.2	42.2
Guyana	54.4	84.2	1.0	7.8	5.2	70.3
Honduras	51.2	114.1	5.9	—	79.5	28.7
Jamaica	114.7	151.7	18.0	68.5	37.0	28.1
Mexico	2,438.5	3,047.9	1,275.6	394.6	827.5	550.1
Nicaragua	110.8	213.2	72.5	—	67.4	73.3
Panama	89.9	112.5	0.6	30.7	11.8	69.4
Paraguay	76.1	101.1	21.0	0.3	39.2	40.6
Peru	672.7	1,018.9	574.5	39.5	186.6	218.2
Trinidad and Tobago	69.1	106.4	19.9	10.8	41.4	34.3
Uruguay	250.0	309.1	96.2	23.8	90.9	98.1
Venezuela	398.5	519.7	63.5	37.0	279.8	139.4

(1) As of December 31, 1969.
(2) Undisbursed amount is not available.
(3) Excludes suppliers' credits.
(4) Includes debt of private sector.
(5) Includes some loans from governments.
Note: Items may not add to totals due to rounding.
Source: World Bank.

South Asia				
Ceylon	2.0	2.8	3.5	6.9
India(3) (7)	13.7	18.2	19.0	16.8
Pakistan	11.0	13.1	16.8	19.4(P)
East Asia				
China	2.9	3.6	3.2	3.4
Indonesia	10.3	8.3	7.0	8.6(P)
Korea	2.7	3.6	5.6	7.5
Malaysia	1.2	1.4	2.1	2.1
Philippines	5.3	6.3	7.2	5.3
Singapore	0.1	0.1	0.1	0.2(P)
Thailand	3.2	2.9	3.7	3.5
Western Hemisphere				
Argentina	20.5	25.5	27.0	27.8
Bolivia	4.7	4.8	5.8	5.4(P)
Brazil(6)	21.5	n.a.	n.a.	22.5
Chile	15.4	13.2	12.4	16.4(P)
Colombia	14.4	16.5	13.9	12.9
Costa Rica	8.3	10.3	9.7	10.1(P)
Dominican Republic	18.6	11.8	7.9	9.5
Ecuador	6.2	6.3	6.2	8.1(P)
El Salvador	3.6	3.7	2.6	2.8
Guatemala	5.1	5.4	9.6	7.4
Guyana	n.a.	4.6	4.0	4.6
Honduras	2.5	2.1	2.0	1.7(P)
Jamaica	3.2	3.4	4.2	2.8(P)
Mexico	23.6	24.0	24.8	26.8
Nicaragua	4.2	5.2	6.0	6.9(P)
Panama	3.5	2.7	2.6	3.6
Paraguay	6.7	5.5	7.2	8.1
Peru	n.a.	n.a.	10.6	20.9
Trinidad and Tobago	3.4	2.8	2.8	3.3
Uruguay	6.7	11.7	20.6	19.5
Venezuela	2.0	2.4	1.8	2.2

n.a. Signifies that data are not available on debt service, export earnings, or both.
(1) Exports of goods only.
(2) Includes one third of debts contracted by the East African Community.
(3) Fiscal year ending March of the following year.
(4) Fiscal year ending June of the following year.
(5) Projected.
(6) Includes debt service on private debt; comparable data not available for 1966 and 1967.
(7) Does not include service payments on suppliers' credits.
(P) *Preliminary.*
Source: World Bank and IMF.

External Public Debt Incurred and Grants Received by Selected Developing Countries, by Sources and Terms, 1965-1968 Average

Table 8

Region and country	Amount of (million dollars)[1]			Percentage distribution by sources and terms									
				Official donors and creditors							Private creditors		
					Loans from governments				Loans from international organizations				
						Other governments					Export financing		
	Loans contracted	Grants received	Total loans and grants	Grants	Eastern Bloc	Up to 21 yrs.	Over 21 to 39 yrs.	40 yrs. & over	IDA	Other	Up to 6 yrs.	Over 6 yrs.	Other private
Africa													
Botswana	0.7	13.1	13.8	94.6	—	—	5.4	—	—	—	—	—	—
Burundi	10.0	6.6	16.6	87.0	—	4.5	—	—	3.6	—	—	4.9	—
Cameroon	16.5	13.3	29.8	44.7	—	26.4	—	3.2	9.7	15.4	0.7	—	—
Central African Republic	3.0	7.7	10.7	71.8	—	22.4	0.8	—	—	—	2.6	3.6	—
Chad	6.9	9.6	16.5	58.1	—	11.3	2.4	—	8.9	1.8	3.5	11.2	2.7
Congo, Dem. Rep. of	108.0	79.4	187.4	42.4	—	5.8	8.8	32.4	—	—	3.4	6.7	0.6
Dahomey	3.1	9.6	12.7	75.4	—	1.8	0.7	1.7	—	—	4.2	16.2	—
East African Community	19.2	—	19.2	—	—	9.9	1.8	—	—	66.4	—	—	21.9
Ethiopia	34.5	20.6	55.1	37.4	1.8	12.1	8.3	16.5	6.8	8.3	1.4	7.5	—
Gabon	6.8	7.3	14.1	51.7	—	26.0	—	—	—	3.9	14.1	—	4.2
Guinea	61.0	5.6	66.6	8.5	44.2	3.2	4.1	2.3	—	24.8	3.2	9.7	—
Ivory Coast	56.0	8.2	64.2	12.8	—	40.5	5.9	1.9	—	2.7	5.1	26.3	4.7
Kenya	47.0	29.2	76.2	38.3	0.2	5.9	35.8	2.8	11.6	0.8	0.1	4.3	0.3
Lesotho	1.4	10.9	12.3	88.2	—	—	2.3	—	8.3	—	—	1.2	—
Liberia	6.1	12.0	18.1	66.2	—	2.9	1.1	17.8	—	—	12.0	—	—
Malagasy Republic	11.3	19.0	30.3	62.6	—	11.7	—	3.9	12.0	6.9	—	—	3.0
Malawi	16.7	22.9	39.6	57.8	—	4.1	20.4	0.1	17.4	—	0.1	(2)	—
Mali	5.8	8.0	13.8	57.8	17.7	—	1.9	1.6	16.5	—	1.5	3.0	—
Mauritania	9.1	4.4	13.5	32.8	9.3	9.1	—	11.0	—	—	2.4	17.1	18.2
Mauritius	3.0	2.2	5.2	42.3	—	6.7	39.0	—	—	—	12.0	—	—
Morocco	113.4	51.8	165.2	31.3	3.2	35.1	8.8	2.9	1.7	6.4	0.3	10.3	—
Niger	7.2	11.2	18.4	60.7	—	11.9	4.9	—	8.3	—	6.8	7.4	—
Nigeria	67.5	39.1	106.6	36.7	—	0.8	25.6	7.2	8.3	10.9	1.7	8.8	—
Rhodesia	1.8	2.3	4.1	57.2	—	42.8	(2)	—	—	—	—	—	—
Rwanda	0.9	9.4	10.3	91.1	—	2.7	0.9	—	—	—	5.3	—	—
Senegal	12.2	20.7	32.9	63.0	5.1	13.7	7.3	1.0	6.8	3.0	—	—	—
Sierra Leone	5.0	6.1	11.1	55.2	—	5.1	13.2	—	—	8.9	0.3	17.3	—
Somalia	7.4	15.3	23.7	67.5	0.7	8.3	—	14.2	9.4	—	—	—	—
Sudan	42.1	8.6	50.7	17.0	0.3	32.8	1.3	3.6	4.2	29.6	4.9	6.5	—
Swaziland	1.7	8.1	9.8	82.6	—	0.7	9.7	—	—	7.0	—	—	—
Tanzania	25.1	25.5	50.6	50.4	4.0	13.5	4.8	9.9	4.0	2.6	1.5	9.0	0.4
Togo	2.6	7.3	9.9	73.8	—	5.6	3.6	—	9.3	—	5.7	2.0	—
Tunisia	103.1	48.2	151.3	31.9	0.6	18.3	6.3	11.7	3.1	6.3	9.1	12.8	—
Uganda	16.2	12.3	28.5	43.2	0.7	7.3	20.5	5.0	18.7	0.1	—	—	4.4
United Arab Republic	129.7	58.0	187.7	30.9	11.6	26.7	2.0	—	—	—	14.6	13.9	0.4
Upper Volta	2.5	9.3	11.8	78.8	—	19.0	1.6	—	—	—	0.6	—	—
Zambia	33.1	27.2	60.3	45.1	2.3	13.5	1.1	—	—	13.9	0.1	5.4	18.7

East Asia													
China	115.7	23.8	139.5	17.1	—	30.0	0.5	—	—	25.9	9.0	17.0	0.5
Korea	359.3	156.9	516.2	30.4	—	7.4	(2)	11.4	0.7	0.6	15.7	33.9	—
Malaysia	77.6	1.5	79.1	1.8	—	23.6	14.8	—	—	38.3	—	5.6	15.8
Philippines	95.5	65.1	160.6	40.5	—	2.0	4.7	—	—	6.5	39.1	4.9	2.3
Singapore	16.3	3.8	20.1	19.1	—	—	—	—	—	79.4	—	1.5	—
Thailand	43.1	40.0	83.1	48.2	—	9.0	7.3	1.3	—	34.0	—	0.3	—
Middle East													
Iran	403.2	11.5	414.7	2.8	32.5	17.7	0.6	—	—	7.4	2.1	36.7	0.3
Iraq	19.6	3.7	23.3	15.9	—	7.7	—	—	—	24.7	14.9	36.9	—
Jordan	16.3	60.5	76.8	78.8	—	6.3	10.3	3.7	1.0	—	—	—	—
Lebanon	6.9	8.2	15.1	54.4	—	45.7	—	—	—	—	—	—	—
Syria	37.9	4.9	42.8	11.4	48.3	0.9	—	—	—	—	4.4	35.0	—
South Asia													
Afghanistan	47.9	34.6	82.5	42.0	39.1	4.8	5.8	8.3	—	—	—	—	—
Ceylon	62.3	11.6	73.9	15.7	8.3	22.8	23.0	1.6	0.7	3.7	6.1	18.2	—
India	808.0	612.3	1,420.3	43.1	0.3	7.6	10.6	24.1	9.4	3.3	0.9	0.7	—
Pakistan	461.6	180.5	642.1	28.1	7.9	12.0	6.9	21.8	4.8	7.9	1.4	9.4	—
Southern Europe													
Cyprus	0.9	2.6	3.5	75.3	4.6	—	—	—	—	20.1	—	—	—
Greece	72.1	2.6	74.7	3.5	1.9	19.1	0.3	—	—	18.8	23.0	23.7	9.7
Malta	2.2	13.9	16.1	86.5	—	—	13.5	—	—	—	—	—	—
Spain	223.6	3.1	226.7	1.4	—	49.2	—	—	—	11.7	24.2	11.4	2.2
Turkey	288.1	14.9	303.0	4.9	—	17.2	11.7	38.4	2.1	22.8	0.6	2.4	—
Yugoslavia	247.0	33.1	280.1	11.8	36.7	31.8	—	—	—	8.2	1.6	9.6	0.2
Western Hemisphere													
Argentina	436.4	7.5	443.9	1.7	0.4	13.6	—	0.2	—	12.8	28.7	22.9	19.8
Bolivia	32.1	19.4	51.5	37.8	—	26.8	4.8	16.2	1.0	—	3.6	7.2	2.7
Chile	301.6	25.3	326.9	7.8	1.3	28.2	1.2	20.5	—	8.2	6.9	18.0	7.9
Colombia	183.7	21.8	205.5	10.6	—	10.1	0.4	30.0	—	25.4	12.0	11.6	—
Costa Rica	19.1	6.6	25.7	25.7	—	6.9	0.5	13.9	—	17.5	20.2	1.1	14.1
Dominican Republic	36.5	33.9	70.4	48.1	—	11.2	1.8	36.8	—	—	0.7	1.4	—
Ecuador	41.7	13.2	54.9	23.8	2.6	14.1	2.2	3.8	2.3	5.3	6.2	39.7	—
El Salvador	10.8	8.4	19.2	43.8	—	7.0	7.8	7.1	—	15.2	19.1	—	—
Guatemala	28.9	10.2	39.1	26.0	—	2.7	—	10.1	—	27.2	3.8	1.7	28.4
Guyana	10.5	7.1	17.6	40.5	—	—	20.2	32.1	—	7.1	—	—	—
Honduras	19.7	4.8	24.5	19.6	—	3.5	—	17.7	7.7	47.4	0.5	3.6	—
Jamaica	27.4	4.4	31.8	13.9	—	2.4	5.0	3.5	—	37.9	10.7	3.5	23.2
Mexico	584.9	10.5	595.4	1.8	(2)	10.2	0.9	(2)	—	19.8	33.1	16.0	18.2
Nicaragua	40.9	6.0	46.9	12.8	—	4.1	—	29.4	—	22.4	27.5	3.3	0.5
Panama	10.7	9.1	19.8	51.8	—	5.7	24.7	16.5	—	1.4	—	—	—
Paraguay	14.0	4.3	18.3	23.4	(2)	10.4	1.0	16.8	10.2	10.3	4.4	23.4	0.1
Peru	208.8	26.5	235.3	11.2	—	7.4	—	4.0	—	11.6	29.6	32.6	3.6
Trinidad and Tobago	13.8	7.7	21.5	35.7	—	19.9	3.4	8.5	—	26.7	—	5.9	—
Uruguay	34.9	4.6	39.5	11.5	—	12.4	14.4	13.2	—	18.5	17.5	12.4	—
Venezuela	68.9	17.9	86.8	20.6	—	15.7	—	—	—	29.2	16.8	4.7	13.0

(1) Grants consist of grants and grant-like contributions by DAC countries and multilateral agencies as compiled by OECD. Loans are commitments for which repayment terms were reported to IBRD by its member countries. The percentages in this table apply to these loans. The figures for loans do not include commitments for which repayment terms are unknown and do not take account of cancellations.

(2) Less than 0.05%.

Note: Consistent data not available for this period for Brazil, Ghana and Indonesia. Items may not add to totals due to rounding.

Sources: World Bank and OECD.

Disbursements, Amortization, Interest, Net Flow and Net Transfer on Official Grants and External Public Debt of Selected Developing Countries,[1] 1965-1968 Average

Table 9

(Millions of US dollars)

Region and country	Official donors and creditors						Private creditors					Official and private	
	Disbursements on		Amortization on loans	Net flow	Interest on loans	Net transfer	Disbursements	Amortization	Net flow	Interest	Net transfer	Net flow	Net transfer
	Grants	Loans											
Africa													
Botswana	13.6	1.8	0.1	15.2	0.2	15.0	—	0.2	—0.1	0.2	—0.3	15.1	14.7
Ethiopia	23.2	21.0	5.1	39.2	2.0	37.2	7.8	4.3	3.4	1.2	2.2	42.7	39.5
Gabon	9.3	5.2	2.3	11.6	1.9	9.8	2.7	0.9	1.8	0.4	1.5	13.5	11.3
Kenya	29.3	31.4	4.8	55.8	6.4	49.4	3.5	2.6	0.9	4.1	—3.3	56.7	46.2
Liberia	12.8	14.3	0.8	26.2	2.6	23.6	—0.7	3.7	—4.3	3.4	—7.7	21.9	15.9
Mauritius	2.2	3.5	0.5	5.1	0.8	4.4	0.6	1.1	—0.5	0.9	—1.4	4.6	3.0
Morocco	59.1	76.4	15.1	120.5	10.8	109.8	20.0	10.4	9.6	3.5	6.1	130.1	115.8
Nigeria	41.4	68.4	7.1	102.6	7.2	95.5	20.0	19.4	0.7	4.9	—4.3	103.3	91.2
Senegal	36.6	2.8	2.4	37.0	1.0	35.9	—	(2)	(2)	(2)	(2)	37.0	35.9
Sudan	7.0	30.2	4.8	32.3	4.8	27.5	5.7	4.2	1.4	1.9	—0.4	33.7	27.0
Tanzania	25.4	14.5	1.1	38.9	1.9	36.9	5.5	2.4	3.1	2.0	1.2	41.9	38.0
Tunisia	44.4	55.6	7.5	92.6	4.3	88.3	40.5	21.3	19.2	5.9	13.3	111.8	101.6
Uganda	13.2	8.9	1.2	21.0	3.0	18.1	1.1	1.3	—0.2	1.4	—1.6	20.9	16.5
Zambia	25.7	8.0	5.7	28.0	5.0	23.0	12.0	4.3	7.7	3.5	4.2	35.7	27.2
Middle East													
Iran	11.1	156.0	38.0	129.1	19.0	110.1	115.2	34.3	80.9	5.1	75.8	210.0	185.9
Iraq	3.8	8.3	2.9	9.2	3.0	6.2	10.7	3.0	7.7	0.6	7.1	16.9	13.3
Jordan	12.5	11.2	0.9	22.7	0.6	22.1	—	—	—	—	—	22.7	22.1
East Asia													
China	24.1	52.5	5.1	71.5	4.4	67.1	37.1	14.5	22.6	1.1	21.5	94.1	88.6
Korea	155.2	65.2	1.4	218.9	1.9	217.1	181.2	22.7	158.5	5.6	152.9	377.4	369.9
Malaysia	22.0	30.2	7.2	45.1	6.7	38.4	15.7	6.0	9.7	4.1	5.5	54.8	43.9
Philippines	61.6	44.6	7.9	98.3	6.7	91.6	70.8	48.9	21.9	6.8	15.1	120.2	106.7
Singapore	5.4	8.0	1.0	12.4	0.9	11.4	—	—	—	—	—	12.4	11.4
Thailand	45.0	35.4	9.6	70.9	8.8	62.1	0.4	13.7	—13.3	0.3	—13.6	57.6	48.4
South Asia													
Ceylon	11.2	33.1	7.1	37.1	2.8	34.3	12.6	3.6	9.0	1.1	7.8	46.1	42.1
India[3]	558.0	867.1	183.0	1,241.9	136.4	1,105.5	16.1	8.7	7.4	2.9	4.4	1,249.3	1,109.9
Pakistan	185.4	373.4	45.2	513.5	35.3	478.3	60.5	19.4	41.1	4.4	36.7	554.7	515.0
Southern Europe													
Cyprus	3.1	3.2	0.8	5.5	0.7	4.9	0.2	0.6	—0.4	0.9	—1.3	5.1	3.6
Greece	5.1	36.9	10.8	31.3	6.7	24.6	36.0	16.2	19.8	8.3	11.5	51.1	36.1
Malta	13.9	3.7	0.4	17.3	0.6	16.6	—	—	—	—	—	17.3	16.6
Spain	2.7	106.3	24.9	84.0	11.8	72.3	70.1	12.7	57.4	4.6	52.8	141.4	125.1
Turkey	25.2	211.4	76.3	160.3	25.8	134.5	2.1	14.0	—11.9	3.7	—15.6	148.4	118.9
Yugoslavia	7.7	161.1	96.5	72.4	32.4	40.0	105.8	83.8	22.1	18.4	3.7	94.5	43.7

Western Hemisphere													
Argentina	9.1	78.3	100.0	—22.6	35.1	—57.6	242.6	223.9	18.7	63.1	—44.4	—3.8	—102.0
Bolivia	19.4	19.2	2.9	35.7	1.8	33.9	5.5	2.2	3.2	0.5	2.7	38.9	36.6
Chile	31.6	130.8	38.5	123.9	22.5	101.4	80.7	61.5	19.2	13.9	5.3	143.1	106.7
Colombia	25.6	120.8	36.8	109.7	18.8	90.8	52.4	41.6	10.8	5.8	5.0	120.5	95.9
Costa Rica	7.1	13.7	3.7	17.1	2.8	14.3	9.5	8.1	1.4	1.8	—0.5	18.5	13.7
Dominican Republic	34.5	29.8	3.7	60.6	1.5	59.1	2.7	12.3	—9.7	1.6	—11.3	50.9	47.8
Ecuador	14.7	16.8	5.2	26.3	3.6	22.7	11.0	4.4	6.7	1.1	5.6	33.0	28.3
El Salvador	9.2	11.8	3.6	17.3	1.9	15.4	2.7	1.2	1.4	0.3	1.2	18.7	16.6
Guatemala	11.0	7.9	3.6	15.3	1.2	14.1	18.5	11.1	7.4	2.0	5.4	22.8	19.6
Guyana	7.2	4.8	1.3	10.8	2.2	8.5	—	0.6	—0.6	1.1	—1.7	10.2	6.9
Honduras	5.2	6.7	1.2	10.8	1.2	9.6	0.8	0.9	—	0.2	—0.3	10.7	9.3
Jamaica	5.1	8.1	0.4	12.8	0.6	12.2	10.8	3.6	7.2	4.8	2.4	20.0	14.5
Mexico	12.1	165.5	79.8	97.8	37.1	60.7	412.2	320.7	91.5	71.8	19.7	189.3	80.4
Nicaragua	6.5	11.4	3.2	14.8	1.9	12.9	14.2	4.5	9.7	0.8	8.8	24.4	21.7
Panama	9.8	9.4	2.9	16.3	1.9	14.4	—	0.7	—0.7	1.4	—2.0	15.6	12.4
Paraguay	5.1	11.4	1.7	14.8	0.9	13.9	5.3	1.6	3.8	0.3	3.5	18.7	17.4
Peru	23.4	46.9	9.4	60.9	14.9	46.0	137.3	73.6	63.7	13.1	50.6	124.6	96.6
Trinidad and Tobago	7.7	7.1	2.6	12.2	1.7	10.5	3.9	2.7	1.2	2.7	—1.4	13.5	9.1
Uruguay	5.1	12.8	11.2	6.7	4.6	2.1	23.8	15.6	8.2	3.8	4.4	14.8	6.5
Venezuela	21.8	69.6	28.5	62.9	8.7	54.3	25.4	11.8	13.6	2.6	11.0	76.6	65.3

(1) *Grants consist of grants and grant-like contributions by DAC countries and multilateral agencies as compiled by OECD.*
Data on loans derived from information reported to IBRD by its member countries.

(2) Less than $50,000.

(3) *Excluding suppliers' credits.*

Note: Items may not add to totals due to rounding.

Sources: World Bank and OECD.

Estimated Service Payments on Existing External Public Debt of 81 Developing Countries[1], 1965-1968 Actual Payments, 1969-1980 Projected Payments, by Category of Indebtedness

Table 10

(Millions of US dollars)

Region and category of indebtedness	Actual				Projected											
	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980
Africa																
Loans from governments	170.0	180.6	174.3	251.9	387.9	444.1	452.1	445.1	419.4	397.7	388.4	357.7	334.2	307.4	279.5	254.6
Loans from international organizations	46.8	48.1	54.0	63.5	66.5	81.3	88.8	91.2	95.2	97.6	86.6	84.7	84.8	77.8	76.6	73.8
Total official creditors	216.8	228.7	228.3	315.4	454.4	525.4	540.9	536.3	514.6	495.3	475.0	442.4	419.0	385.2	356.1	328.4
Export financing	128.5	145.7	176.8	206.2	215.9	242.7	216.2	189.7	153.7	128.7	104.3	83.5	62.4	53.4	35.8	26.1
Other private creditors	121.4	100.1	67.0	103.8	73.6	75.8	48.7	50.7	50.6	49.1	43.9	32.2	24.2	41.5	37.5	27.1
Total private creditors	249.9	245.8	243.8	310.0	289.5	318.5	264.9	240.4	204.3	177.8	148.2	115.6	86.7	94.9	73.3	53.2
Total Africa	466.7	474.5	472.1	625.4	743.9	843.9	805.8	776.7	718.9	673.1	623.1	558.0	505.7	480.1	429.4	381.6
East Asia																
Loans from governments	53.2	52.4	64.0	84.2	159.2	194.6	242.8	224.0	222.4	213.6	212.6	214.3	202.8	204.8	149.0	144.0
Loans from international organizations	19.5	22.6	27.9	37.5	44.9	58.8	69.0	77.8	79.8	75.6	75.2	75.9	74.7	71.8	68.0	66.6
Total official creditors	72.7	75.0	91.9	121.7	204.1	253.4	311.7	301.8	302.2	289.2	287.8	290.2	277.5	276.6	217.0	210.6
Export financing	112.2	137.7	168.9	171.5	320.9	369.7	345.3	238.5	162.5	127.8	102.9	84.7	66.4	36.3	20.2	9.0
Other private creditors	8.7	12.8	12.3	17.1	32.4	35.6	10.8	10.9	17.8	13.8	13.6	21.7	12.3	12.1	9.7	10.7
Total private creditors	120.9	150.5	181.2	188.6	353.3	405.3	356.1	249.4	180.3	141.6	116.5	106.4	78.7	48.4	29.9	19.7
Total East Asia	193.6	225.5	273.1	310.3	557.4	658.6	667.8	551.1	482.5	430.9	404.4	396.6	356.2	325.0	246.9	230.3
Middle East																
Loans from governments	70.3	88.8	78.3	120.3	155.3	186.8	208.0	204.1	194.2	184.4	167.1	137.1	110.1	96.5	81.6	72.0
Loans from international organizations	15.5	19.3	24.4	28.6	30.9	36.4	37.7	38.8	37.9	37.3	37.0	33.5	26.6	26.6	26.6	25.4
Total official creditors	85.8	108.1	102.7	148.9	186.2	223.3	245.7	242.8	232.1	221.6	204.1	170.5	136.7	123.1	108.3	97.4
Export financing	162.8	250.1	212.3	262.3	183.0	185.0	174.9	159.7	128.6	111.8	87.8	71.8	47.7	32.3	24.1	19.8
Other private creditors	36.6	—	—	—	140.6	88.5	62.8	63.6	65.6	56.2	38.5	81.2	88.1	96.8	213.8	131.2
Total private creditors	199.4	250.1	212.3	262.3	323.7	273.5	237.7	223.3	194.2	168.0	126.3	153.0	135.8	129.1	237.9	151.0
Total Middle East	285.2	358.2	315.0	411.2	509.9	496.8	483.4	466.2	426.3	389.6	330.4	323.5	272.4	252.2	346.2	248.4
South Asia																
Loans from governments	227.9	294.0	368.9	367.1	464.0	493.2	517.9	539.0	546.5	545.3	561.8	539.7	525.1	515.7	456.8	423.3
Loans from international organizations	97.2	111.2	103.7	105.7	132.8	143.1	142.6	138.6	135.5	131.4	126.3	121.2	131.9	125.3	96.9	88.1
Total official creditors	325.1	405.2	472.6	472.8	596.8	636.4	660.5	677.6	682.0	676.7	688.1	660.9	657.0	641.0	553.6	511.4
Export financing	26.7	21.9	40.1	66.1	67.0	77.7	82.6	70.1	62.3	46.8	39.2	32.4	25.2	13.7	7.9	3.0
Other private creditors	2.8	1.2	1.2	1.0	6.3	7.9	7.5	8.3	7.8	6.4	10.1	5.5	5.4	4.8	3.6	3.5
Total private creditors	29.5	23.1	41.3	67.1	73.3	85.6	90.2	78.4	70.1	53.3	49.3	37.9	30.6	18.5	11.5	6.5
Total South Asia	354.6	428.3	513.9	539.9	670.1	722.0	750.7	756.1	752.1	729.9	737.4	698.8	687.6	659.5	565.1	517.9

Southern Europe																
Loans from governments	218.5	223.9	222.4	260.7	266.5	275.5	310.2	291.0	302.3	341.3	255.6	238.5	224.7	206.0	190.6	143.3
Loans from international organizations	62.9	57.6	46.4	56.0	76.6	116.4	95.9	90.0	77.3	77.9	78.5	77.5	74.0	70.9	67.7	65.7
Total official creditors	281.4	281.5	268.8	316.7	343.1	391.9	406.1	381.0	379.6	419.2	334.0	316.0	298.7	277.0	258.3	209.0
Export financing	139.7	145.1	153.9	156.5	170.5	163.9	239.2	178.9	122.8	66.2	48.5	30.4	23.5	12.3	8.8	5.7
Other private creditors	15.0	13.3	15.6	15.2	13.1	14.2	12.1	11.1	11.8	10.1	9.5	9.2	8.8	10.4	10.2	10.0
Total private creditors	154.7	158.4	169.5	171.7	183.6	178.1	251.3	190.0	134.5	76.3	57.9	39.6	32.2	22.6	19.0	15.6
Total Southern Europe	436.1	439.9	438.3	488.4	526.7	569.9	657.3	571.0	514.1	495.5	392.0	355.6	330.9	299.6	277.3	224.7
Western Hemisphere																
Loans from governments	529.5	623.1	679.3	593.6	552.8	577.7	543.9	480.0	424.2	373.9	337.6	319.2	304.1	283.6	258.2	241.6
Loans from international organizations	143.2	181.1	214.8	230.7	325.3	282.3	300.4	317.2	331.3	313.5	306.3	290.4	278.4	264.9	248.6	236.8
Total official creditors	672.7	804.2	894.1	824.3	878.1	860.0	844.3	797.3	755.5	687.4	643.9	609.6	582.6	548.5	506.8	478.4
Export financing	885.9	996.7	1,029.4	1,192.9	1,047.0	917.7	754.2	651.3	531.6	333.1	254.9	203.6	139.7	111.2	65.3	50.5
Other private creditors	93.6	169.6	226.3	280.8	232.9	192.0	196.7	227.8	217.4	162.5	117.4	104.1	96.0	100.5	81.0	67.6
Total private creditors	979.5	1,166.3	1,255.7	1,473.7	1,279.9	1,109.7	950.8	879.0	749.0	495.7	372.2	307.6	235.7	211.7	146.3	118.1
Total Western Hemisphere	1,652.2	1,970.5	2,149.8	2,298.0	2,158.0	1,969.6	1,795.1	1,676.3	1,504.5	1,183.1	1,016.1	917.2	818.3	760.2	653.1	596.6
All Developing Areas																
Loans from governments	1,269.4	1,462.8	1,587.2	1,677.8	1,985.7	2,171.9	2,274.9	2,183.2	2,109.0	2,056.2	1,923.1	1,806.5	1,701.0	1,614.0	1,415.7	1,278.8
Loans from international organizations	385.1	439.9	471.2	522.0	677.0	718.3	734.4	753.6	757.0	733.3	709.9	683.2	670.4	637.3	584.4	556.4
Total official creditors	1,654.5	1,902.7	2,058.4	2,199.7	2,662.7	2,890.4	3,009.2	2,936.8	2,866.0	2,789.4	2,632.9	2,489.6	2,371.5	2,251.4	2,000.1	1,835.2
Export financing	1,455.8	1,697.2	1,781.4	2,055.5	2,004.3	1,956.7	1,812.4	1,488.2	1,161.5	814.4	637.6	506.4	364.9	259.2	162.1	114.1
Other private creditors	278.1	297.0	322.4	417.9	498.9	414.0	338.6	372.4	371.0	298.1	233.0	253.9	234.8	266.1	355.8	250.1
Total private creditors	1,733.9	1,994.2	2,103.8	2,473.4	2,503.3	2,370.7	2,151.0	1,860.5	1,532.4	1,112.7	870.4	760.1	599.7	525.2	517.9	364.1
Grand total	3,388.4	3,896.9	4,162.2	4,673.2	5,166.0	5,260.8	5,160.1	4,797.4	4,398.4	3,902.1	3,503.4	3,249.7	2,971.1	2,766.6	2,518.0	2,199.6

(1) Includes the same countries as Table 5.
Note: Items may not add to totals due to rounding.
Source: World Bank.

Foreign and International Bond Issues by Market and Country of Borrower Entity, 1965-1969, First Half 1970[1]

Table 11

(Millions of US dollars)

Borrowing country	Year and Market																		
	1965			1966			1967			1968				1969			1970(P)		
	North America	Europe[2]	Total	North America	Europe[2]	Total	North America	Europe[2]	Total	North America	Europe[2]	Other[3]	Total	North America	Europe[2]	Total	North America	Europe[2]	Total
Industrialized Countries																			
Europe																			
Austria	—	11.8	11.8	—	38.2	38.2	—	85.1	85.1	—	93.3	—	93.3	—	70.5	70.5	—	—	—
Belgium	—	20.0	20.0	—	40.0	40.0	—	50.0	50.0	—	40.0	—	40.0	—	27.5	27.5	—	—	—
Denmark	—	35.0	35.0	—	47.6	47.6	—	72.0	72.0	—	105.8	—	105.8	—	118.9	118.9	—	30.0	30.0
Finland	25.0	11.2	36.2	—	1.0	1.0	15.0	25.0	40.0	—	87.4	—	87.4	—	82.1	82.1	—	—	—
France	—	41.5	41.5	—	27.1	27.1	—	157.2	157.2	—	123.8	—	123.8	—	241.1	241.1	—	98.7	98.7
Germany	—	28.1	28.1	—	79.4	79.4	—	70.7	70.7	—	8.6	—	8.6	2.8	229.3	232.1	—	33.0	33.0
Iceland	0.3	—	0.3	—	6.0	6.0	—	18.0	18.0	—	4.8	—	4.8	—	6.3	6.3	—	—	—
Ireland	6.5	3.6	10.1	—	33.6	33.6	—	—	—	—	—	—	—	—	57.5	57.5	—	15.0	15.0
Italy	—	80.0	80.0	—	60.0	60.0	—	73.1	73.1	—	84.2	—	84.2	—	168.9	168.9	—	270.0	270.0
Luxembourg	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Netherlands	—	—	—	—	38.9	38.9	—	41.4	41.4	—	180.0	—	180.0	—	178.9	178.9	—	82.3	82.3
Norway	15.0	92.5	107.5	10.0	10.0	20.0	12.0	83.5	95.5	—	40.7	—	40.7	—	24.0	24.0	—	56.6	56.6
Sweden	—	71.2	71.2	—	34.0	34.0	—	30.0	30.0	—	11.6	—	11.6	—	—	—	—	—	—
Switzerland	—	—	—	—	—	—	—	—	—	—	—	—	—	—	60.0	60.0	—	—	—
United Kingdom	80.0	48.1	128.1	4.5	51.6	56.1	—	74.2	74.2	—	148.9	—	148.9	—	263.5	263.5	—	71.9	71.9
Multinational corporations[4]	—	—	—	—	62.5	62.5	—	157.0	157.0	—	33.9	—	33.9	—	70.0	70.0	—	31.0	31.0
Others																			
Australia	12.5	72.4	84.9	—	25.0	25.0	—	100.8	100.8	—	88.9	—	88.9	—	116.0	116.0	—	13.9	13.9
Canada	1,063.5	—	1,063.5	1,239.3	—	1,239.3	1,332.0	16.0	1,348.0	1,261.6	323.5	—	1,585.1	1,455.8	315.2	1,771.0	334.7	93.6	428.3
Japan	62.5	35.0	97.5	—	—	—	15.0	—	15.0	—	178.9	—	178.9	9.0	261.0	270.0	—	51.6	51.6
New Zealand	—	48.0	48.0	—	58.6	58.6	—	82.2	82.2	—	34.4	—	34.4	—	25.0	25.0	—	—	—
South Africa	—	12.5	12.5	—	25.0	25.0	—	62.5	62.5	—	55.0	—	55.0	—	38.8	38.8	—	39.3	39.3
United States	—	340.9	340.9	—	629.3	629.3	—	597.8	597.8	3.2	2,222.1	—	2,225.3	1.2	1,435.5	1,436.7	—	733.7	733.7
Sub-total	1,265.3	951.8	2,217.1	1,253.8	1,267.8	2,521.6	1,374.0	1,796.5	3,170.5	1,264.8	3,865.8	—	5,130.6	1,468.8	3,790.0	5,258.8	334.7	1,620.6	1,955.3
Multilateral European Institutions																			
Council of Europe	—	7.5	7.5	—	6.0	6.0	—	—	—	—	—	—	—	—	—	—	—	—	—
Eurofima[5]	—	24.3	24.3	—	6.9	6.9	—	42.0	42.0	—	31.1	—	31.1	—	—	—	—	7.0	7.0
European Coal and Steel Community	—	37.5	37.5	—	127.0	127.0	—	52.5	52.5	—	63.0	—	63.0	—	13.8	13.8	—	—	—
European Investment Bank	—	50.9	50.9	—	133.5	133.5	20.0	179.5	199.5	—	100.0	—	100.0	—	82.3	82.3	—	27.3	27.3
Interfrigo[6]	—	—	—	—	6.9	6.9	—	—	—	—	—	—	—	—	9.2	9.2	—	—	—
Sub-total	—	120.2	120.2	—	280.3	280.3	20.0	274.0	294.0	—	194.1	—	194.1	—	105.3	105.3	—	34.3	34.3
Total	1,265.3	1,072.0	2,337.3	1,253.8	1,548.1	2,801.9	1,394.0	2,070.5	3,464.5	1,264.8	4,059.9	—	5,324.7	1,468.8	3,895.3	5,364.1	334.7	1,654.9	1,989.6
International Development Institutions																			
Asian Development Bank	—	—	—	—	—	—	—	—	—	—	—	—	—	—	15.0	15.0	—	5.0	5.0
World Bank	223.1	312.0	535.1	212.0	283.2	495.2	400.0	297.4	697.4	413.9	753.6	72.0	1,239.5	—	712.8	712.8	—	442.8[7]	442.8
Inter-American Development Bank	—	—	—	—	100.6	100.6	110.0	36.0	146.0	70.0	96.0	—	166.0	—	137.2	137.2	—	34.3	34.3
Sub-total	223.1	312.0	535.1	212.0	383.8	595.8	510.0	333.4	843.4	483.9	849.6	72.0	1,405.5	—	865.0	865.0	—	482.1	482.1

Developing Countries																			
Algeria	—	—	—	15.0	—	15.0	—	—	—	—	—	—	—	—	—	—	—	—	—
Argentina	—	—	—	23.5	—	23.5	—	25.0	25.0	25.5	50.0	—	75.5	51.1	60.4	111.5	2.4	11.6	14.0
Bahamas	—	—	—	14.0	—	14.0	—	—	—	—	—	—	—	—	—	—	—	—	—
Brazil	—	—	—	—	—	—	—	—	—	0.8	10.0	—	10.8	1.0	10.0	11.0	—	5.5	5.5
Colombia	—	—	—	—	—	—	0.5	7.0	7.5	—	—	—	—	1.1	—	1.1	0.7	—	0.7
Dominican Republic	—	—	—	—	—	—	—	—	—	0.2	—	—	0.2	—	—	—	—	—	—
EAC[8]	—	—	—	—	—	—	—	—	—	—	16.8	—	16.8	—	—	—	—	—	—
Gabon	—	—	—	—	2.4	2.4	—	—	—	—	—	—	—	—	—	—	—	3.6	3.6
Greece	—	—	—	—	—	—	—	—	—	—	25.0	—	25.0	—	—	—	—	—	—
Iran	—	—	—	—	—	—	—	—	—	—	20.0	—	20.0	—	8.0	8.0	—	—	—
Israel	96.3	25.0	121.3	119.7	23.0	142.7	203.1	18.0	221.1	179.0	3.5	—	182.5	151.3	35.0	186.3	49.9	—	49.9
Ivory Coast	—	6.1	6.1	—	—	—	—	—	—	—	16.1	—	16.1	—	—	—	—	—	—
Jamaica	—	8.8	8.8	7.5	8.4	15.9	—	—	—	—	7.2	—	7.2	—	—	—	—	—	—
Liberia	6.0	—	6.0	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Malagasy Republic	—	—	—	—	—	—	—	—	—	—	4.1	—	4.1	—	—	—	—	—	—
Malaysia	25.0	—	25.0	—	—	—	—	21.0	21.0	—	6.3	—	6.3	—	10.0	10.0	—	—	—
Mexico	51.4	—	51.4	15.7	45.0	60.7	39.6	85.0	124.6	9.0	138.6	—	147.6	26.0	61.4	87.4	—	—	—
Netherlands Antilles	—	—	—	—	—	—	—	13.8	13.8	—	—	—	—	—	—	—	—	—	—
Nicaragua	—	—	—	—	—	—	1.5	—	1.5	—	—	—	—	—	—	—	—	—	—
Panama	—	—	—	—	—	—	7.5	—	7.5	—	—	—	—	—	—	—	—	—	—
Peru	—	—	—	4.0	18.5	22.5	11.3	5.8	17.1	—	—	—	—	—	5.8	5.8	—	—	—
Philippines	18.0	—	18.0	—	—	—	8.0	—	8.0	15.0	—	—	15.0	11.0	—	11.0	—	—	—
Portugal	—	20.0	20.0	—	29.0	29.0	—	34.0	34.0	—	15.0	—	15.0	—	—	—	—	—	—
Senegal	—	—	—	—	—	—	—	—	—	—	6.1	—	6.1	—	—	—	—	—	—
Spain	—	—	—	—	—	—	—	53.0	53.0	60.0	—	—	60.0	—	25.0	25.0	—	—	—
Thailand	—	—	—	—	—	—	1.0	—	1.0	—	—	—	—	—	—	—	—	—	—
Trinidad and Tobago	10.0	—	10.0	—	—	—	—	—	—	—	7.2	—	7.2	—	—	—	—	—	—
Venezuela	15.5	—	15.5	4.3	—	4.3	1.1	—	1.1	—	25.0	—	25.0	8.2	—	8.2	—	13.3	13.3
Sub-total	222.2	59.9	282.1	203.7	126.3	330.0	273.6	262.6	536.2	289.5	350.9	—	640.4	249.7	215.6	465.3	53.0	34.0	87.0
Total	445.3	371.9	817.2	415.7	510.1	925.8	783.6	596.0	1,379.6	773.4	1,200.5	72.0	2,045.9	249.7	1,080.6	1,330.3	53.0	516.1	569.1
Recapitulation																			
International Development Institutions	223.1	312.0	535.1	212.0	383.8	595.8	510.0	333.4	843.4	483.9	849.6	72.0	1,405.5	—	865.0	865.0	—	482.1	482.1
Developing Countries	222.2	59.9	282.1	203.7	126.3	330.0	273.6	262.6	536.2	289.5	350.9	—	640.4	249.7	215.6	465.3	53.0	34.0	87.0
Total	445.3	371.9	817.2	415.7	510.1	925.8	783.6	596.0	1,379.6	773.4	1,200.5	72.0	2,045.9	249.7	1,080.6	1,330.3	53.0	516.1	569.1
Industrialized Countries	1,265.3	951.8	2,217.1	1,253.8	1,267.8	2,521.6	1,374.0	1,796.5	3,170.5	1,264.8	3,865.8	—	5,130.6	1,468.8	3,790.0	5,258.8	334.7	1,620.6	1,955.3
Multilateral Institutions	—	120.2	120.2	—	280.3	280.3	20.0	274.0	294.0	—	194.1	—	194.1	—	105.3	105.3	—	34.3	34.3
Total	1,265.3	1,072.0	2,337.3	1,253.8	1,548.1	2,801.9	1,394.0	2,070.5	3,464.5	1,264.8	4,059.9	—	5,324.7	1,468.8	3,895.3	5,364.1	334.7	1,654.9	1,989.6
Grand total	1,710.6	1,443.9	3,154.5	1,669.5	2,058.2	3,727.7	2,177.6	2,666.5	4,844.1	2,038.2	5,260.4	72.0	7,370.6	1,718.5	4,975.9	6,694.4	387.7	2,171.0	2,558.7

(1) Includes issues both publicly offered and privately placed.
(2) Includes London, Continental Europe and the Eurobond Market.
(3) Includes Kuwait and Saudi Arabia.
(4) These are companies which have several parent companies of diverse nationalities. They include the following corporations: Ameribas Holdings, BEC Finance N.V., Compagnie Internationale des Wagons-Lits et du Tourisme, Queensland Alumina Holdings, N.V. Rotterdam-Rijn Pijpleiding, Shell International Finance N.V., Société Financière Européenne, Transalpine Finance Holdings, Shell Française.
(5) Société Européenne pour le Financement de Matériel Ferroviaire.
(6) Société Ferroviaire Internationale de Transport Frigorifiques.
(7) Includes 2 issues of Y72.0 billion privately placed in Japan.
(8) East African Community.
(P) Preliminary.
Source: World Bank.

Average Issue Yield of New Foreign and International Bonds, 1965-1969, First Half of 1970[1]

Table 12

(Percentages)

Year and quarter of issue	Issued in North American Markets by[2]				Issued in European Markets by					Issued in Eurobond Market by				
	World Bank	Inter-American Development Bank	Canada[3]	Others[4]	World Bank	Other International Development Institutions	U.S. Corporations	Other Industrialized Countries[4]	Developing Countries[3]	World Bank	Other International Development Institutions	U.S. Corporations	Other Industrialized Countries[4]	Developing Countries[3]
1965														
First Quarter	4.55	—	—	6.63	5.50	—	—	5.86	5.89	—	—	—	6.01	—
Second Quarter	—	—	4.75	6.06	4.75	—	—	5.51	7.36	—	—	6.06	5.97	—
Third Quarter	—	—	4.85	7.00	—	—	4.75	6.46	—	—	—	6.09	6.07	—
Fourth Quarter	—	—	5.25	6.66	—	—	—	6.06	6.00	—	—	5.21	6.08	—
1966														
First Quarter	5.98	—	5.50	7.09	—	—	5.00	5.71	—	—	—	5.27	6.53	—
Second Quarter	5.39	—	5.60	6.92	—	—	—	5.33	—	—	—	5.84	6.74	6.72
Third Quarter	—	—	6.25	—	—	5.75[6]	—	6.57	6.00	—	—	7.24	6.90	7.26
Fourth Quarter	6.41	—	6.37	—	—	—	—	6.89	7.25	—	—	6.75	6.88	7.35
1967														
First Quarter	5.35	5.20	5.81	—	—	—	5.62	6.35	—	—	—	6.23	6.84	7.78
Second Quarter	—	—	6.35	—	5.04	—	5.35	5.78	—	—	—	6.29	6.69	7.28
Third Quarter	5.95	—	6.51	7.19	—	—	5.50	6.34	—	—	—	5.77	6.83	7.45
Fourth Quarter	—	6.55	6.86	7.25	6.00	7.25[6]	5.25	6.71	7.36	—	—	5.11	6.90	7.24
1968														
First Quarter	6.71	—	7.06	—	7.08	—	5.27	6.10	8.68	—	—	5.34	7.37	8.33
Second Quarter	—	—	7.37	7.12	5.89	6.98[6]	5.60	6.71	—	—	—	5.09	7.18	7.42
Third Quarter	6.54	—	7.30	—	6.56[5]	6.16[6]	—	5.56	—	—	—	5.72	5.99	7.48
Fourth Quarter	—	6.78	7.28	5.92	5.35	7.16[6]	5.65	6.41	7.42	—	—	6.51	6.88	7.75
1969														
First Quarter	—	—	7.76	—	—	6.46[6]	5.28	6.28	6.00	—	—	5.92	6.40	8.19
Second Quarter	—	—	8.21	6.50	6.77	—	5.70	6.61	6.86	—	—	6.80	6.79	7.06
Third Quarter	—	—	8.82	—	—	7.24[6]	6.45	7.18	—	—	7.41[7]	7.62	7.50	7.73
Fourth Quarter	—	—	9.61	—	—	—	6.28	7.00	8.79	—	—	7.44	7.12	9.00
1970 (P)														
First Quarter	—	—	9.49	—	—	—	6.44	6.38	7.50	—	—	7.79	8.31	—
Second Quarter	—	—	—	7.00	—	7.19[7]	6.50	7.58	—	—	—	9.03	8.40	—

(1) Includes publicly offered bonds only.
(2) Includes Canada and United States.
(3) Issues by governments, public and private corporations.
(4) Issues by governments, public and private corporations, and multilateral European institutions.
(5) Includes issue in Kuwait.
(6) Issues by Inter-American Development Bank.
(7) Issue by Asian Development Bank.
(P) Preliminary.
Source: World Bank.

Bank Appendices

Balance Sheet

June 30, 1970
Expressed in United States Currency—See Notes to Financial Statements, Appendix F

Assets		1970	1969
DUE FROM BANKS AND OTHER DEPOSITORIES			
Member currencies			
Unrestricted	$ 28,305,616		$ 20,929,825
Subject to restrictions—Note B	81,009,906		81,629,458
	$109,315,522		102,559,283
Non-member currency (Swiss francs)	7,514,211		2,295,449
		$ 116,829,733	104,854,732
INVESTMENTS			
Obligations of governments and their instrumentalities (At cost or amortized cost; face amount $980,646,233—1970, $763,633,501—1969)	$968,842,430		756,328,705
Time deposits	750,846,474		619,459,826
Accrued interest	61,282,344		33,558,193
		1,780,971,248	1,409,346,724
RECEIVABLE ON ACCOUNT OF SUBSCRIBED CAPITAL (See Appendix C)—Note B			
Non-negotiable, non-interest-bearing, demand notes	$348,221,329		368,683,103
Amounts required to maintain value of currency holdings	2,867,635		7,950,786
		351,088,964	376,633,889
EFFECTIVE LOANS HELD BY BANK (See Appendix D) (Including undisbursed balance $2,925,876,958—1970, $2,373,035,367—1969)		8,888,920,209	7,986,944,376
ACCRUED CHARGES ON LOANS		96,281,212	90,641,153
RECEIVABLE FROM PURCHASERS ON ACCOUNT OF EFFECTIVE LOANS AGREED TO BE SOLD (Including undisbursed balance $12,825,125—1970, $31,851,150—1969)		23,910,714	47,660,572
UNAMORTIZED BOND ISSUANCE COSTS		34,427,794	34,964,306
LAND AND BUILDINGS	$ 40,386,877		37,910,133
Less—Reserve for depreciation	3,922,989		3,386,831
		36,463,888	34,523,302
OTHER ASSETS (Including special deposits Nil—1970, $15,000,000—1969)		7,302,585	23,597,167
SPECIAL RESERVE FUND ASSETS—Note C			
Due from Banks—member currency—United States	$ 693		—
Investment securities—Obligations of United States Government and its instrumentalities (At cost or amortized cost; face amount $292,128,806—1970, $290,915,000—1969)	291,750,341		291,331,229
Accrued loan commissions	134,800		172,306
		291,885,834	291,503,535
STAFF RETIREMENT PLAN ASSETS (Segregated and held in trust)		50,017,638	43,720,909
TOTAL		$11,678,099,819	$10,444,390,665

Liabilities, Reserves and Capital		1970	1969
LIABILITIES			
Accrued interest on borrowings		$ 91,240,879	$ 76,416,466
Accounts payable and other liabilities		8,708,488	12,815,638
Due to International Development Association		162,640,000	92,200,000
Undisbursed balance of effective loans (See Appendix D)			
Held by Bank	$ 2,925,876,958		2,373,035,367
Agreed to be sold	12,825,125		31,851,150
		2,938,702,083	2,404,886,517
Funded debt (See Appendix E) (Including amount due within one year $509,684,670—1970, $388,268,069—1969)		4,568,304,977	4,081,215,562
RESERVES			
Special reserve—Note C	$ 291,885,834		291,503,535
Supplemental reserve against losses on loans and guarantees and from currency devaluations—Note D	1,036,858,375		962,890,283
		1,328,744,209	1,254,393,818
STAFF RETIREMENT PLAN RESERVE		50,017,638	43,720,909
CAPITAL			
Capital stock (See Appendix C)—Note E			
Authorized 240,000 shares of $100,000 par value each			
Subscribed 231,588 shares—1970, 230,364 shares—1969	$23,158,800,000		23,036,400,000
Less—Uncalled portion of subscriptions—Note F	20,842,920,000		20,732,760,000
		2,315,880,000	2,303,640,000
Payments on account of pending subscriptions		992,270	3,664,000
Net income—Note D			
Fiscal year ended June 30 (See Appendix B)		212,869,275	171,437,755
TOTAL		$11,678,099,819	$10,444,390,665

Statement of Income and Expenses

Appendix B

International Bank for
Reconstruction and Development

For the Fiscal Years Ended June 30, 1970 and June 30, 1969
Expressed in United States Currency—See Notes to Financial Statements, Appendix F

	July 1-June 30	
	1969/70	1968/69
Income		
Income from investments	$149,217,323	$ 88,133,128
Income from loans:		
Interest	326,619,819	302,903,683
Commitment charges	17,613,602	11,391,058
Commissions	382,299	486,190
Service charges	45,708	64,089
Other income	10,788,907	7,787,396
GROSS INCOME	$504,667,658	$410,765,544
Deduct—Amount equivalent to commissions appropriated to Special Reserve—Note C	382,299	486,190
Gross Income Less Reserve Deduction	$504,285,359	$410,279,354
Expenses		
Administrative expenses (Including International Development Association)[1]:		
Personal services	$ 31,847,042	$ 24,533,292
Contributions to staff benefits	5,146,089	3,937,403
Fees and compensation	4,284,601	2,210,876
Representation	330,445	300,420
Grants to member countries	376,043	509,892
FAO and Unesco cooperative programs	2,055,973	1,701,520
Travel	8,717,178	6,497,783
Supplies and material	486,901	332,048
Office occupancy	3,553,635	2,180,799
Communication services	1,467,054	1,203,580
Furniture and equipment	1,626,857	916,538
Books and library services	401,058	373,757
Printing	726,309	609,830
Insurance	193,454	185,102
Other expenses	40,099	32,707
TOTAL	$ 61,252,738	$ 45,525,547
Deduct—Management Fee charged to International Development Association	15,800,000	4,200,000
TOTAL ADMINISTRATIVE EXPENSES	$ 45,452,738	$ 41,325,547
Interest on borrowings	242,372,908	194,471,597
Bond issuance and other financial expenses	3,549,270	2,873,150
Discount on sale of loans	41,168	171,305
GROSS EXPENSES	$291,416,084	$238,841,599
Net Income—Note D	$212,869,275	$171,437,755

[1] The amount previously reported as "Services to member countries" for the fiscal year ended June 30, 1969 has been included in "Administrative expenses" for that fiscal year.

Statement of Subscriptions to Capital Stock and Voting Power

Appendix C

International Bank for Reconstruction and Development

June 30, 1970

Expressed in United States Currency (in thousands)—See Notes to Financial Statements, Appendix F

Member	Subscriptions: Shares	Subscriptions: Percent of total	Subscriptions: Amount (Note E)	Amounts Paid in: In United States dollars	Amounts Paid in: In currency of member other than United States dollars (Note B)	Amounts Paid in: In non-negotiable, non-interest-bearing, demand notes (Note B)	Subject to call to meet obligations of Bank (Note F)	Voting Power: Number of votes	Voting Power: Percent of total
Afghanistan	300	.13	$ 30,000	$ 300	$ 1,200	$ 1,500	$ 27,000	550	.21
Algeria	800	.35	80,000	800	72	7,128	72,000	1,050	.40
Argentina	3,733	1.61	373,300	16,772	1,000	19,558	335,970	3,983	1.53
Australia	5,330	2.30	533,000	5,330	47,970	—	479,700	5,580	2.15
Austria	1,867	.81	186,700	1,867	16,803	—	168,030	2,117	.81
Belgium	4,500	1.94	450,000	4,500	40,500	—	405,000	4,750	1.83
Bolivia	210	.09	21,000	210	13	1,877	18,900	460	.18
Botswana	32	.01	3,200	32	8	280	2,880	282	.11
Brazil	3,733	1.61	373,300	3,733	33,597	—	335,970	3,983	1.53
Burma	507	.22	50,700	507	1,207	3,356	45,630	757	.29
Burundi	150	.07	15,000	150	15	1,335	13,500	400	.15
Cameroon (1)	200	.09	20,000	200	29	1,573	18,000	450	.17
Canada	7,920	3.42	792,000	7,920	71,280	—	712,800	8,170	3.14
Central African Republic (1)	100	.04	10,000	100	38	765	9,000	350	.14
Ceylon	827	.36	82,700	827	908	6,535	74,430	1,077	.41
Chad	100	.04	10,000	100	24	876	9,000	350	.14
Chile	933	.40	93,300	933	8,397	—	83,970	1,183	.46
China	7,500	3.24	750,000	7,500	7,043	60,457	675,000	7,750	2.98
Colombia	933	.40	93,300	9,330	—	—	83,970	1,183	.46
Congo, Democratic Republic of	960	.41	96,000	960	694	7,946	86,400	1,210	.47
Congo, People's Republic of (1)	100	.04	10,000	100	27	775	9,000	350	.14
Costa Rica	107	.05	10,700	467	603	—	9,630	357	.14
Cyprus	213	.09	21,300	213	21	1,896	19,170	463	.18
Dahomey (1)	100	.04	10,000	100	31	771	9,000	350	.14
Denmark	1,733	.75	173,300	1,733	15,597	—	155,970	1,983	.76
Dominican Republic	133	.06	13,300	133	483	714	11,970	383	.15
Ecuador	171	.07	17,100	1,710	—	—	15,390	421	.16
El Salvador	107	.05	10,700	287	783	—	9,630	357	.14
Ethiopia	100	.04	10,000	1,000	—	—	9,000	350	.14
Finland	1,333	.58	133,300	1,333	11,997	—	119,970	1,583	.61
France	10,500	4.53	1,050,000	10,500	94,500	—	945,000	10,750	4.14
Gabon	100	.04	10,000	100	32	868	9,000	350	.14
Gambia, The	53	.02	5,300	53	6	471	4,770	303	.12
Germany	12,800	5.53	1,280,000	12,800	115,200	—	1,152,000	13,050	5.02
Ghana	734	.32	73,400	734	1,892	4,714	66,060	984	.38
Greece	667	.29	66,700	667	6,003	—	60,030	917	.35
Guatemala	107	.05	10,700	467	603	—	9,630	357	.14
Guinea	200	.09	20,000	200	1,800	—	18,000	450	.17
Guyana	160	.07	16,000	160	15	1,425	14,400	410	.16
Haiti	150	.07	15,000	150	41	1,309	13,500	400	.15
Honduras	80	.03	8,000	620	—	180	7,200	330	.13
Iceland	150	.07	15,000	1,500	—	—	13,500	400	.15
India	8,000	3.45	800,000	8,000	24,951	47,049	720,000	8,250	3.17
Indonesia	2,200	.95	220,000	2,200	698	19,102	198,000	2,450	.94
Iran	1,286	.55	128,600	1,286	8,100	3,474	115,740	1,536	.59
Iraq	640	.28	64,000	640	1,350	4,410	57,600	890	.34
Ireland	853	.37	85,300	853	6,385	1,292	76,770	1,103	.42
Israel	959	.41	95,900	3,038	1,843	4,709	86,310	1,209	.47
Italy	6,660	2.88	666,000	6,660	59,940	—	599,400	6,910	2.66
Ivory Coast (1)	200	.09	20,000	200	1,512	216	18,000	450	.17
Jamaica	400	.17	40,000	2,045	22	1,933	36,000	650	.25
Japan	7,726	3.34	772,600	7,726	69,534	—	695,340	7,976	3.07
Jordan	163	.07	16,300	163	61	1,406	14,670	413	.16
Kenya	333	.14	33,300	333	1,471	1,526	29,970	583	.22
Korea	533	.23	53,300	533	1,130	3,667	47,970	783	.30
Kuwait	667	.29	66,700	667	6,003	—	60,030	917	.35
Laos	100	.04	10,000	100	900	—	9,000	350	.14
Lebanon	90	.04	9,000	900	—	—	8,100	340	.13
Lesotho	32	.01	3,200	32	3	285	2,880	282	.11
Liberia	213	.09	21,300	213	13	1,904	19,170	463	.18

(continued)

Statement of Subscriptions to Capital Stock and Voting Power (continued)

Appendix C

International Bank for Reconstruction and Development

June 30, 1970

Expressed in United States Currency (in thousands)—See Notes to Financial Statements, Appendix F

Member	Subscriptions			Amounts Paid in			Subject to call to meet obligations of Bank (Note F)	Voting Power	
	Shares	Percent of total	Amount (Note E)	In United States dollars	In currency of member other than United States dollars (Note B)	In non-negotiable, non-interest-bearing, demand notes (Note B)		Number of votes	Percent of total
Libya	200	.09	$ 20,000	$ 2,000	$ —	$ —	$ 18,000	450	.17
Luxembourg	200	.09	20,000	200	1,800	—	18,000	450	.17
Malagasy Republic	200	.09	20,000	200	37	1,763	18,000	450	.17
Malawi	150	.07	15,000	150	36	1,314	13,500	400	.15
Malaysia	1,333	.58	133,300	1,333	11,997	—	119,970	1,583	.61
Mali	173	.07	17,300	173	1,557	—	15,570	423	.16
Mauritania	100	.04	10,000	100	26	874	9,000	350	.14
Mauritius	171	.07	17,100	171	16	1,523	15,390	421	.16
Mexico	2,080	.90	208,000	2,080	18,720	—	187,200	2,330	.90
Morocco	960	.41	96,000	960	99	8,541	86,400	1,210	.47
Nepal	100	.04	10,000	100	9	891	9,000	350	.14
Netherlands	5,500	2.37	550,000	5,500	49,500	—	495,000	5,750	2.21
New Zealand	1,667	.72	166,700	1,667	129	14,874	150,030	1,917	.74
Nicaragua	80	.03	8,000	620	180	—	7,200	330	.13
Niger[1]	100	.04	10,000	100	26	776	9,000	350	.14
Nigeria	1,067	.46	106,700	1,067	256	9,347	96,030	1,317	.51
Norway	1,600	.69	160,000	1,600	14,400	—	144,000	1,850	.71
Pakistan	2,000	.86	200,000	2,000	2,049	15,951	180,000	2,250	.87
Panama	90	.04	9,000	126	—	774	8,100	340	.13
Paraguay	60	.03	6,000	60	540	—	5,400	310	.12
Peru	635	.27	63,500	3,785	44	2,521	57,150	885	.34
Philippines	1,173	.51	117,300	3,873	6,300	1,557	105,570	1,423	.55
Portugal	800	.35	80,000	800	7,200	—	72,000	1,050	.40
Rwanda	150	.07	15,000	150	1,350	—	13,500	400	.15
Saudi Arabia	960	.41	96,000	960	22	8,618	86,400	1,210	.47
Senegal[1]	333	.14	33,300	333	37	2,630	29,970	583	.22
Sierra Leone	150	.07	15,000	150	20	1,330	13,500	400	.15
Singapore	320	.14	32,000	320	2,304	576	28,800	570	.22
Somalia	150	.07	15,000	150	14	1,336	13,500	400	.15
South Africa	2,133	.92	213,300	2,133	19,197	—	191,970	2,383	.92
Southern Yemen	235	.10	23,500	235	22	2,093	21,150	485	.19
Spain	2,667	1.15	266,700	2,667	22,803	1,200	240,030	2,917	1.12
Sudan	600	.26	60,000	600	1,800	3,600	54,000	850	.33
Swaziland	64	.03	6,400	64	6	570	5,760	314	.12
Sweden	2,400	1.04	240,000	2,400	21,600	—	216,000	2,650	1.02
Syrian Arab Republic	400	.17	40,000	400	44	3,556	36,000	650	.25
Tanzania	333	.14	33,300	333	78	2,919	29,970	583	.22
Thailand	1,013	.44	101,300	7,652	82	2,396	91,170	1,263	.49
Togo[1]	150	.07	15,000	150	35	1,168	13,500	400	.15
Trinidad and Tobago	467	.20	46,700	1,709	24	2,937	42,030	717	.28
Tunisia	373	.16	37,300	373	74	3,283	33,570	623	.24
Turkey	1,150	.50	115,000	1,150	271	10,079	103,500	1,400	.54
Uganda	333	.14	33,300	333	78	2,919	29,970	583	.22
United Arab Republic	1,421	.61	142,100	1,421	145	12,644	127,890	1,671	.64
United Kingdom[1]	26,000	11.23	2,600,000	26,000	232,270	—	2,340,000	26,250	10.10
United States	63,500	27.42	6,350,000	635,000	—	—	5,715,000	63,750	24.53
Upper Volta	100	.04	10,000	100	26	874	9,000	350	.14
Uruguay[2]	280	.12	28,000	1,981	63	756	25,200	530	.20
Venezuela	1,867	.81	186,700	18,670	—	—	168,030	2,117	.81
Viet-Nam	427	.18	42,700	427	3,843	—	38,430	677	.26
Yemen Arab Republic	85	.04	8,500	85	765	—	7,650	335	.13
Yugoslavia	1,067	.46	106,700	9,373	1,297	—	96,030	1,317	.51
Zambia	533	.23	53,300	533	48	4,749	47,970	783	.30
TOTALS	231,588	100.00	$23,158,800	$877,204	$1,087,587	$348,221	$20,842,920	259,838	100.00

[1] Amounts aggregating the equivalent of $2,867,635 receivable as a result of revaluation of these currencies, are not included in the "Amounts Paid in" columns.
[2] The equivalent of $131,000 has been received from Uruguay on account of an increase in subscription which is in process of completion.
General: $640,000 from Equatorial Guinea and $221,270 from Cambodia have been received on account of their capital subscriptions pending admission to membership.

Summary Statement of Loans

Appendix D

International Bank for
Reconstruction and Development

June 30, 1970

Expressed in United States Currency—See Notes to Financial Statements, Appendix F

Members in whose territories loans have been made[1]	Effective loans held by Bank: Disbursed portion	Undisbursed portion[2]	Total[3]	Loans not yet effective[4]
Algeria	$ 12,715,000	$ —	$ 12,715,000	$ —
Argentina	168,244,616	161,279,384	329,524,000	—
Australia	138,139,841	6,369,955	144,509,796	4,500,000
Austria	48,786,331	—	48,786,331	—
Belgium	25,971,871	—	25,971,871	—
Bolivia	—	—	—	23,250,000
Brazil	225,816,722	247,333,826	473,150,548	205,000,000
Burma	15,359,567	—	15,359,567	—
Cameroon	2,124,898	17,775,102	19,900,000	17,200,000
Ceylon	26,234,038	35,824,610	62,058,648	14,500,000
Chile	97,693,370	49,990,751	147,684,121	19,300,000
China	65,130,665	94,175,151	159,305,816	71,500,000
Colombia	322,916,834	142,940,733	465,857,567	127,600,000
Congo, People's Republic of	30,000,000	—	30,000,000	—
Costa Rica	33,944,843	34,998,392	68,943,235	—
Cyprus	14,749,538	16,723,674	31,473,212	—
Denmark	33,294,800	—	33,294,800	—
Dominican Republic	1,670,575	23,329,425	25,000,000	—
Ecuador	33,714,837	7,481,163	41,196,000	—
El Salvador	24,808,591	7,381,049	32,189,640	—
Ethiopia	44,140,739	34,814,601	78,955,340	—
Finland	118,178,705	11,680,750	129,859,455	—
France	10,614,414	—	10,614,414	—
Gabon	12,421,015	6,228,985	18,650,000	—
Ghana	43,475,596	5,982,404	49,458,000	—
Greece	7,951,866	4,378,134	12,330,000	20,000,000
Guatemala	11,424,050	17,299,950	28,724,000	—
Guinea	12,424,827	52,075,173	64,500,000	—
Guyana	85,901	7,714,099	7,800,000	—
Haiti	509,000	—	509,000	—
Honduras	25,183,577	11,935,423	37,119,000	5,500,000
Iceland	19,723,125	221,884	19,945,009	—
India	491,315,066	122,144,686	613,459,752	40,000,000
Iran	151,886,309	120,311,145	272,197,454	42,000,000
Iraq	11,372,624	7,527,376	18,900,000	—
Ireland	1,151,950	12,422,351	13,574,301	—
Israel	84,584,517	4,278,292	88,862,809	25,000,000
Italy	142,854,896	—	142,854,896	—
Ivory Coast	2,367,531	20,532,469	22,900,000	18,500,000
Jamaica	27,018,698	13,625,538	40,644,236	2,000,000
Japan	470,775,155	—	470,775,155	—
Kenya	259,783	23,240,217	23,500,000	2,600,000
Kenya, Tanzania and Uganda[5]	44,787,590	41,212,410	86,000,000	52,800,000
Korea	4,183,259	65,816,741	70,000,000	40,000,000
Lebanon	18,136,084	—	18,136,084	—
Liberia	5,936,136	9,013,675	14,949,811	—
Malagasy Republic	983,565	10,116,435	11,100,000	—
Malaysia	132,555,551	73,591,878	206,147,429	21,500,000
Mexico	532,185,161	230,800,798	762,985,959	21,800,000
Morocco	50,324,583	80,826,678	131,151,261	—
New Zealand	84,092,104	1,967,587	86,059,691	—
Nicaragua	22,439,559	15,488,441	37,928,000	—
Nigeria	143,949,253	25,295,747	169,245,000	35,600,000
Norway	82,181,115	—	82,181,115	—
Pakistan	310,699,849	156,335,831	467,035,680	19,200,000
Panama	7,616,000	—	7,616,000	42,000,000
Paraguay	5,848,735	5,310,824	11,159,559	6,000,000
Peru	119,275,783	34,768,618	154,044,401	—
Philippines	112,611,232	78,265,993	190,877,225	—
Portugal	51,805,029	2,144,722	53,949,751	—
Senegal	1,574,962	5,490,377	7,065,339	—
Sierra Leone	4,222,389	2,697,611	6,920,000	—
Singapore	39,298,620	49,803,380	89,102,000	—
South Africa	5,989,208	—	5,989,208	—
Spain	148,712,758	52,918,844	201,631,602	12,000,000

(continued)

Summary Statement of Loans (continued)

Appendix D

International Bank for
Reconstruction and Development

June 30, 1970

Expressed in United States Currency—See Notes to Financial Statements, Appendix F

Members in whose territories loans have been made[1]	Effective loans held by Bank: Disbursed portion	Undisbursed portion[2]	Total[3]	Loans not yet effective[4]
Sudan	$ 87,904,832	$ 23,637,168	$ 111,542,000	$ —
Tanzania	3,118,518	8,991,482	12,110,000	—
Thailand	151,058,834	96,036,746	247,095,580	—
Trinidad and Tobago	4,767,262	19,967,738	24,735,000	—
Tunisia	20,847,706	53,175,329	74,023,035	—
Turkey	41,847,177	58,188,038	100,035,215	—
United Arab Republic	24,750,000	—	24,750,000	—
United Kingdom	92,121,037	201,127	92,322,164	—
Uruguay	51,642,330	2,359,670	54,002,000	6,300,000
Venezuela	212,106,968	62,611,024	274,717,992	—
Yugoslavia	223,165,655	118,431,284	341,596,939	80,000,000
Zambia	22,405,923	35,894,070	58,299,993	5,500,000
Sub-Total members[1]	$5,876,181,048	$2,743,376,958	$8,619,558,006	$981,150,000
International Finance Corporation	17,500,000	182,500,000	200,000,000	—
TOTALS	$5,893,681,048	$2,925,876,958	$8,819,558,006	$981,150,000
Add: Exchange adjustments	69,362,203		69,362,203	
	$5,963,043,251		$8,888,920,209	

Summary of Currencies Repayable on Effective Loans Held by Bank

Currency	Amount
Argentine pesos	$ 995,815
Australian dollars	80,195,354
Austrian schillings	25,498,052
Belgian francs	75,814,041
Burmese kyats	1,561,404
Canadian dollars	167,864,569
Ceylon rupees	295,105
Danish kroner	22,666,672
Deutsche mark	1,155,613,256
Finnish markkaa	16,073,339
French francs	145,668,464
Ghana new cedis	3,653,437
Indian rupees	45,188,684
Iranian rials	12,998,559
Iraqi dinars	2,108,682
Irish pounds	10,111,857
Israel pounds	3,076,707
Italian lire	114,125,452
Japanese yen	317,996,306
Kuwaiti dinars	47,408,386
Luxembourg francs	3,104,005
Malaysian dollars	15,692,801
Mexican pesos	26,887,217
Netherlands guilders	121,687,780
Norwegian kroner	22,776,808
Portuguese escudos	7,920,330
Pounds sterling	232,224,980
Singapore dollars	2,370,315
South African rand	33,998,475
Spanish pesetas	30,077,188
Sudanese pounds	2,854,577
Swedish kronor	45,249,236
Swiss francs	201,327,421
New Taiwan dollar	6,996,734
United States dollars	2,891,599,040
Disbursed portion of effective loans held by Bank	$5,893,681,048
Add: Exchange adjustments	69,362,203
	$5,963,043,251
Add: Undisbursed portion of effective loans held by Bank	2,925,876,958
Effective loans held by Bank	$8,888,920,209

(1) Loans are made (a) to the member or (b) to a political subdivision or a public or a private enterprise in the territories of the member with the member's guarantee. A loan has also been made to International Finance Corporation.

(2) This does not include $12,825,124 of effective loans which the Bank has agreed to sell. Of the undisbursed balance, the Bank has entered into irrevocable commitments to disburse $46,006,409.

(3) Original principal amount of loans signed		$14,597,127,893
Deduct:		
(a) Cancellations, terminations and refundings	$ 322,478,376	
(b) Principal repayments to the Bank	2,126,054,344	
(c) Loans sold or agreed to be sold of which $12,825,124 has not yet been disbursed	2,347,887,167	
(d) Loans not yet effective	981,150,000	5,777,569,887
		$ 8,819,558,006
Add: Exchange adjustments		69,362,203
Effective loans held by Bank		$ 8,888,920,209

(4) Agreements providing for these loans have been signed, but the loans do not become effective and disbursements thereunder do not start until the borrowers and guarantors, if any, take certain action and furnish certain documents to the Bank. The Bank has agreed to sell $1,875,000 of loans not yet effective and thus the total of effective and non-effective loans sold or agreed to be sold is the equivalent of $2,349,762,167.

(5) Loan shared by members shown.

Summary Statement of Funded Debt

Appendix E

International Bank for
Reconstruction and Development

June 30, 1970

Expressed in United States Currency—See Notes to Financial Statements, Appendix F

Payable in	Weighted average interest rates	Due dates	Principal outstanding[1]
Canadian dollars	5.95%	1990-1993	$ 72,913,198
Deutsche mark[2] [3]	6.28%	1970-1985	1,086,801,366
Italian lire	5.00%	1976	24,000,000
Japanese yen	7.14%	1973-1975	200,000,000
Kuwaiti dinars	6.50%	1988	42,000,000
Netherlands guilders	5.03%	1975-1988	39,598,067
Pounds sterling	4.41%	1971-1982	31,024,030
Swedish kronor	6.00%	1992	14,497,768
Swiss francs	4.40%	1970-1985	180,810,548
United States dollars[3] [4]	5.52%	1970-1994	2,876,660,000
TOTAL			$4,568,304,977

[1] The following table shows the aggregate principal amount of maturities, sinking fund requirements, and in the case of certain Canadian issues, non-cumulative purchase fund requirements each year for the five years following the date of this statement:

Period	Amount
July 1, 1970 to June 30, 1971	$ 509,684,670
July 1, 1971 to June 30, 1972	608,557,004
July 1, 1972 to June 30, 1973	353,475,239
July 1, 1973 to June 30, 1974	366,088,409
July 1, 1974 to June 30, 1975	269,094,008
TOTAL	$2,106,899,330

[2] The Bank has arranged to refinance at maturity, August 1, 1970, notes and bonds totaling $30.0 million and DM 130.0 million (US equivalent $35.5 million) by issuing new notes totaling DM 239.8 million (US equivalent $65.5 million) to mature February 1, 1975.

[3] In July 1970 the Bank announced that it intends to offer during the latter part of that month in the United States $200 million principal amount of 25-year bonds and that it has signed an agreement with a syndicate of German banks for a public issue of DM 200 million (US equivalent $54.6 million) principal amount of 10-year bonds.

[4] The Bank had entered into agreements to sell additional bonds totaling $43,525,000 of one outstanding issue. In accordance with these agreements, delivery of such bonds was made against payment therefor on July 8, 1970.

Notes to Financial Statements

Appendix F

International Bank for
Reconstruction and Development

June 30, 1970

Note A

Amounts in currencies other than United States dollars have been translated into United States dollars:

(i) In the cases of 81 members, at the par values as specified in the "Schedule of Par Values," published by the International Monetary Fund;

(ii) In the cases of the remaining 32 members (Algeria, Argentina, Bolivia, Brazil, Cameroon, Central African Republic, Chad, Chile, China, Colombia, Democratic Republic of Congo, People's Republic of Congo, Dahomey, Gabon, Guinea, Indonesia, Ivory Coast, Korea, Laos, Malagasy Republic, Mali, Mauritania, Mauritius, Niger, Paraguay, Peru, Senegal, Southern Yemen, Togo, Upper Volta, Viet-Nam and Yemen Arab Republic) at the rates used by such members in making payments of capital subscriptions to the Bank; and

(iii) In the case of Swiss francs, non-member currency, at the rate of 4.2975 Swiss francs to 1 United States dollar.

See also Note B.

No representation is made that any currency held by the Bank is convertible into any other currency at any rate or rates.

Note B

These currencies of the several members, and the notes issued by them in substitution for any part of such currencies as permitted under the provisions of Article V, Section 12 of the Articles of Agreement of the Bank, are derived from the portion of the subscriptions to the capital stock of the Bank which is payable in the currencies of the respective members (such portion being hereinafter called restricted currency). Such restricted currencies may be loaned by the Bank, and funds received by the Bank on account of principal of loans made by the Bank out of such restricted currencies may be exchanged for other currencies or reloaned, only with the approval in each case of the member whose restricted currency is involved; provided, however, that, if necessary, after the Bank's subscribed capital is entirely called, such restricted currencies may, without restriction by the members whose currencies are offered, be used or exchanged for the currencies required to meet contractual payments of interest, other charges or amortization on the Bank's own borrowings or to meet the Bank's liabilities with respect to contractual payments on loans guaranteed by it.

Under Article II, Section 9, each member is required, if the par value of its currency is reduced or if the foreign exchange value of its currency depreciates to a significant extent in its territories, to maintain the value of the Bank's holdings of its restricted currency, including the principal amount of any notes substituted therefor, and the Bank is required, if the par value of a member's currency is increased, to return to the member the increase in the value of such restricted currency held by the Bank. Pursuant to the above provisions, the equivalent of $2,867,635 is receivable from 9 members on account of restricted currencies held by the Bank.

To the extent such restricted currencies are out on loan, the Bank and the members are obligated to make payments under Article II, Section 9 only when such restricted currencies are recovered by the Bank.

The equivalent of $41,480,303 would be receivable from three members if such currencies had been recovered at June 30, 1970, pursuant to the above-mentioned provisions.

Some members have converted part or all of the Bank's holdings of their restricted currency into United States dollars to be used and reused as United States dollars in the Bank's operations, subject to the right of the Bank or the member to reverse the transactions at any time, with immediate effect as to dollars then held by the Bank, and, as to dollars loaned, upon repayment of the loans. Such dollars while held by the Bank or on loan are not subject to the provisions of Article II, Section 9. Such dollars held by the Bank or repayable on loans are shown in these financial statements under "United States dollars" and, where relevant, as "unrestricted."

Note C

Amounts of commissions set aside pursuant to Article IV, Section 6, as a Special Reserve to be held in liquid form and to be used only for the purpose of meeting liabilities of the Bank on its borrowings and guarantees.

Note D

Of the $212,869,275 net income earned in the fiscal year ended June 30, 1970, in July the President of the Bank proposed to the Executive Directors that they approve the allocation of $112,869,275 to the Supplemental Reserve Against Losses on Loans and Guarantees and from Currency Devaluations and that they recommend to the Board of Governors that an amount equal to the balance of $100,000,000 be transferred by way of grant to the International Development Association.

Of the $171,437,755 net income earned in the fiscal year ended June 30, 1969, the Bank in July 1969, allocated $71,437,755 to the Supplemental Reserve Against Losses on Loans and Guarantees and from Currency Devaluations and in October 1969 transferred the balance of $100,000,000 by way of grant to the International Development Association.

Consistent with past practice, the Supplemental Reserve Against Losses on Loans and Guarantees and from Currency Devaluations has been charged and credited during the current fiscal year with the undermentioned amounts representing a net gain to the Bank as a result of the revaluation of the amounts of earnings held by the Bank at the respective dates of revaluation in the currencies indicated:

Currency	Gain (loss) on revaluation	Date of revaluation
French francs	$(5,725,902)	August 1969
Deutsche mark	8,256,239	October 1969
Total	$ 2,530,337	

Note E

In terms of United States dollars of the weight and fineness in effect on July 1, 1944.

Note F

Subject to call by the Bank only when required to meet the obligations of the Bank created by borrowing or by guaranteeing loans. As to $18,527,040,000 the restriction on calls is imposed by the Articles of Agreement; as to $2,315,880,000 by resolutions of the Board of Governors.

General

The Executive Directors have recommended that the Board of Governors adopt a resolution which would authorize certain members of the Bank to make additional subscriptions to the capital of the Bank. In order to provide the authorized capital necessary for such increases, future increases in members' subscriptions and subscriptions for new members, the Executive Directors have also recommended that the Board of Governors adopt a resolution whereby the authorized capital of the Bank would be increased by $3,000,000,000. The Board of Governors is now voting on these resolutions. As a result of these actions, the subscribed capital of the Bank may be increased by an amount in excess of $2,000,000,000.

Opinion of Independent Auditor

1707 L STREET, N.W.
WASHINGTON, D.C. 20036
JULY 22, 1970

To
INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT
WASHINGTON, D.C.

In our opinion, the accompanying financial statements (Appendix A through Appendix F) present fairly, in terms of United States currency, the financial position of International Bank for Reconstruction and Development at June 30, 1970, and the results of its operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year. Our examination of these statements was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

PRICE WATERHOUSE & CO.

Financial Statements Covered by the Foregoing Opinion

Statement of Loans Signed During the Fiscal Year 1969/70

Expressed in United States Currency

GUARANTOR Purpose and Borrower	Date of Loan Agreement	Maturities	Interest rate	Principal amount
Argentina (Guarantor)				
Power—Servicios Eléctricos del Gran Buenos Aires, S.A.	November 14, 1969	1973/1989	7%	$ 60,000,000
Australia (Guarantor)				
Roads—Administration of the Territory of Papua and New Guinea	June 24, 1970	1974/1994	7%	4,500,000
Bolivia (Guarantor)				
Gas Pipeline—Compañía Yacibol Bogoc Transportadores	July 22, 1969	1971/1990	6½%	23,250,000
Brazil				
Roads	May 25, 1970	1974/1995	7%	100,000,000
Brazil (Guarantor)				
Power—Central Elétrica de Furnas, S.A.	May 25, 1970	1977/2000	7%	80,000,000
Industry—Banco do Nordeste do Brasil, S.A.	February 16, 1970	1973/1987	7%	25,000,000
Cameroon				
Roads	March 27, 1970	1980/2000	7%	12,000,000
Cameroon (Guarantor)				
Railways—Régie des Chemins de Fer du Cameroun	June 9, 1970	1975/1995	7%	5,200,000
Ceylon				
Agriculture and Power	January 30, 1970	1976/2000	7%	14,500,000
Ceylon (Guarantor)				
Industry—Development Finance Corporation of Ceylon	July 18, 1969	1972/1987	6½%	8,000,000
Power—Ceylon Electricity Board	July 28, 1969	1974/1994	6½%	21,000,000
Chile				
Education	May 7, 1970	1980/1995	7%	7,000,000
Roads	June 10, 1970	1974/1995	7%	10,800,000
Chile (Guarantor)				
Education—Corporación de Fomento de la Producción	April 23, 1970	1975/1995	7%	1,500,000
China				
Education	June 19, 1970	1980/1995	7%	9,000,000
China (Guarantor)				
Industry—China Development Corporation	May 16, 1970	1972/1982	7%	18,000,000
Power—Taiwan Power Company	May 16, 1970	1975/1990	7%	44,500,000
Colombia				
Agriculture	December 29, 1969	1975/1987	7%	18,300,000
Education	June 4, 1970	1980/2000	7%	6,500,000
Roads	June 4, 1970	1974/1995	7%	32,000,000
Colombia (Guarantor)				
Power—Interconexión Eléctrica, S.A.	June 4, 1970	1977/2000	7%	52,300,000
Water Supply and Sewerage—Establecimiento Público Empresas Municipales de Cali	June 4, 1970	1974/1995	7%	18,500,000
Costa Rica				
Roads	April 2, 1970	1976/2000	7%	15,700,000
Costa Rica (Guarantor)				
Power—Instituto Costarricense de Electricidad	July 10, 1969	1973/1994	6½%	12,000,000
Telecommunications—Instituto Costarricense de Electricidad	July 10, 1969	1973/1989	6½%	6,500,000
Cyprus (Guarantor)				
Power—Electricity Authority of Cyprus	December 24, 1969	1973/1990	7%	5,000,000
Dominican Republic (Guarantor)				
Industry—Falconbridge Dominicana, C. por A.	December 10, 1969	1973/1984	7%	25,000,000
Greece (Guarantor)				
Industry—National Investment Bank for Industrial Development, S.A.	April 15, 1970	1972/1986	7%	20,000,000
Honduras				
Power	June 24, 1970	1974/1990	7%	5,500,000
India (Guarantor)				
Industry—The Industrial Credit and Investment Corporation of India Limited	June 3, 1970	1973/1987	7%	40,000,000
Iran				
Roads	June 29, 1970	1975/1995	7%	42,000,000
Iran (Guarantor)				
Agriculture—Agricultural Development Fund of Iran	March 25, 1970	1974/1984	7%	6,500,000
Israel (Guarantor)				
Industry—Industrial Development Bank of Israel Limited	June 15, 1970	1972/1984	7%	25,000,000
Ivory Coast				
Education	April 27, 1970	1979/1999	7%	11,000,000
Agriculture	June 5, 1970	1977/1985	7%	7,500,000

Appendix G

International Bank for Reconstruction and Development

GUARANTOR Purpose and Borrower	Date of Loan Agreement	Maturities	Interest rate	Principal amount
Jamaica				
Family Planning	June 18, 1970	1975/1990	7%	$ 2,000,000
Kenya				
Roads	October 10, 1969	1979/1994	7%	23,500,000
Agriculture	November 7, 1969	1979/1994	7%	2,600,000
Kenya, Tanzania and Uganda (Guarantors)				
Railways—East African Railways Corporation	May 25, 1970	1975/1995	7%	42,400,000
Ports—East African Harbours Corporation	August 25, 1969	1974/1994	6½%	35,000,000
Telecommunications—East African Posts and Telecommunications Corporation	May 25, 1970	1975/1995	7%	10,400,000
Korea				
Railways	May 14, 1970	1974/1995	7%	40,000,000
Liberia (Guarantor)				
Power—Public Utilities Authority	June 4, 1970	1975/1990	7%	7,400,000
Malaysia				
Agriculture	May 20, 1970	1977/1994	7%	13,000,000
Agriculture	May 20, 1970	1974/1982	7%	8,500,000
Mexico (Guarantor)				
Power—Comisión Federal de Electricidad and Nacional Financiera, S.A.	February 27, 1970	1974/1990	7%	125,000,000
Roads—Nacional Financiera, S.A.	June 26, 1970	1975/1995	7%	21,800,000
Morocco				
Roads	November 13, 1969	1974/1989	7%	7,300,000
Agriculture	November 13, 1969	1978/1999	7%	46,000,000
Morocco (Guarantor)				
Industry—Banque Nationale pour le Développement Economique	March 6, 1970	1972/1986	7%	15,000,000
Nigeria				
Roads	November 6, 1969	1972/1984	7%	10,600,000
Transport Rehabilitation	June 26, 1970	1974/1984	7%	25,000,000
Pakistan (Guarantor)				
Gas Pipelines—Sui Northern Gas Pipelines Limited	June 29, 1970	1973/1991	7%	19,200,000
Panama (Guarantor)				
Power—Instituto de Recursos Hidráulicos y Electrificación	March 16, 1970	1976/1995	7%	42,000,000
Paraguay				
Roads	January 9, 1970	1974/1990	7%	6,000,000
Philippines				
Agriculture	August 18, 1969	1976/1994	7%	34,000,000
Philippines (Guarantor)				
Industry—Philippine National Bank	July 10, 1969	1971/1986	6½%	25,000,000
Singapore (Guarantor)				
Telecommunications—Singapore Telephone Board	December 19, 1969	1974/1990	7%	11,000,000
Industry—The Development Bank of Singapore Limited	February 25, 1970	1971/1986	7%	5,000,000
Spain				
Agriculture	July 17, 1969	1974/1986	6½%	25,000,000
Education	June 30, 1970	1975/1990	7%	12,000,000
Thailand (Guarantor)				
Power—Electricity Generating Authority of Thailand	February 10, 1970	1975/1990	7%	46,500,000
Tunisia (Guarantor)				
Industry—Société Nationale d'Investissement	December 24, 1969	1971/1987	7%	10,000,000
Uruguay				
Agriculture	June 30, 1970	1974/1982	7%	6,300,000
Yugoslavia				
Roads	May 28, 1970	1975/1995	7%	40,000,000
Yugoslavia (Guarantor)				
Industry—Yugoslav Investment Bank	January 30, 1970	1972/1984	7%	18,500,000
Telecommunications—Yugoslav Investment Bank	February 20, 1970	1975/1990	7%	40,000,000
Zambia				
Education	November 20, 1969	1980/1995	7%	5,300,000
Agriculture	June 5, 1970	1976/1994	7%	5,500,000
				$1,580,350,000
International Finance Corporation	December 23, 1969	1973/1989	7%	100,000,000[1]
TOTAL				$1,680,350,000

[1]This loan incorporates and replaces a $100 million loan made available to IFC in 1966 into a single loan of $200 million.

IDA Appendices

Statement of Condition

Appendix A

International Development Association

June 30, 1970

Expressed in United States Currency—See Notes to Financial Statements, Appendix F

Assets		1970	1969
DUE FROM BANKS AND OTHER DEPOSITORIES (See Appendix C)			
Member currencies			
Unrestricted	$ 34,001,536		$ 32,610,802
Subject to restrictions—Note B	60,071,675		61,019,553
	$ 94,073,211		93,630,355
Non-member currency (Swiss francs)	376,923		—
		$ 94,450,134	93,630,355
INVESTMENTS			
Obligations of governments and their instrumentalities (At cost or amortized cost; face amount $160,540,347—1970, $79,376,000—1969)	$ 156,391,027		77,722,926
Time deposits	15,251,652		—
Accrued interest	1,352,213		514,366
		172,994,892	78,237,292
RECEIVABLE ON ACCOUNT OF SUBSCRIPTIONS AND SUPPLEMENTARY RESOURCES (See Appendix C)			
Non-negotiable, non-interest-bearing, demand obligations			
Unrestricted	$ 690,733,713		271,445,284
Subject to restrictions—Note B	156,673,918		157,035,924
Amounts due on supplementary resources	—		20,480,962
Amounts required to maintain value of currency holdings—Note C	2,966,103		4,033,218
		850,373,734	452,995,388
RECEIVABLE FROM INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT—Note D		162,640,000	92,200,000
RECEIVABLE FROM SWISS CONFEDERATION—Note E		4,033,353	8,066,705
EFFECTIVE DEVELOPMENT CREDITS HELD BY ASSOCIATION (Including undisbursed balance $681,227,209—1970, $409,559,438—1969) (See Appendix D)—Note F		2,422,677,335	2,007,786,661
ACCRUED SERVICE CHARGE ON DEVELOPMENT CREDITS—Note F		4,017,333	3,661,191
OTHER ASSETS		102,000	232,000
TOTAL		$3,711,288,781	$2,736,809,592

Liabilities, Subscriptions, Supplementary Resources, Transfers and Accumulated Net Income			
LIABILITIES			
Accounts payable and other liabilities		$ 40,114	$ 69,241
Undisbursed balance of effective development credits (See Appendix D)		681,227,209	409,559,438
Loan from Swiss Confederation (Including proceeds not yet received $4,033,353—1970, $8,066,705—1969)		12,100,058	12,100,058
SUBSCRIPTIONS (See Appendix E)—Note G		1,014,262,000	1,012,502,000
SUPPLEMENTARY RESOURCES (See Appendix E)—Note G	$1,950,190,000		1,053,750,000
Less portion for which payment is not yet due—Note H	370,240,000		68,240,000
		1,579,950,000	985,510,000
PAYMENTS ON ACCOUNT OF PENDING SUBSCRIPTIONS AND SUPPLEMENTARY RESOURCES		102,000	232,000
TRANSFERS FROM INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT—Note D		385,000,000	285,000,000
ACCUMULATED NET INCOME			
At beginning of fiscal year—July 1	$ 31,836,855		21,388,987
Add—Gain on currency revaluation—Note I	66,928		—
	$ 31,903,783		21,388,987
Fiscal year ended June 30 (See Appendix B)	6,703,617		10,447,868
		38,607,400	31,836,855
TOTAL		$3,711,288,781	$2,736,809,592

Statement of Income and Expenses

Appendix B

International Development Association

For the Fiscal Years Ended June 30, 1970 and June 30, 1969

Expressed in United States Currency—See Notes to Financial Statements, Appendix F

	July 1-June 30	
	1969/70	1968/69
Income		
Income from investments	$ 9,987,030	$ 3,772,571
Income from development credits	12,490,873	10,821,384
GROSS INCOME	$22,477,903	$14,593,955
Expenses		
Management Fee paid to International Bank for Reconstruction and Development	$15,800,000	$ 4,200,000
Exchange adjustments	(25,714)	(53,913)
GROSS EXPENSES	$15,774,286	$ 4,146,087
Net Income	$ 6,703,617	$10,447,868

Statement of Holdings of Currencies and Obligations

June 30, 1970

Expressed in United States Currency—See Notes to Financial Statements, Appendix F

Member	Unit of currency	Currency	Non-negotiable, non-interest-bearing, demand obligations on account of: Initial subscriptions	Supplementary resources	Total
Afghanistan	Afghani	$ 606,000	$ 303,000	$ —	$ 909,000
Algeria	Dinar	—	3,627,000	—	3,627,000
Argentina	Peso	—	16,947,000	—	16,947,000
Australia	Dollar	1,121,389	—	19,295,584	20,416,973
Austria	Schilling	277,117	—	6,196,492	6,473,609
Belgium	Franc	841,098	—	2,940,000	3,781,098
Bolivia	Peso Boliviano	—	954,000	—	954,000
Botswana	Rand	—	144,000	—	144,000
Brazil	Cruzeiro	16,947,000	—	—	16,947,000
Burma	Kyat	—	1,818,000	—	1,818,000
Burundi	Franc	—	684,000	—	684,000
Cameroon	Franc	—	807,999	—	807,999
Canada	Dollar	711,013	—	33,935,509	34,646,522
Central African Republic	Franc	—	450,000	—	450,000
Ceylon	Rupee	—	2,727,000	—	2,727,000
Chad	Franc	—	450,000	—	450,000
Chile	Escudo	3,177,000	—	—	3,177,000
China	New Taiwan Dollar	—	27,234,000	—	27,234,000
Colombia	Peso	3,177,000	—	—	3,177,000
Congo, Democratic Republic of	Zaire	347,904	—	—	347,904
Congo, People's Republic of	Franc	—	400,000	—	400,000
Costa Rica	Colon	180,000	—	—	180,000
Cyprus	Pound	—	684,000	—	684,000
Dahomey	Franc	—	399,999	—	399,999
Denmark	Krone	625,127	—	16,492,453	17,117,580
Dominican Republic	Peso	360,000	—	—	360,000
Ecuador	Sucre	585,000	—	—	585,000
El Salvador	Colon	270,000	—	—	270,000
Ethiopia	Dollar	—	450,000	—	450,000
Finland	Markka	1,626,063	—	249,678	1,875,741
France	Franc	3,482,371	—	73,728,122	77,210,493
Gabon	Franc	—	450,000	—	450,000
Gambia, The	Pound	—	240,300	—	240,300
Germany	Deutsche Mark	2,025,464	—	—	2,025,464
Ghana	New Cedi	—	2,124,000	—	2,124,000
Greece	Drachma	2,268,000	—	—	2,268,000
Guatemala	Quetzal	360,000	—	—	360,000
Guinea	Franc	909,000	—	—	909,000
Guyana	Dollar	—	729,000	—	729,000
Haiti	Gourde	—	684,000	—	684,000
Honduras	Lempira	270,000	—	—	270,000
India	Rupee	597,676	30,657,333	—	31,255,009
Indonesia	Rupiah	9,990,000	—	—	9,990,000
Iran	Rial	—	4,086,000	—	4,086,000
Iraq	Dinar	—	684,000	—	684,000
Ivory Coast	Franc	—	807,999	—	807,999
Japan	Yen	654,531	—	51,125,556	51,780,087
Kenya	Shilling	—	1,512,000	—	1,512,000
Korea	Won	1,133,960	—	—	1,133,960
Kuwait	Dinar	288,740	—	4,108,760	4,397,500
Laos	Kip	210,000	240,000	—	450,000
Lebanon	Pound	405,000	—	—	405,000
Lesotho	Rand	—	144,000	—	144,000
Liberia	Dollar	—	684,000	—	684,000
Libya	Pound	—	909,000	—	909,000

Appendix C

International Development Association

Member	Unit of currency	Currency	Non-negotiable, non-interest-bearing, demand obligations on account of: Initial subscriptions	Supplementary resources	Total
Malagasy Republic	Franc	$ 181,800	$ 727,200	$ —	$ 909,000
Malawi	Pound	—	684,000	—	684,000
Malaysia	Dollar	—	2,268,000	—	2,268,000
Mali	Franc	783,000	—	—	783,000
Mauritania	Franc	—	450,000	—	450,000
Mauritius	Rupee	1,799	772,201	—	774,000
Mexico	Peso	6,854,737	—	—	6,854,737
Morocco	Dirham	—	3,177,000	—	3,177,000
Nepal	Rupee	—	450,000	—	450,000
Netherlands	Guilder	882,154	—	22,326,298	23,208,452
Nicaragua	Cordoba	270,000	—	—	270,000
Niger	Franc	—	399,999	—	399,999
Nigeria	Pound	—	3,024,000	—	3,024,000
Norway	Krone	631,893	—	1,434,999	2,066,892
Pakistan	Rupee	—	9,081,000	—	9,081,000
Panama	Balboa	3,598	—	—	3,598
Paraguay	Guarani	270,000	—	—	270,000
Peru	Sol	—	1,593,000	—	1,593,000
Philippines	Peso	2,209,846	2,326,154	—	4,536,000
Rwanda	Franc	684,000	—	—	684,000
Saudi Arabia	Riyal	—	3,330,000	—	3,330,000
Senegal	Franc	—	1,343,998	—	1,343,998
Sierra Leone	Leone	—	684,000	—	684,000
Somalia	Shilling	—	684,000	—	684,000
South Africa	Rand	1,715,786	—	—	1,715,786
Spain	Peseta	4,931,350	1,556,743	—	6,488,093
Sudan	Pound	—	909,000	—	909,000
Swaziland	Rand	—	288,000	—	288,000
Sweden	Krona	678,676	—	5,637,902	6,316,578
Syrian Arab Republic	Pound	342,000	513,000	—	855,000
Tanzania	Shilling	—	1,512,000	—	1,512,000
Thailand	Baht	—	2,727,000	—	2,727,000
Togo	Franc	6	607,993	—	607,999
Tunisia	Dinar	—	1,359,000	—	1,359,000
Turkey	Lira	—	5,220,000	—	5,220,000
Uganda	Shilling	—	1,512,000	—	1,512,000
United Arab Republic	Pound	—	4,572,000	—	4,572,000
United Kingdom	Pound	5,009,797	—	84,261,360	89,271,157
United States	Dollar	13,430,316	—	369,001,000	382,431,316
Upper Volta	Franc	—	450,000	—	450,000
Viet-Nam	Piastre	1,359,000	—	—	1,359,000
Yemen Arab Republic	Rial	387,000	—	—	387,000
Zambia	Kwacha	—	2,421,000	—	2,421,000
Totals—Member Currencies		$94,073,211	$156,673,918	$690,733,713	$941,480,842[1]
Non-Member Currency-Unrestricted (Switzerland)					376,923
TOTAL					$941,857,765

[1] Of this amount the equivalent of $724,735,249 is unrestricted and the equivalent of $936,578,479 is subject to maintenance of value—Note C.

Summary Statement of Development Credits

Appendix D

International Development Association

June 30, 1970

Expressed in United States Currency—See Notes to Financial Statements, Appendix F

Member in whose territories development credits have been made[1]	Effective development credits held by Association			Development credits not yet effective[3]
	Disbursed portion	Undisbursed portion[2]	Total	
Afghanistan	$ 277,313	$ 8,222,687	$ 8,500,000	$ 5,000,000
Australia:				
Papua and New Guinea	980,470	5,519,530	6,500,000	4,500,000
Bolivia	16,749,122	9,050,878	25,800,000	—
Botswana	3,630,563	2,469,437	6,100,000	—
Burundi	930,736	1,969,264	2,900,000	380,000
Cameroon	6,674,735	15,375,265	22,050,000	7,000,000
Central African Republic	151,513	4,048,487	4,200,000	4,300,000
Ceylon	389,628	9,010,372	9,400,000	14,500,000
Chad	271,740	5,628,260	5,900,000	—
Chile	18,997,755	—	18,997,755	—
China	13,073,716	—	13,073,716	—
Colombia	19,500,000	—	19,500,000	—
Congo, Democratic Republic of	319,114	10,680,886	11,000,000	—
Congo, People's Republic of	457,538	172,462	630,000	1,500,000
Costa Rica	4,550,242	—	4,550,242	—
Dahomey	330,517	4,269,483	4,600,000	—
Ecuador	4,770,957	9,829,043	14,600,000	—
El Salvador	7,999,331	—	7,999,331	—
Ethiopia	21,206,823	10,693,177	31,900,000	3,100,000
Gambia, The	—	—	—	2,100,000
Ghana	8,375,058	7,924,942	16,300,000	8,500,000
Guyana	198,271	2,701,729	2,900,000	—
Haiti	349,855	—	349,855	—
Honduras	14,304,518	1,623,456	15,927,974	8,100,000
India	1,015,284,994	152,081,844	1,167,366,838	97,500,000
Indonesia	2,872,013	63,127,987	66,000,000	65,500,000
Jordan	8,958,923	1,056,580	10,015,503	—
Kenya	29,772,061	12,827,939	42,600,000	6,100,000
Korea	26,206,116	17,086,808	43,292,924	15,000,000
Lesotho	4,100,000	—	4,100,000	—
Malagasy Republic	7,570,249	6,929,751	14,500,000	9,600,000
Malawi	10,911,164	21,838,836	32,750,000	—
Mali	5,545,795	3,554,205	9,100,000	7,700,000
Mauritania	4,427,514	5,272,486	9,700,000	—
Morocco	2,147,785	16,152,215	18,300,000	—
Nepal	27,000	1,673,000	1,700,000	—
Nicaragua	2,994,834	—	2,994,834	—
Niger	3,142,115	4,477,109	7,619,224	584,000
Nigeria	16,609,593	18,890,407	35,500,000	—
Pakistan	271,822,454	139,808,100	411,630,554	41,400,000
Paraguay	17,544,425	3,855,575	21,400,000	—
Rwanda	—	—	—	9,300,000
Senegal	7,698,746	7,301,254	15,000,000	2,100,000
Sierra Leone	—	3,000,000	3,000,000	—
Somalia	5,470,340	3,579,660	9,050,000	—
Sudan	12,274,825	9,225,175	21,500,000	—
Swaziland	2,800,000	—	2,800,000	—
Syrian Arab Republic	2,551,577	5,948,423	8,500,000	—
Tanzania	28,838,216	19,561,784	48,400,000	—
Togo	1,172,660	2,527,340	3,700,000	—
Tunisia	14,304,642	18,057,956	32,362,598	10,500,000
Turkey	80,891,955	11,424,032	92,315,987	—
Uganda	11,015,588	21,984,412	33,000,000	—
United Arab Republic	—	—	—	26,000,000
Upper Volta	5,027	794,973	800,000	—
TOTALS	$1,741,450,126	$681,227,209	$2,422,677,335	$350,264,000

(1) All development credits have been made to member governments or to the government of a territory of a member.

(2) Of the undisbursed balance the Association has entered into irrevocable commitments to disburse $873,931.

(3) Agreements in the amount of $350,264,000 providing for these development credits have been signed, but the development credits do not become effective and disbursements thereunder do not start until the borrower takes certain action and furnishes certain documents to the Association.

Statement of Subscriptions, Voting Power and Supplementary Resources

Appendix E

International Development Association

June 30, 1970

Expressed in United States Currency—See Notes to Financial Statements, Appendix F

Member (1)	Subscriptions: Total (Notes C and G)	Subscriptions: Percent of total	Voting Power: Number of votes	Voting Power: Percent of total	Supplementary Resources: Amounts paid in (Notes C and G)	Supplementary Resources: Amounts not yet due (Note H)	Total Subscriptions and Supplementary Resources
Australia	$ 20,180,000	1.99	4,536	1.78	$ 35,800,000	$ 8,000,000	$ 63,980,000
Austria	5,040,000	.50	1,508	.59	10,480,000	2,720,000	18,240,000
Belgium	8,250,000	.81	2,150	.84	21,850,000	6,800,000	36,900,000
Canada	37,830,000	3.73	8,066	3.16	116,700,000	—	154,530,000
Denmark	8,740,000	.86	2,248	.88	26,300,000	9,400,000	44,440,000
Finland	3,830,000	.38	1,266	.49	5,018,000	1,360,000	10,208,000
France	52,960,000	5.22	11,092	4.34	126,672,000	32,400,000	212,032,000
Germany	52,960,000	5.22	11,092	4.34	150,600,000	39,000,000	242,560,000
Italy	18,160,000	1.79	4,132	1.62	30,000,000	—	48,160,000
Japan	33,590,000	3.31	7,218	2.83	85,570,000	22,160,000	141,320,000
Kuwait	3,360,000	.33	1,172	.46	6,960,000	1,800,000	12,120,000
Luxembourg	375,000	.04	575	.22	775,000	200,000	1,350,000
Netherlands	27,740,000	2.73	6,048	2.37	36,020,000	9,760,000	73,520,000
Norway	6,720,000	.66	1,844	.72	14,800,000	3,800,000	25,320,000
South Africa	10,090,000	1.00	2,518	.99	5,990,000	1,000,000	17,080,000
Sweden	10,090,000	1.00	2,518	.99	74,135,000	20,000,000	104,225,000
United Kingdom	131,140,000	12.93	26,728	10.47	200,280,000	51,840,000	383,260,000
United States	320,290,000	31.58	64,558	25.28	632,000,000	160,000,000	1,112,290,000
TOTALS PART I MEMBERS	$ 751,345,000	74.08	159,269	62.37	$1,579,950,000	$370,240,000	$2,701,535,000
Afghanistan	$ 1,010,000	.10	702	.27	$ —	$ —	$ 1,010,000
Algeria	4,030,000	.40	1,306	.51	—	—	4,030,000
Argentina	18,830,000	1.86	4,266	1.67	—	—	18,830,000
Bolivia	1,060,000	.10	712	.28	—	—	1,060,000
Botswana	160,000	.02	532	.21	—	—	160,000
Brazil	18,830,000	1.86	4,266	1.67	—	—	18,830,000
Burma	2,020,000	.20	904	.35	—	—	2,020,000
Burundi	760,000	.07	652	.26	—	—	760,000
Cameroon	1,010,000(2)	.10	702	.27	—	—	1,010,000
Central African Republic	500,000	.05	600	.23	—	—	500,000
Ceylon	3,030,000	.30	1,106	.43	—	—	3,030,000
Chad	500,000	.05	600	.23	—	—	500,000
Chile	3,530,000	.35	1,206	.47	—	—	3,530,000
China	30,260,000	2.98	6,552	2.57	—	—	30,260,000
Colombia	3,530,000	.35	1,206	.47	—	—	3,530,000
Congo, Democratic Republic of	3,020,000(2)	.30	1,104	.43	—	—	3,020,000
Congo, People's Republic of	500,000(2)	.05	600	.23	—	—	500,000
Costa Rica	200,000	.02	540	.21	—	—	200,000
Cyprus	760,000	.07	652	.26	—	—	760,000
Dahomey	500,000(2)	.05	600	.23	—	—	500,000
Dominican Republic	400,000	.04	580	.23	—	—	400,000
Ecuador	650,000	.06	630	.25	—	—	650,000
El Salvador	300,000	.03	560	.22	—	—	300,000
Ethiopia	500,000	.05	600	.23	—	—	500,000
Gabon	500,000	.05	600	.23	—	—	500,000
Gambia, The	267,000	.03	553	.22	—	—	267,000
Ghana	2,360,000	.23	972	.38	—	—	2,360,000
Greece	2,520,000	.25	1,004	.39	—	—	2,520,000
Guatemala	400,000	.04	580	.23	—	—	400,000
Guinea	1,010,000	.10	702	.27	—	—	1,010,000
Guyana	810,000	.08	662	.26	—	—	810,000
Haiti	760,000	.07	652	.26	—	—	760,000
Honduras	300,000	.03	560	.22	—	—	300,000
Iceland	100,000	.01	520	.20	—	—	100,000
India	40,350,000	3.98	8,570	3.36	—	—	40,350,000
Indonesia	11,100,000	1.09	2,720	1.07	—	—	11,100,000
Iran	4,540,000	.45	1,408	.55	—	—	4,540,000

(continued)

Statement of Subscriptions, Voting Power and Supplementary Resources (continued)

Appendix E

International Development Association

June 30, 1970

Expressed in United States Currency—See Notes to Financial Statements, Appendix F

Member[1]	Subscriptions: Total (Notes C and G)	Subscriptions: Percent of total	Voting Power: Number of votes	Voting Power: Percent of total	Supplementary Resources: Amounts paid in (Notes C and G)	Supplementary Resources: Amounts not yet due (Note H)	Total Subscriptions and Supplementary Resources
Iraq	$ 760,000	.07	652	.26	$ —	$ —	$ 760,000
Ireland	3,030,000	.30	1,106	.43	—	—	3,030,000
Israel	1,680,000	.17	836	.33	—	—	1,680,000
Ivory Coast	1,010,000[2]	.10	702	.27	—	—	1,010,000
Jordan	300,000	.03	560	.22	—	—	300,000
Kenya	1,680,000	.17	836	.33	—	—	1,680,000
Korea	1,260,000	.12	752	.30	—	—	1,260,000
Laos	500,000	.05	600	.23	—	—	500,000
Lebanon	450,000	.04	590	.23	—	—	450,000
Lesotho	160,000	.02	532	.21	—	—	160,000
Liberia	760,000	.07	652	.26	—	—	760,000
Libya	1,010,000	.10	702	.27	—	—	1,010,000
Malagasy Republic	1,010,000	.10	702	.27	—	—	1,010,000
Malawi	760,000	.07	652	.26	—	—	760,000
Malaysia	2,520,000	.25	1,004	.39	—	—	2,520,000
Mali	870,000	.09	674	.26	—	—	870,000
Mauritania	500,000	.05	600	.23	—	—	500,000
Mauritius	860,000	.08	672	.26	—	—	860,000
Mexico	8,740,000	.86	2,248	.88	—	—	8,740,000
Morocco	3,530,000	.35	1,206	.47	—	—	3,530,000
Nepal	500,000	.05	600	.23	—	—	500,000
Nicaragua	300,000	.03	560	.22	—	—	300,000
Niger	500,000[2]	.05	600	.23	—	—	500,000
Nigeria	3,360,000	.33	1,172	.46	—	—	3,360,000
Pakistan	10,090,000	1.00	2,518	.99	—	—	10,090,000
Panama	20,000	[3]	504	.20	—	—	20,000
Paraguay	300,000	.03	560	.22	—	—	300,000
Peru	1,770,000	.17	854	.34	—	—	1,770,000
Philippines	5,040,000	.50	1,508	.59	—	—	5,040,000
Rwanda	760,000	.07	652	.26	—	—	760,000
Saudi Arabia	3,700,000	.36	1,240	.49	—	—	3,700,000
Senegal	1,680,000[2]	.17	836	.33	—	—	1,680,000
Sierra Leone	760,000	.07	652	.26	—	—	760,000
Somalia	760,000	.07	652	.26	—	—	760,000
Spain	10,090,000	1.00	2,518	.99	—	—	10,090,000
Sudan	1,010,000	.10	702	.27	—	—	1,010,000
Swaziland	320,000	.03	564	.22	—	—	320,000
Syrian Arab Republic	950,000	.09	690	.27	—	—	950,000
Tanzania	1,680,000	.17	836	.33	—	—	1,680,000
Thailand	3,030,000	.30	1,106	.43	—	—	3,030,000
Togo	760,000[2]	.07	652	.26	—	—	760,000
Tunisia	1,510,000	.15	802	.31	—	—	1,510,000
Turkey	5,800,000	.57	1,660	.65	—	—	5,800,000
Uganda	1,680,000	.17	836	.33	—	—	1,680,000
United Arab Republic	5,080,000	.50	1,516	.60	—	—	5,080,000
Upper Volta	500,000	.05	600	.23	—	—	500,000
Viet-Nam	1,510,000	.15	802	.31	—	—	1,510,000
Yemen Arab Republic	430,000	.04	586	.23	—	—	430,000
Yugoslavia	4,040,000	.40	1,308	.51	—	—	4,040,000
Zambia	2,690,000	.27	1,038	.41	—	—	2,690,000
TOTALS PART II MEMBERS—Note B	$ 262,917,000	25.92	96,083	37.63	$ —	$ —	$ 262,917,000
GRAND TOTALS	$1,014,262,000	100.00	255,352	100.00	$1,579,950,000	$370,240,000	$2,964,452,000

[1] Members whose subscriptions may be freely used or exchanged by the Association and who have participated in the replenishment of the Association's resources are included in Part I. All other members are included in Part II.

[2] Includes amounts aggregating the equivalent of $2,966,103 receivable as a result of revaluation of the currencies of these members.

[3] Less than .005 percent.

General: $102,000 has been received from Cambodia on account of its subscription pending admission to membership.

Notes to Financial Statements

Appendix F

International Development Association

June 30, 1970

Note A

Amounts in currencies other than United States dollars have been translated into United States dollars:

(i) In the cases of 74 members, at the par values as specified in the "Schedule of Par Values," published by the International Monetary Fund;

(ii) In the cases of the remaining 31 members (Algeria, Argentina, Bolivia, Brazil, Cameroon, Central African Republic, Chad, Chile, China, Colombia, Democratic Republic of Congo, People's Republic of Congo, Dahomey, Gabon, Guinea, Indonesia, Ivory Coast, Korea, Laos, Malagasy Republic, Mali, Mauritania, Mauritius, Niger, Paraguay, Peru, Senegal, Togo, Upper Volta, Viet-Nam and Yemen Arab Republic), at the rates used by such members in making payments of subscriptions to the Association; and

(iii) In the case of Swiss francs, non-member currency, at the rate of 4.2975 Swiss francs to 1 United States dollar.

Note B

Pursuant to Article IV, Section 1 (a) of the Articles of Agreement of the Association, these amounts may be used by the Association for administrative expenses incurred by the Association in the territories of any member whose currency is involved and, insofar as consistent with sound monetary policies, in payment for goods and services produced in the territories of such member and required for projects financed by the Association and located in such territories; and in addition when and to the extent justified by the economic and financial situation of the member concerned as determined by agreement between the member and the Association, such currency shall be freely convertible or otherwise usable for projects financed by the Association and located outside the territories of the member.

Note C

Under Article IV, Section 2, each member is required, if the par value of its currency is reduced or the foreign exchange value of its currency has in the opinion of the Association depreciated to a significant extent within that member's territories, to maintain the value of the Association's holdings of its ninety percent currency, including the principal amount of any notes substituted therefor, and the Association is required if the par value of the member's currency is increased, or the foreign exchange value of the member's currency has in the opinion of the Association appreciated to a significant extent within that member's territories, to return to the member the increase in the value of such ninety percent currency held by the Association; provided, however, that the foregoing shall apply only so long as and to the extent that such currency shall not have been initially disbursed or exchanged for the currency of another member.

Supplementary resources of the Association have, by agreement, the same respective rights and obligations as to maintenance of value as are set forth in Article IV, Section 2, of the Articles of the Association.

The equivalent of $2,966,103 is due from eight members in order to maintain the value of the Association's currency holdings as required under Article IV, Section 2.

Note D

The International Bank for Reconstruction and Development has authorized transfers, by way of grants, to the Association totaling $385,000,000 from the net income of the Bank for the fiscal years ended June 30, 1964 through 1969. Of this amount, $222,360,000 had been received as of June 30, 1970.

Note E

The Association has entered into an agreement to borrow SwF 52 million (approximately US equivalent $12.1 million) from the Swiss Confederation. Of this amount, SwF 34.7 million had been received at June 30, 1970; the balance was received in July 1970. The loan carries no interest and is repayable in forty annual instalments beginning July 1, 1979. The first ten instalments will be at 1% each of the principal amount and the remaining thirty instalments will be at 3% of such principal amount.

Note F

The principal disbursed and outstanding on development credits and the accrued service charge are expressed in terms of United States dollars of the weight and fineness in effect on January 1, 1960 and the equivalent is payable by the borrowers in currencies which the Association determines to be freely convertible or freely exchangeable by the Association for currencies of other members of the Association, except that such amount would be reduced if (a) there is a uniform proportionate reduction in the par values of the currencies of all members of the International Monetary Fund or (b) the Association so decides because of a substantial reduction in the value of one or more major currencies of members. The foregoing does not apply to a credit of $9,000,000 which is expressed and is repayable in legal tender dollars.

Note G

Subscriptions and supplementary resources are expressed in terms of United States dollars of the weight and fineness in effect on January 1, 1960.

Note H

The Second Replenishment to the Resources of the Association became effective July 23, 1969. Seventeen Part I Countries with contributions aggregating $1,140.96 million, payable in freely convertible currencies, have participated in the replenishment. One Part I Country has not yet deposited notification of acceptance, but is expected to do so on completion of action on pending legislation. $785.84 million has been paid and the balance, $355.12 million, is due in November 1970. In addition, a total of $15.12 million, in freely convertible currencies, is due during the year ending June 30, 1971 from two Countries which have made special supplementary contributions to the Association.

Note I

The accumulated net income has been credited with $66,928 representing a gain to the Association as a result of the revaluation of the amount of earnings in Deutsche mark held by the Association at the date of revaluation, October 1969.

Opinion of Independent Auditor

1707 L STREET, N.W.
WASHINGTON, D.C. 20036
JULY 22, 1970

To
INTERNATIONAL DEVELOPMENT ASSOCIATION
WASHINGTON, D.C.

In our opinion, the accompanying financial statements (Appendix A through Appendix F) present fairly, in terms of United States currency, the financial position of International Development Association at June 30, 1970, and the results of its operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year. Our examination of these statements was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

PRICE WATERHOUSE & CO.

Financial Statements Covered by the Foregoing Opinion

Statement of Development Credits Signed During the Fiscal Year 1969/70

Appendix G

International Development Association

Expressed in United States Currency

Borrower and Purpose	Date of Credit Agreement	Maturities	Service charge	Principal amount
Afghanistan				
Agriculture	June 24, 1970	1980/2019	¾%	$ 5,000,000
Australia (Guarantor)				
Agriculture—Papua and New Guinea	January 30, 1970	1979/2019	¾%	5,000,000
Roads—Papua and New Guinea	June 24, 1970	1980/2020	¾%	4,500,000
Bolivia				
Agriculture	January 13, 1970	1980/2019	¾%	1,400,000
Botswana				
Project Preparation	January 15, 1970	1979/2019	¾%	2,500,000
Burundi				
Project Preparation	June 19, 1970	1972/1980	¾%	380,000
Cameroon				
Education	September 23, 1969	1979/2019	¾%	10,500,000
Roads	March 27, 1970	1980/2019	¾%	7,000,000
Central African Republic				
Roads	June 19, 1970	1980/2020	¾%	4,300,000
Ceylon				
Agriculture	November 13, 1969	1979/2019	¾%	2,500,000
Agriculture and Power	January 30, 1970	1980/2019	¾%	14,500,000
Congo, Democratic Republic of				
Industry	May 28, 1970	1980/2019	¾%	5,000,000
Congo, People's Republic of				
Roads	May 28, 1970	1980/2020	¾%	1,500,000
Ecuador				
Agriculture	January 20, 1970	1980/2019	¾%	1,500,000
Ethiopia				
Agriculture	November 26, 1969	1979/2019	¾%	3,500,000
Agriculture	May 28, 1970	1980/2020	¾%	3,100,000
Gambia, The				
Port	May 26, 1970	1980/2020	¾%	2,100,000
Ghana				
Water Supply and Sewerage	August 28, 1969	1979/2019	¾%	3,500,000
Fisheries	September 25, 1969	1979/2019	¾%	1,300,000
Agriculture	June 26, 1970	1980/2020	¾%	8,500,000
Project Preparation	July 29, 1969	1971/1979	¾%	1,500,000
Honduras				
Agriculture	March 2, 1970	1980/2019	¾%	2,600,000
Power	June 24, 1970	1980/2020	¾%	5,500,000
India				
Railways	September 24, 1969	1979/2019	¾%	55,000,000
Agriculture	February 9, 1970	1980/2019	¾%	35,000,000
Industrial Imports	April 24, 1970	1980/2020	¾%	75,000,000
Agriculture	June 3, 1970	1980/2019	¾%	35,000,000
Agriculture	June 24, 1970	1980/2020	¾%	27,500,000
Indonesia				
Power	October 29, 1969	1979/2019	¾%	15,000,000
Industry	June 15, 1970	1980/2020	¾%	30,000,000
Agriculture	June 15, 1970	1980/2020	¾%	17,000,000
Agriculture	June 15, 1970	1980/2020	¾%	18,500,000
Kenya				
Education	May 20, 1970	1980/2020	¾%	6,100,000

(continued)

Statement of Development Credits Signed During the Fiscal Year 1969/70 (continued)

Expressed in United States Currency

Borrower and Purpose	Date of Credit Agreement	Maturities	Service charge	Principal amount
Korea				
Railways	May 14, 1970	1980/2019	¾%	$ 15,000,000
Malagasy Republic				
Port	June 19, 1970	1980/2020	¾%	9,600,000
Malawi				
Power	February 11, 1970	1980/2019	¾%	5,250,000
Mali				
Roads	June 17, 1970	1980/2020	¾%	7,700,000
Morocco				
Roads	November 13, 1969	1980/2019	¾%	7,300,000
Nepal				
Telecommunications	November 10, 1969	1979/2019	¾%	1,700,000
Niger				
Agriculture	June 29, 1970	1980/2020	¾%	584,000
Pakistan				
Industry	February 11, 1970	1980/2019	¾%	20,000,000
Agriculture	May 14, 1970	1980/2019	¾%	13,000,000
Telecommunications	May 22, 1970	1980/2020	¾%	15,000,000
Industry	June 10, 1970	1980/2020	¾%	3,000,000
Education	June 29, 1970	1980/2020	¾%	8,000,000
Agriculture	June 30, 1970	1980/2020	¾%	14,000,000
Project Preparation	December 15, 1969	1972/1980	¾%	800,000
Project Preparation	June 10, 1970	1972/1979	¾%	1,000,000
Project Preparation	June 10, 1970	1973/1980	¾%	2,400,000
Rwanda				
Roads	June 17, 1970	1980/2020	¾%	9,300,000
Senegal				
Roads	June 19, 1970	1980/2020	¾%	2,100,000
Sierra Leone				
Education	January 5, 1970	1980/2019	¾%	3,000,000
Tanzania				
Roads	November 24, 1969	1979/2018	¾%	7,500,000
Tunisia				
Water Supply	June 30, 1970	1980/2020	¾%	10,500,000
Uganda				
Roads	September 29, 1969	1980/2019	¾%	11,600,000
United Arab Republic				
Agriculture	April 17, 1970	1979/2019	¾%	26,000,000
TOTAL				$605,614,000

Bank/IDA Appendices

Bank Loans and IDA Credits by Purpose and Area

Cumulative Total, June 30, 1970

(Millions of US dollars, initial commitments net of cancellations and refundings)

Purpose	Total Bank and IDA	Bank Loans by Area: Total	Africa	Asia and Middle East	Austral-asia	Europe	Western Hemi-sphere	IFC
GRAND TOTAL	$17,047.7	$14,274.6	$2,014.5	$4,628.2	$514.6	$2,565.1	$4,352.2	$200.0
ELECTRIC POWER	$ 4,805.0	$ 4,642.2	$ 512.4	$ 956.3	$148.2	$ 646.1	$2,379.1	$ —
TRANSPORTATION	$ 5,252.1	$ 4,405.4	$ 915.8	$1,750.3	$ 58.0	$ 585.6	$1,095.8	$ —
Railways	2,042.2	1,688.8	446.8	734.1	42.0	272.4	193.5	—
Shipping	12.0	12.0	—	—	—	12.0	—	—
Ports and waterways	519.2	481.9	169.6	162.0	6.7	98.4	45.3	—
Roads	2,527.3	2,071.3	249.4	792.5	—	195.6	833.8	—
Airlines and airports	22.0	22.0	—	5.6	9.2	7.2	—	—
Pipelines	129.5	129.5	50.0	56.2	—	—	23.3	—
TELECOMMUNICATIONS	$ 379.7	$ 243.9	$ 37.1	$ 65.4	$ —	$ 40.3	$ 101.1	$ —
AGRICULTURE, FORESTRY AND FISHING	$ 1,919.1	$ 1,294.1	$ 199.1	$ 536.8	$ —	$ 124.8	$ 433.5	$ —
Farm mechanization	24.4	24.4	5.0	9.0	—	2.0	8.4	—
Irrigation and flood control	1,029.1	707.1	81.0	429.9	—	85.3	111.0*	—
Land clearance, farm improvement, etc.	107.6	80.7	24.2	45.3	—	2.2	9.0	—
Crop processing and storage	38.1	12.2	5.2	2.0	—	4.2	0.8	—
Livestock improvement	234.1	203.3	5.3	4.4	—	25.0	168.6	—
Forestry and fishing	42.9	41.6	7.9	22.2	—	6.2	5.3	—
Agricultural credit	358.8	197.1	42.8	24.0	—	—	130.4	—
Smallholders and plantations	84.1	27.7	27.7	—	—	—	—	—
INDUSTRY	$ 2,269.8	$ 2,165.8	$ 249.0	$1,141.5	$ —	$ 555.7	$ 219.6	$ —
Iron and steel	399.0	399.0	—	344.1	—	25.0	30.0	—
Pulp and paper	133.7	133.7	—	4.2	—	109.5	20.0	—
Fertilizer and other chemicals	171.4	141.4	30.0	57.0	—	54.4	—	—
Other industries	274.1	264.7	20.5	5.2	—	203.6	35.4	—
Mining, other extractive	179.1	179.1	101.0	19.5	—	11.9	46.7	—
Development finance companies	1,112.6	1,048.0	97.5	711.6	—	151.4	87.5	—
GENERAL DEVELOPMENT AND PROGRAM LOANS	$ 1,207.3	$ 552.3	$ 40.0	$ 103.8	$308.5	$ 100.0	$ —	$ —
EDUCATION	$ 323.7	$ 144.5	$ 40.3	$ 29.8	$ —	$ 12.0	$ 62.4	$ —
FAMILY PLANNING	$ 2.0	$ 2.0	$ —	$ —	$ —	$ —	$ 2.0	$ —
WATER SYSTEMS	$ 175.1	$ 127.1	$ 20.0	$ 44.4	$ —	$ 3.9	$ 58.8	$ —
POST-WAR RECONSTRUCTION	$ 496.8	$ 496.8	$ —	$ —	$ —	$ 496.8	$ —	$ —
PROJECT PREPARATION AND TECHNICAL ASSISTANCE	$ 17.6	$ 0.9	$ 0.9	$ —	$ —	$ —	$ —	$ —
FINANCING LOAN (IFC)	$ 200.0	$ 200.0	$ —	$ —	$ —	$ —	$ —	$200.0

Note: Multipurpose loans are distributed according to each purpose and not assigned to the major purpose. Detail may not add to totals because of rounding.
*Includes Loan No. 559 Guyana, Sea defense project.

IDA Credits by Area				
Total	Africa	Asia and Middle East	Europe	Western Hemisphere
$2,773.1	$548.1	$1,989.6	$92.3	$143.1
$ 162.8	$ 15.3	$ 89.9	$25.7	$ 31.9
$ 846.7	$267.1	$ 502.3	$ —	$ 77.3
353.4	26.6	326.8	—	—
—	—	—	—	—
37.3	11.7	25.6	—	—
456.0	228.8	149.9	—	77.3
—	—	—	—	—
—	—	—	—	—
$ 135.8	$ 0.8	$ 135.0	$ —	$ —
$ 625.0	$119.9	$ 450.3	$31.9	$ 22.9
—	—	—	—	—
322.0	39.0	251.1	31.9	—
26.9	26.9	—	—	—
25.9	6.7	19.2	—	—
30.8	7.9	—	—	22.9
1.3	1.3	—	—	—
161.7	21.2	140.5	—	—
56.4	16.9	39.5	—	—
$ 104.0	$ 5.0	$ 64.3	$34.7	$ —
—	—	—	—	—
—	—	—	—	—
30.0	—	30.0	—	—
9.4	—	9.4	—	—
—	—	—	—	—
64.6	5.0	24.9	34.7	—
$ 655.0	$ —	$ 655.0	$ —	$ —
$ 179.2	$118.9	$ 52.3	$ —	$ 8.0
$ —	$ —	$ —	$ —	$ —
$ 48.0	$ 15.1	$ 29.9	$ —	$ 3.0
$ —	$ —	$ —	$ —	$ —
$ 16.7	$ 6.1	$ 10.6	$ —	$ —
$ —	$ —	$ —	$ —	$ —

Bank Loans and IDA Credits by Country

Cumulative Total, June 30, 1970

Expressed in United States Currency—Initial commitments net of cancellations, refundings and terminations

Country	Bank Loans		IDA Credits		Total	
	Number	Amount	Number	Amount	Number	Amount
Afghanistan	—	$ —	3	$ 13,500,000	3	$ 13,500,000
Algeria	3	80,500,000	—	—	3	80,500,000
Argentina	7	357,602,049	—	—	7	357,602,049
Australia	7	417,730,000	—	—	7	417,730,000
Austria	9	104,860,083	—	—	9	104,860,083
Belgium	4	76,000,000	—	—	4	76,000,000
Bolivia	1	23,250,000	5	25,800,000	6	49,050,000
Botswana	—	—	2	6,100,000	2	6,100,000
Brazil	29	838,034,660	—	—	29	838,034,660
Burma	3	33,123,943	—	—	3	33,123,943
Burundi	1	4,800,000	3	3,280,000	4	8,080,000
Cameroon	5	37,100,000	4	29,050,000	9	66,150,000
Central African Republic	—	—	2	8,500,000	2	8,500,000
Ceylon	8	89,712,258	4	23,900,000	12	113,612,258
Chad	—	—	2	5,900,000	2	5,900,000
Chile	18	232,695,818	1	18,997,755	19	251,693,573
China	12	244,072,087	4	13,073,716	16	257,145,803
Colombia	43	727,652,840	1	19,500,000	44	747,152,840
Congo, Democratic Republic of	5	91,582,854	2	11,000,000	7	102,582,854
Congo, People's Republic of	1	30,000,000	2	2,130,000	3	32,130,000
Costa Rica	11	84,876,251	1	4,550,243	12	89,426,494
Cyprus	4	34,194,412	—	—	4	34,194,412
Dahomey	—	—	1	4,600,000	1	4,600,000
Denmark	3	85,000,000	—	—	3	85,000,000
Dominican Republic	1	25,000,000	—	—	1	25,000,000
Ecuador	9	63,300,000	3	14,600,000	12	77,900,000
El Salvador	9	57,918,024	1	7,999,331	10	65,917,355
Ethiopia	11	97,800,000	5	35,000,000	16	132,800,000
Finland	14	243,526,846	—	—	14	243,526,846
France	1	250,000,000	—	—	1	250,000,000
Gabon	4	54,788,722	—	—	4	54,788,722
Gambia, The	—	—	1	2,100,000	1	2,100,000
Ghana	2	53,000,000	5	24,800,000	7	77,800,000
Greece	2	32,500,000	—	—	2	32,500,000
Guatemala	4	46,500,000	—	—	4	46,500,000
Guinea	2	64,500,000	—	—	2	64,500,000
Guyana	3	8,819,017	1	2,900,000	4	11,719,017
Haiti	1	2,600,000	1	349,855	2	2,949,855
Honduras	9	52,317,613	5	24,027,974	14	76,345,587
Iceland	7	25,914,000	—	—	7	25,914,000
India	39	1,087,653,602	28	1,264,866,838	67	2,352,520,440
Indonesia	—	—	8	131,500,000	8	131,500,000
Iran	15	447,397,565	—	—	15	447,397,565
Iraq	2	25,293,946	—	—	2	25,293,946
Ireland	1	14,500,000	—	—	1	14,500,000
Israel	6	134,412,479	—	—	6	134,412,479
Italy	8	398,028,000	—	—	8	398,028,000
Ivory Coast[1]	7	48,491,567	—	—	7	48,491,567
Jamaica	6	44,012,988	—	—	6	44,012,988
Japan	31	857,041,004	—	—	31	857,041,004
Jordan	—	—	4	10,015,502	4	10,015,502
Kenya[2]	10	197,524,026	10	48,700,000	20	246,224,026
Korea	4	110,000,000	5	58,292,924	9	168,292,924
Lebanon	1	27,000,000	—	—	1	27,000,000
Lesotho	—	—	1	4,100,000	1	4,100,000
Liberia	4	15,249,812	—	—	4	15,249,812

Appendix 2

Country	Bank Loans Number	Bank Loans Amount	IDA Credits Number	IDA Credits Amount	Total Number	Total Amount
Luxembourg	1	$ 11,761,983	—	$ —	1	$ 11,761,983
Malagasy Republic	3	11,100,000	3	24,100,000	6	35,200,000
Malawi	—	—	6	32,750,000	6	32,750,000
Malaysia	13	237,878,513	—	—	13	237,878,513
Mali[1]	—	—	2	16,800,000	2	16,800,000
Malta	1	6,040,080	—	—	1	6,040,080
Mauritania	1	66,000,000	2	9,700,000	3	75,700,000
Mauritius	1	6,973,119	—	—	1	6,973,119
Mexico	24	978,705,679	—	—	24	978,705,679
Morocco	8	143,049,041	2	18,300,000	10	161,349,041
Nepal	—	—	1	1,700,000	1	1,700,000
Netherlands	10	236,451,985	—	—	10	236,451,985
New Zealand	4	96,923,771	—	—	4	96,923,771
Nicaragua	15	59,858,828	1	2,994,834	16	62,853,662
Niger	—	—	3	8,203,224	3	8,203,224
Nigeria	10	241,600,000	2	35,500,000	12	277,100,000
Norway	6	145,000,000	—	—	6	145,000,000
Pakistan	31	633,470,130	36	453,218,054	67	1,086,688,184
Panama	6	60,047,426	—	—	6	60,047,426
Papua and New Guinea	2	11,500,000	3	11,000,000	5	22,500,000
Paraguay	6	21,838,549	4	21,400,000	10	43,238,549
Peru	23	214,102,066	—	—	23	214,102,066
Philippines	13	217,020,336	—	—	13	217,020,336
Portugal	5	57,500,000	—	—	5	57,500,000
Rhodesia[3]	3	86,950,000	—	—	3	86,950,000
Rwanda	—	—	1	9,300,000	1	9,300,000
Senegal[1]	2	7,500,000	3	17,100,000	5	24,600,000
Sierra Leone	2	7,700,000	1	3,000,000	3	10,700,000
Singapore	10	114,243,457	—	—	10	114,243,457
Somalia	—	—	3	9,050,000	3	9,050,000
South Africa	11	241,800,000	—	—	11	241,800,000
Spain	6	224,161,832	—	—	6	224,161,832
Sudan	6	134,000,000	2	21,500,000	8	155,500,000
Swaziland	2	6,950,000	1	2,800,000	3	9,750,000
Syria	—	—	1	8,500,000	1	8,500,000
Tanzania[2]	2	12,200,000	8	48,400,000	10	60,600,000
Thailand	21	358,364,939	—	—	21	358,364,939
Togo	—	—	1	3,700,000	1	3,700,000
Trinidad and Tobago	5	46,390,424	—	—	5	46,390,424
Tunisia	9	76,835,481	5	42,862,598	14	119,698,079
Turkey	11	144,184,967	8	92,315,987	19	236,500,954
Uganda[2]	1	8,400,000	5	33,000,000	6	41,400,000
United Arab Republic	1	56,500,000	1	26,000,000	2	82,500,000
Upper Volta[1]	—	—	1	800,000	1	800,000
Uruguay	7	108,463,116	—	—	7	108,463,116
Venezuela	9	298,266,783	—	—	9	298,266,783
Yugoslavia	16	475,490,547	—	—	16	475,490,547
Zambia[3]	10	131,550,000	—	—	10	131,550,000
International Finance Corporation	1	200,000,000	—	—	1	200,000,000
TOTAL	705	$14,274,649,518	221	$2,773,128,835	926	$17,047,778,353

(1) One loan for $7.5 million shown against Ivory Coast is shared with Mali, Senegal and Upper Volta.
(2) Three loans totaling $75 million shown against Kenya are shared with Tanzania and Uganda.
(3) Three loans totaling $106.7 million have been assigned in equal shares to Rhodesia and Zambia.

Administrative Budgets of the Bank and IDA

Appendix 3

For the Fiscal Year Ending June 30, 1971

	Actual Expenses 1970	Budgets 1971
	(thousands of US dollars)	
BY ORGANIZATIONAL UNIT		
Board of Governors	768	1,013
Executive Directors	2,495	3,003
Executive offices	1,169	1,068
Area departments	12,995	15,831
Projects departments	17,551	23,734
Cooperative Programs, FAO and Unesco	2,056	2,901
Development Finance Companies Department	1,476	1,870
Economic staff	4,870	5,845
Controller's and Treasurer's Departments, Internal Auditor	3,290	3,955
Administration Department	6,126	7,281
Other departments	7,734	9,255
Training programs, EDI	1,660	1,915
Settlement of Investment Disputes, ICSID	81	84
Grants for consultants to member countries	376	434
Commission on international development	305	–
Contingency allowance	–	1,150
TOTALS	62,952	79,339
Less: IFC Service and Support Fee	–1,699	–1,749
TOTALS IBRD/IDA	61,253	77,590
BY EXPENSE CATEGORY		
Personal services	37,977	47,287
Operational travel	7,534	8,930
Representation	339	362
Consultants	2,672	4,160
Contractual services	1,996	2,364
Overhead expenses:		
Staff benefits	1,408	1,919
Other travel	2,789	3,885
Office occupancy	4,558	4,961
Communications	1,512	1,784
Other expenses	2,167	2,537
Contingency	–	1,150
TOTALS	62,952	79,339
Less: IFC Service and Support Fee	–1,699	–1,749
TOTALS IBRD/IDA	61,253	77,590
Of which: IBRD	45,453	57,490
IDA	15,800	20,100

The Administrative Budgets for the fiscal year ending June 30, 1971, were prepared by the President and approved by the Executive Directors in accordance with the By-Laws of the Bank and IDA. For purposes of comparison the administrative expenses incurred during the fiscal year ended June 30, 1970, are also shown.

The Association reimburses the Bank a single Management Fee for administrative expenses incurred on its behalf. The Management Fee, which comprises the Association's Budget for the year, has been established at $20.1 million for the fiscal year ending June 30, 1971.

In FY1971 general assistance rendered by the Bank to IFC will be paid by a Service and Support Fee fixed for the fiscal year. The Fee has been established at $1.7 million for the fiscal year ending June 30, 1971.

Governors and Alternates of the Bank and IDA

Appendix 4

June 30, 1970

Member	Governor	Alternate
Afghanistan	Mohammed Aman	
Algeria	Cherif Belkacem	Kamal Abdellah Khodja
Argentina	Carlos Moyano Llerena	Egidio Iannella
Australia	L. H. E. Bury	Sir Roland Wilson
Austria	Hannes Androsch	Walter Neudörfer
Belgium	Baron Snoy et d'Oppuers	Baron Ansiaux
Bolivia	Oscar Vega López	Luis Ovando Candia
Botswana	Q. K. J. Masire	H. C. L. Hermans
Brazil	Antonio Delfim Netto	Ernane Galvêas
Burma	Kyaw Nyein	Chit Moung
Burundi	Joseph Hicuburundi	Athanase Ntukamazina
Cameroon	Laurent Ntamag	E. M. Koulla
Canada	Edgar John Benson	Maurice F. Strong
Central African Republic	Bernard-Christian Ayandho	André Zanifé-Touambona
Ceylon	N. M. Perera	Murugeysen Rajendra
Chad	Georges Diguimbaye	Benoît Boukar
Chile	Carlos Massad Abud	Jorge Marshall Silva
China	K. T. Li	Chao-kuei Ma
Colombia	Abdón Espinosa Valderrama	Jorge Mejía Palacio
Congo, Democratic Republic of	L. Namwisi	Cyrille Adoula
Congo, People's Republic of	Banza Bernard Bouiti	Jean-Edouard Sathoud
Costa Rica	Omar Dengo O.	Alvaro Vargas E.
Cyprus	A. C. Patsalides	A. C. Afxentiou[2]
Dahomey	Joseph Kéké	Robert Tagnon
Denmark	Otto Müller	Karl Otto Bredahl
Dominican Republic	Diógenes H. Fernández	Luis M. Guerrero Gómez
Ecuador	Luis Gómez-Izquierdo	Carlos Mantilla-Ortega
El Salvador	Edgardo Suárez C.	Armando Interiano
Ethiopia	Mammo Tadesse	Wolde Mariam Girma
Finland	Mauno Koivisto	Jussi Linnamo
France	Ministre des Finances	Bernard Clappier
Gabon	Edouard Alexis M'Bouy-Boutzit	Paul Moukambi
Gambia, The	S. M. Dibba	H. R. Monday, Jr.
Germany	Karl Schiller	Alex Möller
Ghana	Joseph Henry Mensah	E. N. Omaboe
Greece	Emmanuel Fthenakis	Achilles Cominos
Guatemala	Emilio A. Peralta P.	José Luis Bouscayrol
Guinea	Laminy Kondé	N'Faly Sangaré
Guyana	P. A. Reid	H. O. E. Barker
Haiti	Clovis Desinor	Antonio André
Honduras	Manuel Acosta Bonilla	Ricardo Zúñiga Augustinus
Iceland	Gylfi Gíslason	Magnús Jónsson
India	Y. B. Chavan[2]	I. G. Patel
Indonesia	Ali Wardhana	Djoeana Koesoemohardja
Iran	Jamshid Amouzegar	Jahangir Amuzegar
Iraq	Amin Abdul Karim Kalamchi	Sa'adi Ibrahim
Ireland	George Colley	C. H. Murray
Israel	David Horowitz	Avraham Agmon
Italy	Guido Carli	Paolo Baffi
Ivory Coast	Konan Bédié	Mohamed Diawara
Jamaica[1]	Edward Seaga	G. Arthur Brown
Japan	Takeo Fukuda	Tadashi Sasaki
Jordan	Sami Judah	Adel Shamayleh
Kenya	Mwai Kibaki	John Njoroge Michuki
Korea	Duck Woo Nam	Sung Whan Kim
Kuwait	Abdul Rahman Salim Al-Ateeqi	Abdlatif Y. Al-Hamad
Laos	Oudong Souvannavong	Sitha Sisombat
Lebanon	Khalil Salem	Farid Solh

(continued)

[1] Member of the Bank only.
[2] *Appointment effective after June 30, 1970.*

Governors and Alternates of the Bank and IDA (continued)

Appendix 4

June 30, 1970

Member	Governor	Alternate
Lesotho	P. N. Peete	E. Waddington
Liberia	J. Milton Weeks	Cyril Bright
Libya	M. H. Arrabeie	K. M. Sherlala
Luxembourg	Pierre Werner	Albert Dondelinger
Malagasy Republic	Ralison Rakotovao	Raymond Randriamandranto
Malawi	Aleke K. Banda	K. J. Barnes
Malaysia	Tan Siew Sin [2]	Mohamed Sharif bin Abdul Samad
Mali	Tiéoulé Konaté	Sidy Coulibaly
Mauritania	Mamadou Touré	Mamadou Cissoko
Mauritius	Veerasamy Ringadoo	Ramaswamy Pyndiah
Mexico	Antonio Ortiz Mena	José Hernández Delgado
Morocco	Abdelkrim Lazraq	M'Hamed Bargach[2]
Nepal	Bhekh Bahadur Thapa	Puskar Nath Pant
Netherlands	H. J. Witteveen	J. H. O graaf van den Bosch
New Zealand[1]	H. G. Lang	C. F. Sproule
Nicaragua	Guillermo Sevilla-Sacasa	Juan José Martínez L.
Niger	Alidou Barkire	Abdoulaye Diallo
Nigeria	O. Awolowo	Abdul Aziz Atta
Norway	Otto Grieg Tidemand	Christian Brinch
Pakistan	Nawab Mozaffar Ali Khan Qizilbash	Ghulam Ishaq Khan
Panama	Gabriel Castro S.[2]	Nicolás Ardito Barletta
Paraguay	César Romeo Acosta	Augusto Colman
Peru	Francisco Morales Bermúdez C.	Luis Barúa Castañeda
Philippines	Cesar Virata	Roberto S. Benedicto
Portugal[1]	João Augusto Dias Rosas	Luis M. Teixeira Pinto
Rwanda	Fidèle Nzanana	Fidèle Nkundabagenzi
Saudi Arabia	Ahmed Zaki Saad	
Senegal	Adama Diallo	Hamet Diop
Sierra Leone	M. S. Forna	Elkanah Laurence Coker
Singapore[1]	Goh Keng Swee	Hon Sui Sen
Somalia	Ibrahim Megag Samater	Omar Ahmed Omar
South Africa	Nicolaas Diederichs	Theunis Willem de Jongh
Southern Yemen[1]	Mahmoud Ushaish	Ali Hamshari
Spain	Alberto Monreal Luque	Mariano Navarro Rubio
Sudan	Abdel Karim Mirghani	Gharieballa Mohamed Hamid
Swaziland	J. R. Masson	James Nxumalo
Sweden	G. E. Sträng	Krister Wickman
Syrian Arab Republic	Nour Allah Nour Allah	Ammar Jammal
Tanzania	P. Bomani	Cleopa D. Msuya
Thailand	Serm Vinicchayakul	Bisudhi Nimmanahaeminda
Togo	Jean Tevi	Boukari Djobo
Trinidad and Tobago[1]	F. C. Prevatt	D. H. N. Alleyne
Tunisia	Chedly Ayari	Ali Zouaoui
Turkey	Mesut Erez	Kemal Cantürk
Uganda	Laurence Kalule-Settala	E. B. Wakhweya
United Arab Republic	Hassan Abbas Zaki	Hamed Abdel Latif El Sayeh
United Kingdom	Sir Leslie O'Brien	Sir Douglas Allen
United States	David M. Kennedy	Nathaniel Samuels
Upper Volta	Pierre Claver Damiba	Pierre Tahita
Uruguay[1]	Armando R. Malet	
Venezuela[1]	Rafael Alfonzo Ravard	Carlos Emmanuelli Llamozas
Viet-Nam		Nguyên Van Dong
Yemen Arab Republic	Abdul Karim Al-Arashy[2]	Mohamed Said Alattar[2]
Yugoslavia	Janko Smole	Ksente Bogoev
Zambia	E. H. K. Mudenda	E. G. Kasonde

Note: Cambodia became a member of the Bank and IDA, and Equatorial Guinea became a member of the Bank after June 30, 1970. Cambodia has appointed Hing Kunthel and Mau Say as Governor and Alternate Governor. Equatorial Guinea has appointed Andrés Nko Ivasa and Gabriel Andobe Buanga as Governor and Alternate Governor.

[1] Member of the Bank only.

[2] Appointment effective after June 30, 1970.

Executive Directors and Alternates of the Bank and IDA and Their Voting Power

Appendix 5

June 30, 1970

Executive Director	Alternate	Casting Votes of	Total Votes Bank	Total Votes IDA
Appointed				
Robert E. Wieczorowski	Emmett J. Rice	United States	63,750	64,558
Derek J. Mitchell	M. P. J. Lynch	United Kingdom	26,250	26,728
Wilhelm Hanemann	Jörg Jaeckel	Germany	13,050	11,092
Georges Plescoff	Jean P. Carrière	France	10,750	11,092
S. R. Sen	M. R. Shroff	India	8,250	8,570
Elected				
Seitaro Hattori (Japan)	H. Jinadasa Samarakkody (Ceylon)	Burma, Ceylon, Japan, Nepal, Singapore[1], Thailand	11,993	10,934
Giorgio Rota (Italy)	Juan Moro (Spain)	Greece, Italy, Portugal[1], Spain	11,794	7,654
Patrick M. Reid[2] (Canada)	A. Roy MacMillan (Canada)	Canada, Guyana, Ireland, Jamaica[1]	10,333	9,834
J. O. Stone (Australia)	A. W. Young (New Zealand)	Australia, New Zealand[1], South Africa	9,880	7,054
S. Osman Ali (Pakistan)	Abdol Ali Jahanshahi (Iran)	Iran, Iraq, Jordan, Kuwait, Lebanon, Pakistan, Saudi Arabia, Syrian Arab Republic, United Arab Republic	9,877	10,346
Reignson C. Chen* (China)	C. L. Chow (China)	China, Korea, Viet-Nam	9,210	8,106
Christopher Kahangi (Tanzania)	Donatien Bihute (Burundi)	Botswana, Burundi, Ethiopia, The Gambia, Guinea, Kenya, Lesotho, Liberia, Malawi, Mali, Nigeria, Sierra Leone, Sudan, Tanzania, Trinidad and Tobago[1], Uganda, Zambia	9,169	11,621
Pieter Lieftinck* (Netherlands)	Vladimir Cerić (Yugoslavia)	Cyprus, Israel, Netherlands, Yugoslavia	8,739	8,844
André van Campenhout* (Belgium)	Friedrich T. Krieger (Austria)	Austria, Belgium, Luxembourg, Turkey	8,717	5,893
Abderrahman Tazi* (Morocco)	Mohammed Younos Rafik (Afghanistan)	Afghanistan, Algeria, Ghana, Indonesia, Laos, Libya, Malaysia, Morocco	8,627	9,212
Erik L. Karlsson (Sweden)	Erik Hauge (Denmark)	Denmark, Finland, Iceland, Norway, Sweden	8,466	8,396
Luis Machado* (Cuba)	Arnoldo Ramírez-Eva (Nicaragua)	Costa Rica, El Salvador, Guatemala, Haiti, Honduras, Mexico, Nicaragua, Panama, Peru, Venezuela[1]	7,803	7,058
Mohamed Nassim Kochman (Mauritania)	Michel Bako (Chad)	Cameroon, Central African Republic, Chad, Congo (Democratic Republic of), Congo (People's Republic of), Dahomey, Gabon, Ivory Coast, Malagasy Republic, Mauritania, Mauritius, Niger, Rwanda, Senegal, Somalia, Togo, Upper Volta	7,564	11,474
Virgilio Barco (Colombia)	Oscar Alviar-Ramírez (Colombia)	Brazil, Colombia, Dominican Republic, Ecuador, Philippines	7,393	8,190
Angel R. Caram (Argentina)	Abelardo Brugada S. (Paraguay)	Argentina, Bolivia, Chile, Paraguay, Uruguay[1]	6,466	6,744

In addition to the Executive Directors and Alternates shown in the foregoing list, the following also served as Executive Director after June 30, 1969:

Executive Director	End of Period of Service
E. W. Maude (United Kingdom)	October 21, 1969
Covey T. Oliver (United States)	November 3, 1969
Ernst vom Hofe (Germany)	January 31, 1970
S. Jagannathan (India)	June 15, 1970
Hideo Suzuki (Japan)	June 15, 1970

[1] Member of the Bank only. [2] Succeeded by Claude Isbister (Canada) effective August 1, 1970 * Member, Audit Committee.

Note: Cambodia (453 votes in the Bank and 704 votes in IDA), Equatorial Guinea (314 votes in the Bank), Southern Yemen (485 votes in the Bank), Swaziland (314 votes in the Bank and 564 votes in IDA), Tunisia (623 votes in the Bank and 802 votes in IDA) and Yemen Arab Republic (335 votes in the Bank and 586 votes in IDA) not yet formally represented by an Executive Director. Cambodia became a member of the Bank and IDA and Equatorial Guinea a member of the Bank after June 30, 1970. Tunisia did not participate in the Regular Election of 1968.

Officers and Department Directors of the Bank and IDA

Appendix 6

June 30, 1970

President	Robert S. McNamara
Vice President and Chairman, Loan Committee	J. Burke Knapp
Vice President—Finance and Director, Projects	S. Aldewereld
General Counsel	A. Broches
Director, Development Services Department	Richard H. Demuth
The Economic Adviser to the President	Irving S. Friedman
Vice President	Sir Denis Rickett
Vice President	Mohamed Shoaib
Treasurer	Eugene H. Rotberg
Controller	Francis R. Poore
Secretary	M. M. Mendels

Director, Programming and Budgeting Department	John H. Adler
Director, South America Department	Gerald Alter
Director, Education Projects Department	Duncan S. Ballantine
Associate Director, Projects	Warren C. Baum
Director, Resident Staff in Indonesia	Bernard R. Bell
Director, Europe, Middle East and North Africa Department	Munir P. Benjenk
Director, South Asia Department	I. P. M. Cargill
Deputy Director, Projects	Bernard Chadenet
Director, Western Africa Department	Roger Chaufournier
Director, Information and Public Affairs	William Clark
Special Representative for United Nations Organizations	Federico Consolo
Deputy Chairman, Loan Committee	S. R. Cope
Director, Development Finance Companies Department	William Diamond
Special Adviser	Abdel G. El Emary
Director, Agriculture Projects Department	L. J. C. Evans
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