

Subject Overstay
Aid Pt 3



PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T137C/83

THE ISLAMIC REPUBLIC OF PAKISTAN

General M. Zia-ul-Haq

ISLAMABAD

13 Zilhaj 1403 AH

21 September 1983

Her Excellency
The Rt. Hon. Mrs. Margaret Thatcher, M.P.,
Prime Minister of the United Kingdom,
London

Dear Madam Prime Minister,

Your Excellency will recall that in early 1982, I had addressed a letter to you expressing my deep concern at the decision of the United States to reduce its contribution to IDA VI and proposed various specific steps to maintain and increase the flow of IDA resources to developing countries. I was particularly gratified at your positive response to this suggestion, which was instrumental in containing a situation which could have created a major crisis in multilateral economic cooperation.

Your constructive and bold action and your demonstrated support for IDA encourages me to write to you again to underline the great importance that Pakistan and the developing world attach to the Seventh Replenishment of International Development Association (IDA) at levels higher than previous replenishments. I do not have to stress that IDA represents a very positive and fruitful achievement in international economic cooperation. It is a vital investment in the economic development of the Third World and in international peace itself.

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IDA has contributed in important social and economic sectors affecting the poorest people in the developing countries. It has compiled an impressive record of working effectively towards alleviating the problems of poverty and under-development during the last two decades. It is, therefore, absolutely essential that the VIIIth Replenishment of IDA is agreed at levels higher in real terms than those agreed for IDA VI. IDA VIIIth replenishment to the order of 16 billion dollars for a three-year period starting from 1 July 1984, would, according to available estimates, be the absolute minimum which is needed to meet the requirements of the developing countries for concessional flow of assistance from this organization.

We are, therefore, greatly concerned to learn that the United States is planning to limit its contribution to IDA VII to the reduced level of \$750 million per year and is also considering a reduction in its contribution in percentage terms which would bring the overall target for IDA VII down to \$9 billion only, as against the commitment of \$12 billion for IDA VI. We are also given to understand that some other major donors may be considering a reduction in their shares for IDA VII as well in line with the reduction in the U.S. contribution. We strongly believe that any such reduction, or even the maintenance of previous levels of commitment, for the next replenishment period would in effect mean a major loss in real terms of the resources available to IDA.

I am aware that the contribution of Your Excellency's Government to IDA has been generous in the past and I am confident that a similarly positive approach to IDA replenishment will continue to mark your policies. I am writing, therefore to

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urge you to give your personal attention to this matter and as an expression of your commitment and support to IDA, and a continuation of your enlightened economic policies, ensure an effective and adequate level of replenishment for IDA VII.

The timely replenishment of IDA VII is an investment in the future of millions of people in many developing countries, and would constitute a positive contribution to the world development and peace. Your continuing support would strengthen the ability of the World Bank system to address itself to the basic needs of the people of the developing world.

With profound regards,

Yours sincerely,

M. Zia-ul-Haq

General
(M. Zia-ul-Haq)