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10 DOWNING STREET

From the Private Secretary

1 June 1984

Supplementary Funding for I.D.A.

Nigel Wicks has delivered to No. 10 the attached letter from Mr. Tom Clausen, President of the World Bank. As you will see, it urges the Prime Minister to support the Supplemental Funding initiative, and, at their bilateral, to urge Chancellor Kohl to support it also. I will show the letter to the Prime Minister over the weekend. Meanwhile, I would be grateful if you could ensure that it is integrated into the briefing for the Summit and for the German bilateral. I would be grateful if, after the Summit, you could provide a draft reply for the Prime Minister to send to Mr. Clausen.

I am copying this letter and enclosure to David Peretz (HM Treasury) and Richard Hatfield (Cabinet Office).

(ANDREW TURNBULL)

Len Appleyard, Esq.,
Foreign and Commonwealth Office,

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Prime Minister

THE WORLD BANK
Washington, D. C. 20433
U.S.A.

CEB

A. W. CLAUSEN
President

May 30, 1984

Dear Prime Minister:

It pleases me to report that last week the Board of Executive Directors finally approved a \$8.4 billion Selective Capital Increase for The World Bank and a \$9 billion replenishment for IDA.

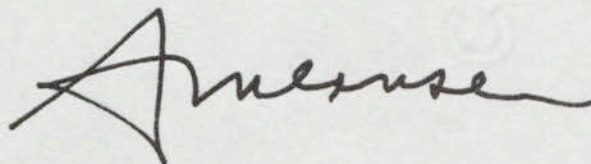
As you know, Board consideration of these matters had been delayed for several months but now these Board authorizations clear the path for further efforts to secure Supplemental Funding for the Association. Additional funding is critical if IDA is to continue to make a useful contribution to the development of India and countries in sub-Saharan Africa. Without additional resources, IDA will not be able to effectively address the problems of economic policy reform which these countries face. IDA has a proven record in helping its member recipient countries to put in place economic policies which will enhance development prospects including higher standards of living for their peoples.

The strong public support which your Government has given to the Supplemental Funding for IDA, both in European Councils and in international fora, has been widely noted and greatly appreciated. The Chancellor of the Exchequer, the Foreign Secretary and the Minister for Overseas Development have ably championed this initiative. Their efforts have succeeded in obtaining support for the Supplemental Funding by all EEC member states except Germany.

I am writing this letter to you, Prime Minister, to ask if, during the course of the forthcoming Summit Meetings, you would lend your personal support to the Supplemental Funding initiative and bring the urgency of the matter to the attention of Chancellor Kohl.

Please accept my best regards and consideration.

Sincerely,



The Right Honourable
Margaret Thatcher
Prime Minister
No. 10 Downing Street
London SW1, England.