



10 DOWNING STREET

THE PRIME MINISTER

6 October 1983

cc MASTER  
OPS

PRIME MINISTER'S

PERSONAL MESSAGE

SERIAL No. T145/83

Dear Mr. President,

Thank you for your letter about the current problems of the International Development Association.

Britain has always been one of IDA's strong supporters, and I share your concern over the likely size of the next Replenishment (IDA 7). Unfortunately, however, this further funding of the Association is being negotiated at a time when public expenditure constraints are necessary in many donor countries, including the United Kingdom, as part of the measures needed to strengthen their own economies. Because of this, the World Bank's target of \$16 billion for IDA 7 does not command full international support among donor countries, and I fear that it will prove unattainable. As you know, contributions to IDA have always been based on the principle of fair burden-sharing; donors wish strongly to adhere to this, and not to use their limited resources to make good any shortfall in the contributions of others.

Whilst I cannot predict the eventual outcome of the IDA 7 negotiations, I assure you that the United Kingdom stands ready to support the next Replenishment within the limits of what donors collectively can afford; but our percentage share will have to be more nearly in line with our relative economic strength among donors, and therefore much less than the 10.1 per cent which we contributed to IDA 6.

/We do,

✓



We do, of course, have a substantial bilateral aid programme, with its concentration on assistance to the poorest countries; and we shall also continue to play our part in the various European Community programmes to help developing countries.

Yours sincerely

Margaret Thatcher

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His Excellency Dr. Belisario Betancur Cuartas.



Foreign and Commonwealth Office

London SW1A 2AH

4 October, 1983

*Type letter pl.*

*AR 1/10.*

*Dear Andrew,*

International Development Association

/ I submit a draft reply to the enclosed letter (in original) to the Prime Minister from President Betancur in Colombia.

The background to the negotiations on the Seventh Replenishment of IDA is contained in the Foreign and Commonwealth Secretary's minute of 2 September to the Chancellor of the Exchequer, copied to the Prime Minister. Negotiations on IDA 7 were held in Washington late last month at the time of the IMF/IBRD Annual Meetings, but they proved inconclusive. Further discussions among donor countries are due to take place in Paris between 21-23 November.

We shall forward the signed copy of the Prime Minister's letter by Bag, if you agree.

I am copying this to John Kerr (Chancellor of the Exchequer's Office).

*Yours ever*  
*John Holmes*

(J E Holmes)  
Private Secretary

A Turnbull Esq  
10 Downing Street





4 OCT 1983

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**DRAFT:** minute/letter/teleletter/despatch/note

**TYPE:** Draft/Final 1+

**FROM:** prime Minister

Reference

**DEPARTMENT:**

**TEL. NO:**

**SECURITY CLASSIFICATION**

**TO:** His Excellency Dr Belisario Betancur  
President of the Republic of Colombia

Your Reference

Top Secret

Secret

Confidential

Restricted

Unclassified

Copies to:

**PRIVACY MARKING**

**SUBJECT:**

.....In Confidence

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**CAVEAT**.....

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/our

Enclosures—flag(s).....



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*HR 4/10.*

CC MASTER  
OPS

*República de Colombia*  
*Presidencia*

PRIME MINISTER'S  
PERSONAL MESSAGE  
SERIAL No. T 135<sup>A</sup>/83

Bogotá, Septiembre 19 de 1983

Señora Primer Ministro:

Con mi más atento saludo, permítame hacerle algunos comentarios en relación con la actual situación que atraviesa la Asociación Internacional de Fomento (AIF) ("International Development Association", IDA).

Como consecuencia de la recesión mundial, los precios de los artículos primarios provenientes del mundo en desarrollo, han alcanzado los niveles más bajos de los últimos treinta años, y esto ha afectado especialmente a los países más pobres: estos, que son los principales receptores de la AIF, utilizan esos fondos para financiar proyectos de desarrollo como parte de su lucha contra la pobreza.

Por tal razón se han elevado las necesidades financieras de la AIF; por lo cual la administración del Grupo del Banco Mundial está buscando la séptima reposición de recursos por una suma de US\$16 mil millones. De otra parte, China, como miembro del Banco Mundial, cumple los requisitos para obtener préstamos de la AIF y aunque esto redundará en nuevas oportunidades para el comercio internacional, plantea también una mayor demanda hacia los recursos escasos de la Asociación.

Comprendo las limitaciones financieras de los estados en virtud de las actuales políticas administrativas; comprendo las presiones ejercidas sobre el presupuesto de Gran Bretaña y el hecho de que las naciones industrializadas han tenido que pasar también por un período de penuria

Su Excelencia  
MARGARET THATCHER  
Primer Ministro de Gran Bretaña  
Londres



- 2 -

económica; y soy consciente de que el pueblo Británico ha estado dispuesto a cooperar cuando quiera que han surgido situaciones aflictivas en el mundo.

El apoyo al crecimiento de los países más pobres que significa la AIF, podría correr peligro si no se asignan a tiempo los recursos adecuados para recuperar la economía de dichos países.


Colombia ha recibido digna y oportuna ayuda de la Asociación para su desarrollo; por ello, considera pertinente, dirigirse a los gobiernos donantes, haciendo suya la voz de los dos mil millones de personas más pobres del mundo, que atraviesan una situación desesperada, para solicitar su cooperación a fin de que la AIF continúe contribuyendo al desarrollo a través de su ayuda económica: es ahora imperativo que las economías más sólidas agoten esfuerzos tendientes a evitar consecuencias políticas y económicas impredecibles, que podrían derrumbar el ya frágil andamiaje del mundo.

Dada la situación que contempla la AIF, me he permitido hacer el mismo llamado a sus colegas de Canadá, Alemania Federal y los Estados Unidos de América, y de otros países industrializados, para que, junto con Gran Bretaña, brinden su decisivo apoyo a la AIF.

Reciba, señora Primer Ministro, el testimonio de mi más alta consideración.

*Belisario Betancur*

BELISARIO BETANCUR  
Presidente de Colombia





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UNCLASSIFIED  
FM BOGOTA 231530Z SEP 83  
TO IMMEDIATE FCC  
TELEGRAM NUMBER 189 OF 23 SEPTEMBER

RECEIVED IN REGISTRY No. 18		
26 SEP 1983		
DATE	TIME	BY

LETTER FROM PRESIDENT BETANCUR TO THE PRIME MINISTER

1. WE HAVE JUST RECEIVED A LETTER FROM THE PRESIDENT ADDRESSED TO THE PRIME MINISTER FOR ONWARD TRANSMISSION TO HER. FOLLOWING IS UNOFFICIAL TRANSLATION:-

BEGINS

WITH MY BEST WISHES, PLEASE LET ME MAKE SOME OBSERVATIONS ABOUT THE CURRENT SITUATION AFFECTING THE INTERNATIONAL DEVELOPMENT ASSOCIATION (IDA).

AS A CONSEQUENCE OF THE WORLD RECESSION, THE PRICES OF PRIMARY PRODUCTS ORIGINATING IN THE DEVELOPING WORLD HAVE REACHED THEIR LOWEST LEVELS OF THE LAST THIRTY YEARS. THIS HAS PARTICULARLY AFFECTED THE POORER COUNTRIES. THESE, WHO ARE THE MAIN RECIPIENTS OF IDA FUNDS, USE SUCH FUNDS TO FINANCE DEVELOPMENT PROJECTS AS PART OF THEIR STRUGGLE AGAINST POVERTY.

FOR THIS REASON THE FINANCIAL REQUIREMENTS OF THE IDA HAVE INCREASED. AS A RESULT THE ADMINISTRATION OF THE WORLD BANK IS SEEKING A SEVENTH REPLENISHMENT OF RESOURCES AMOUNTING TO US DOLLARS 16000 MILLION. ON THE OTHER HAND, CHINA AS A MEMBER OF THE WORLD BANK, MEETS THE REQUIREMENTS TO OBTAIN LOANS FROM THE IDA, AND ALTHOUGH THIS WILL BE OF ADVANTAGE IN CREATING NEW OPPORTUNITIES FOR INTERNATIONAL TRADE, IT WILL ALSO BRING ABOUT AN INCREASED DEMAND FOR THE LIMITED RESOURCES AVAILABLE TO THE ASSOCIATION.

I REALISE THE FINANCIAL LIMITATIONS IMPOSED ON STATES BY VIRTUE OF THE PRESENT ADMINISTRATIVE POLICIES; I UNDERSTAND THE PRESSURES EXERTED UPON THE BUDGET OF GREAT BRITAIN AND THE FACT THAT THE INDUSTRIALISED NATIONS HAVE ALSO HAD TO GO THROUGH A PERIOD OF ECONOMIC STRINGENCY AND I AM CONSCIOUS THAT THE BRITISH PEOPLE HAVE FELT DISPOSED TO COOPERATE WHENEVER DISTRESSING SITUATIONS HAVE OCCURRED IN THE WORLD.

THE SUPPORT TO THE GROWTH OF THE POOREST COUNTRIES THAT THE IDA REPRESENTS MIGHT BE IN DANGER IF ADEQUATE SUPPORT IS NOT FORTHCOMING IN GOOD TIME TO RESTORE THE ECONOMIES OF SUCH COUNTRIES.

COLOMBIA HAS RECEIVED APPROPRIATE AND TIMELY ASSISTANCE FROM THE ASSOCIATION FOR HER DEVELOPMENT; SHE THEREFORE FEELS IT APPROPRIATE TO ADDRESS HERSELF TO THE DONATING GOVERNMENTS, MAKING HER VOICE THAT OF THE TWO THOUSAND MILLION POOREST PEOPLE OF THE WORLD, WHO ARE IN A DESPERATE SITUATION, TO REQUEST THE DONATING COUNTRIES COOPERATION SO THAT IDA MAY CONTINUE ITS CONTRIBUTION TO DEVELOPMENT THROUGH ITS FINANCIAL ASSISTANCE. IT IS NOW IMPERATIVE THAT THE STRONGEST ECONOMIES DO THEIR UTMOST TO PREVENT UNPREDICTABLE POLITICAL AND ECONOMIC CONSEQUENCES WHICH MIGHT BRING DOWN THE ALREADY SHAKY FRAMEWORK OF THE WORLD.

/ IN VIEW



IN VIEW OF THE SITUATION WHICH CONFRONTS THE IDA, I HAVE TAKEN THE LIBERTY TO MAKE THE SAME REQUEST OF YOUR COLLEAGUES IN CANADA, THE FEDERAL REPUBLIC OF GERMANY, AND THE UNITED STATES OF AMERICA AS WELL AS OTHER INDUSTRIALISED COUNTRIES, SO THAT, ALONG WITH GREAT BRITAIN THEY MAY OFFER THEIR DECISIVE SUPPORT TO THE IDA.

VERY RESPECTFULLY

BELISARIO BETANCUR  
PRESIDENT OF COLOMBIA

ENDS

2. SIGNED ORIGINAL FOLLOWS BY BAG.

ROBSON

LIMITED

SAMD

APD

NEWS D

PS

PS/LADY YOUNG

PS/MR WHITNEY

PS/MR RAISON

PS/AUS

MR GIFFARD

MR URE

MR AINSCOW

THIS TELEGRAM  
WAS NOT  
ADVANCED