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THE PRIME MINISTER

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Overseas Aid  
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PRIME MINISTER'S  
PERSONAL MESSAGE  
SERIAL No. T7/85

16 January 1985

My dear President:

Thank you for your letter of 6 December about the World Bank's efforts to mobilise additional aid resources for Africa.

I am, of course, very much aware of the difficult economic situation in many countries in Africa, including Zambia, and I have admired the determined way in which your Government has approached its problems so far. We in the United Kingdom know only too well, from our own experience, that adjustment involving change is difficult and that stern measures have sometimes to be faced and accepted if economic difficulties are to be overcome.

As I think you know, Britain was one of the first countries to offer to supplement the Seventh Replenishment of the International Development Association, provided only that other donor governments (with the exception of the United States) also contributed on the basis of equitable shares. The World Bank was not able to achieve the necessary support for such supplementary financing, and it has now proposed instead a voluntary fund applicable to sub-Saharan African countries only.

We are already making extensive use of our bilateral aid programme to support programmes of economic reform and adjustment, as you will know from the role we were able to

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play and the pledge which we made at the donors' Consultative Group for Zambia last May. Our aid thus shares the aims now put forward by the World Bank. But inevitably there is a choice to be made between different possible channels of assistance; and we have to take account also of the cost of our contribution to the new replenishment of the European Development Fund. The more we put into multilateral agencies the less we are able to provide bilateral help for our friends in the Commonwealth, who rightly expect us to recognise the special nature of our relationship with them.

We shall be discussing with the Bank how best Britain can respond to the World Bank's initiative; and we shall certainly be represented at the donors' meeting which they plan to hold at the end of this month.

With best wishes.

Yours sincerely

Raymond

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His Excellency Dr. Kenneth Kaunda