

Ronald Reagan Presidential Library  
Digital Library Collections

---

This is a PDF of a folder from our textual collections.

---

**WHORM Subject File Code:** IT108

(International Organizations –  
International Fund for Agricultural Development)

**Case file Number(s):** 175147-199999

**Box:** 36

---

To see more digitized collections visit:

<https://www.reaganlibrary.gov/archives/digitized-textual-material>

To see all Ronald Reagan Presidential Library inventories visit:

<https://www.reaganlibrary.gov/archives/white-house-inventories>

Contact a reference archivist at: **reagan.library@nara.gov**

Citation Guidelines: <https://reaganlibrary.gov/archives/research-support/citation-guide>

National Archives Catalogue: <https://catalog.archives.gov/>

# WITHDRAWAL SHEET

## Ronald Reagan Library

**Collection Name** WHITE HOUSE OFFICE OF RECORDS MANAGEMENT  
(WHORM): SUBJECT FILE

**Withdrawer**

DLB 9/12/2014

**File Folder** IT108 (INTERNATIONAL FUND FOR AGRICULTURAL  
DEVELOPMENT) (175147-199999)

**FOIA**

S697

**Box Number** 36

SYSTEMATIC

121

ID	Doc Type	Document Description	No of Pages	Doc Date	Restrictions
165555	LETTER	RICHARD MCCORMACK TO ED MEESE	2	12/23/1983	B1
165556	MEMO	CHARLES HILL TO CRAIG FULLER, RE: INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT (IFAD), EDITED	1	ND	B1
165557	CABLE	ROME 29630	4	12/13/1983	B1
165558	CABLE	ROME 26826	1	11/8/1983	B1
165559	LETTER	DUPLICATE OF #165540; REAGAN TO ZIA	1	6/16/1982	B1

The above documents were not referred for declassification review at time of processing

Freedom of Information Act - [5 U.S.C. 552(b)]

B-1 National security classified information [(b)(1) of the FOIA]

B-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]

B-3 Release would violate a Federal statute [(b)(3) of the FOIA]

B-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]

B-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]

B-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]

B-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]

B-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

THE WHITE HOUSE  
WASHINGTON

189691PD  
IT108  
IT086  
F0003-02  
FI004  
FG019  
FG006-07

ASSISTANT TO THE PRESIDENT FOR POLICY DEVELOPMENT'S SCHEDULE

Thursday, December 1, 1983

- 8:00 - Senior Staff  
Roosevelt Room
- 8:30 - Meese Meeting  
EM3 office
- 10:00 - Richard Shay  
JAS office
- 12:00 - American Public Welfare Association  
Luncheon speech (TAB A) delivered in  
Capital Hilton morning
- 2:00 - CCCT w/ the President  
re: permanently based manned stations (TAB B)  
Cabinet Room
- 3:00 - Hazardous Waste Meeting  
w/ Ruckelshaus, Thomas, Fuller, Darman et al (TAB C) delivered in  
Ward Room morning
- 4:00 - Maurice Williams  
Executive Director (TAB D)  
World Food Council  
w/ Porter, Leonard  
JAS office
- 4:30 - Faith Whittlesey  
FRW office
- 4-7 - Hal Steinberg Farewell  
474 OEOB
- 5:30 - Meese Management  
EM3 office

1443 DG DLY FROM ROME WFC 19.10.1983 14:00  
PMS LTF  
HON. JOHN BLOCK  
SECRETARY FOR AGRICULTURE  
DEPARTMENT OF AGRICULTURE  
WASHINGTON D.C. (USA) 20520  
FAO WFC /3444 19.10.1983  
WFC 1580

42:30

MR SECRETARY: I CALL YOUR ATTENTION TO AN ISSUE WHICH IS IMPORTANT TO U.S. INTERNATIONAL ECONOMIC INTERESTS NAMELY, MEETING A PRIOR U.S. COMMITMENT FOR FY 1984 OF DLRS 90 MILLION FOR THE INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT (IFAD). THIS WOULD COMPLETE U.S. FUNDING UNDER IFADS FIRST REPLENISHMENT. FAILURE TO MEET THIS COMMITMENT WOULD HAVE DISPROPORTIONATELY ADVERSE REPERCUSSIONS FOR U.S. INTERESTS, IN THAT:

- 1) IT WOULD APPEAR TO SIGNAL U.S. WITHDRAWAL FROM SUPPORT OF SENSIBLE SMALL FARMER PROJECT ASSISTANCE IN LOW-INCOME COUNTRIES
- 2) OTHER DONORS WOULD SHIELD BEHIND THE U.S. NOT MEETING ITS COMMITMENT AS AN EXCUSE TO WITHHOLD THEIR FINANCIAL SUPPORT
- 3) THE FUTURE OF IFAD - INITIALLY SUPPORTED BY THE U.S. IN PRESIDENT FORDS ADMINISTRATION - WOULD BE PLACED IN SERIOUS JEOPARDY WITH ITS OPERATIONS LARGELY CRIPPLED:
- 4) IFAD IN ITS SHORT LIFE HAS PROVEN TO BE ONE OF THE MORE EFFECTIVE PROGRAMS OF THE UNITED NATIONS IN AN AREA OF TRADITIONAL AMERICAN INTEREST - NAMELY HELPING POOR COUNTRIES TO HELP THEMSELVES WITH THEIR FOOD PROBLEMS
- 5) 1984 IS THE TENTH ANNIVERSARY OF THE WORLD FOOD CONFERENCE WHICH WILL FOCUS MAXIMUM INTERNATIONAL ATTENTION ON PROGRESS OVER THE DECADE IN MEASURES FOR RESOLVING FOOD AND HUNGER PROBLEMS. THE U.S. RECORD ON THE WHOLE HAS BEEN OUTSTANDING IN THIS AREA OF SHARED INTERNATIONAL CONCERN
- 6) A BUDGETARY REQUEST OF DLRS 90 MILLION FOR FY 1984 FROM THE U.S. ADMINISTRATION TO COMPLETE ITS COMMITMENT FOR IFAD WOULD PRESERVE THIS RECORD AND ALMOST CERTAINLY WIN UNIVERSAL APPROVAL IN THE AMERICAN CONGRESS AND WITH COUNTRIES ASSOCIATED WITH THE U.S. FOR A MORE STABLE AND PEACEFUL WORLD.

I MAKE THIS APPEAL BOTH AS AN AMERICAN AND AS AN INTERNATIONAL OFFICIAL WITH RESPONSIBILITY FOR MONITORING WORLD FOOD ISSUES. I WOULD BE GLAD TO CALL ON YOU OR ANYONE YOU MAY DESIGNATE TO DISCUSS THIS MATTER FURTHER.  
HIGHEST CONSIDERATIONS.  
(MAURICE J. WILLIAMS, EXECUTIVE DIRECTOR, UNITED NATIONS

WORLD FOOD COUNCIL, ROME)  
COL CKD  
(FOODAGRI ROME TELEX 610181-610248)  
110191504

10101500

BIO DATA FOR

MAURICE WILLIAMS, EXECUTIVE DIRECTOR, WORLD FOOD COUNCIL

Mr. Willaims was appointed to the post of Executive Director of the Council by the UN Secretary General on September 1, 1978. His appointment has been renewed through the period of the 1984 Ministerial. Before assuming this post, Mr. Williams had been Chairman of the Development Assistance Committee of the Organization for Economic Cooperation and Development since March 1974.

Prior to that assignment, he had a long and distinguished career with the U.S. Government in the field of International Development Assistance and rose to the position of Deputy Administrator of the U.S. Agency for International Development. Mr. Williams acted as the U.S. Coordinator for international food relief and rehabilitation during the 1970-71 emergency in India and Bangladesh and in the 1970-74 drought in Africa.

Williams is a founder of the Club du Sahel which is a loose organization of multilateral aid agencies assisting the Sahel countries in Africa. He assisted in securing contributions for the International Fund for Agricultural Development (IFAD); he participated in a high level environment program panel to consider financing for the UN desertification program.

Mr. Williams was born in Canadfa in 1920. He specialized in International Economics at the University of Chicago after having studied at the University of Manchester, U.K., and Northwestern University.

He is married and has three sons.

## WORLD FOOD COUNCIL

### Background

The World Food Council (WFC) was created by the UN General Assembly pursuant to a resolution of the 1974 World Food Conference.\* The Council is tasked with (a) reviewing periodically, at the ministerial level, major problems and policy issues affecting the world food situation, and (b) making recommendations to the UN system, regional organizations, and governments on appropriate steps that might be taken toward the solution of world food problems.

The WFC, the highest political body in the UN system charged specifically with world food and agricultural matters, has no operational functions. It is primarily an advisory, coordinating, and recommending body. A ministerial session of the WFC is held each year, which is preceded by a preparatory meeting.

The WFC has 36 member countries elected by the UN General Assembly for 3-year terms--8 Asian, 9 African, 7 Latin American, 8 Western European and other States, and 4 Eastern European. Twelve members of the World Food Council (i.e. one-third of the total) retire every year, to be replaced through elections by the General Assembly, on the basis of nominations by the Economic and Social Council. Retiring members are eligible for reelection; the United States and the USSR have been on the Council since its beginning.

The small professional staff of WFC has been directed by U.S. nationals since its beginnings. Having neither operational nor financial functions, the WFC has a small budget, primarily for salaries of the staff, and it is funded directly from the UN's operating budget.\*\*

### U.S. Benefits from the WFC

Benefits that the United States has from membership in WFC are derived from its use of the annual Ministerial meeting as a forum for expounding U.S. agricultural policies in terms of world food and agriculture needs.

- . The Secretary of Agriculture has the opportunity to explain U.S. food and agriculture policies to other Ministers and win acceptance for them among member States.
- . The conclusions reached by the WFC Ministerial have often served as the basic U.S. position for other international organizations where the United States has debated with other countries about international agricultural policies, and assistance for developing countries to improve their food and agriculture sector.

---

\*The World Food Conference originated with a proposal that Secretary Kissinger made to the UN; he and Secretary Butz participated in the historic 1974 meeting.

\*\*Funding for WFC is included in the overall UN budget; U.S. contributions to the UN and its agencies are carried in the budget of the State Department.

- . The WFC has helped mobilize efforts by national governments and international organizations in such areas as: food aid; food security; national food strategies; food consumption and nutrition; the flow of resources to improve agriculture in food priority countries.
- . U.S. influence in the WFC has been better than in other UN bodies and it has served U.S. interests in the continuing debate with developing countries in other international forums.

#### U.S. Problems with the WFC

The principal problem that the United States has had is the organization's uncertain role in the international community. During the World Food Conference, developing countries sought a "World Food Authority" which would have some legal basis for directing national governments and international agencies in dealing with world food problems. Most industrialized countries, including the United States, saw little need for another UN agency, but were willing to accept a forum for high-level discussions of food and agriculture problems. Hence from its beginnings, there were deep divisions among the member countries on how much authority the WFC should have and, in general, what it should do.

- . Each Ministerial meeting has had to wrestle with the problem of how the Council should conduct itself and what kind of "product" or "paper" should emerge from its deliberations.
- . Some of the papers prepared by the Council Secretariat as a basis for structuring the Ministerial discussions have proposed actions by the developed countries (including the United States) and other international organizations such as FAO or IMF. These papers are often seen as unnecessary involvement in the affairs of other bodies and have not been welcomed. At the same time, the United States and other member countries say that the WFC should take initiatives and coordinate efforts in the food and agriculture sector by national governments and international bodies.
- . Because the FAO's Director General sees the WFC as an infringement on the perceived primacy of the FAO, U.S. support for the WFC may have some adverse affect on relations with FAO.

#### U.S. Policy Toward WFC

At the first two Ministerial meetings of the Council, developing countries sought to recreate a world food "authority," and almost destroyed WFC. Since then, leadership by the United States and moderates among developing countries have given the Council a semblance of concerted purpose. During this period, U.S. policy has been generally supportive of the Council though it has not always agreed with WFC policies or tactics in the world arena. U.S. policy is currently one of continued support.

C.F.

ID # 193646

IT 108

WHITE HOUSE  
COUNSELLOR'S OFFICE TRACKING WORKSHEET

O - OUTGOING

H - INTERNAL

I - INCOMING

Date Correspondence Received (YY/MM/DD) 83/12/31

Name of Correspondent: Richard Mc Cormack

CN Mail Report User Codes: (A) \_\_\_\_\_ (B) \_\_\_\_\_ (C) \_\_\_\_\_

Subject: Writer comments on funding for the International Fund for Agricultural Development (IFAD).

ROUTE TO:

ACTION

DISPOSITION

Office/Agency	(Staff Name)	Action Code	Tracking Date YY/MM/DD	Type of Response	Code	Completion Date YY/MM/DD
	<u>CNHAMM</u>	<u>OR</u>	<u>84/01/03</u>	<u>NAN</u>	<u>C</u>	<u>84/01/03</u>

ACTION CODES:

- A - Appropriate Action
- C - Comment/Recommendation
- D - Draft Response
- F - Furnish Fact Sheet to be used as Enclosure

- I - Info Copy Only/No Action Necessary
- R - Direct Reply w/Copy
- S - For Signature
- X - Interim Reply

DISPOSITION CODES:

- A - Answered
- B - Non-Special Referral
- C - Completed
- S - Suspended

FOR OUTGOING CORRESPONDENCE:

- Type of Response = Initials of Signer
- Code = "A"
- Completion Date = Date of Outgoing

Comments: \_\_\_\_\_

Keep this worksheet attached to the original incoming letter.  
 Send all routing updates to Central Reference (Room 75, OEOB).  
 Always return completed correspondence record to Central Files.  
 Refer questions about the correspondence tracking system to Central Reference, ext. 2590.



## RECORDS MANAGEMENT ONLY

### CLASSIFICATION SECTION

No. of Additional Correspondents: \_\_\_\_\_ Media: L Individual Codes: 1130

Prime Subject Code: IT 108 Secondary Subject Codes: FD 00302  
EG 011

### PRESIDENTIAL REPLY

Code	Date	Comment	Form
C		Time: _____	P- _____
DSP		Time: _____	Media: _____

**SIGNATURE CODES:**

**CPn - Presidential Correspondence**

- n - 0 - Unknown
- n - 1 - Ronald Wilson Reagan
- n - 2 - Ronald Reagan
- n - 3 - Ron
- n - 4 - Dutch
- n - 5 - Ron Reagan
- n - 6 - Ronald
- n - 7 - Ronnie

**CLn - First Lady's Correspondence**

- n - 0 - Unknown
- n - 1 - Nancy Reagan
- n - 2 - Nancy
- n - 3 - Mrs. Ronald Reagan

**CBn - Presidential & First Lady's Correspondence**

- n - 1 - Ronald Reagan - Nancy Reagan
- n - 2 - Ron - Nancy

**MEDIA CODES:**

- B - Box/package
- C - Copy
- D - Official document
- G - Message
- H - Handcarried
- L - Letter
- M - Mailgram
- O - Memo
- P - Photo
- R - Report
- S - Sealed
- T - Telegram
- V - Telephone
- X - Miscellaneous
- Y - Study

# WITHDRAWAL SHEET

## Ronald Reagan Library

*Collection Name*

WHITE HOUSE OFFICE OF RECORDS MANAGEMENT  
(WHORM): SUBJECT FILE

*Withdrawer*

DLB 9/12/2014

*File Folder*

IT108 (INTERNATIONAL FUND FOR AGRICULTURAL  
DEVELOPMENT) (175147-199999)

*FOIA*

S697  
SYSTEMATIC

*Box Number*

36

121

---

<i>ID</i>	<i>Document Type</i>	<i>No of</i>	<i>Doc Date</i>	<i>Restric-</i>
	<i>Document Description</i>	<i>pages</i>		<i>tions</i>

---

165555 LETTER

2 12/23/1983 B1

RICHARD MCCORMACK TO ED MEESE

---

The above documents were not referred for declassification review at time of processing  
Freedom of Information Act - [5 U.S.C. 552(b)]

- B-1 National security classified information [(b)(1) of the FOIA]
- B-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- B-3 Release would violate a Federal statute [(b)(3) of the FOIA]
- B-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- B-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- B-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- B-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- B-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

# WITHDRAWAL SHEET

## Ronald Reagan Library

*Collection Name*

WHITE HOUSE OFFICE OF RECORDS MANAGEMENT  
(WHORM): SUBJECT FILE

*Withdrawer*

DLB 9/12/2014

*File Folder*

IT108 (INTERNATIONAL FUND FOR AGRICULTURAL  
DEVELOPMENT) (175147-199999)

*FOIA*

S697  
SYSTEMATIC

*Box Number*

36

121

---

<i>ID</i>	<i>Document Type</i> <i>Document Description</i>	<i>No of</i> <i>pages</i>	<i>Doc Date</i>	<i>Restric-</i> <i>tions</i>
165556	MEMO  CHARLES HILL TO CRAIG FULLER, RE: INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT (IFAD), EDITED	1	ND	B1

---

The above documents were not referred for declassification review at time of processing  
Freedom of Information Act - [5 U.S.C. 552(b)]

- B-1 National security classified information [(b)(1) of the FOIA]
- B-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- B-3 Release would violate a Federal statute [(b)(3) of the FOIA]
- B-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- B-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- B-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- B-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- B-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

# WITHDRAWAL SHEET

## Ronald Reagan Library

*Collection Name*

WHITE HOUSE OFFICE OF RECORDS MANAGEMENT  
(WHORM): SUBJECT FILE

*Withdrawer*

DLB 9/12/2014

*File Folder*

IT108 (INTERNATIONAL FUND FOR AGRICULTURAL  
DEVELOPMENT) (175147-199999)

*FOIA*

S697  
SYSTEMATIC

*Box Number*

36

121

---

<i>ID</i>	<i>Document Type</i> <i>Document Description</i>	<i>No of</i> <i>pages</i>	<i>Doc Date</i>	<i>Restric-</i> <i>tions</i>
165557	CABLE  ROME 29630	4	12/13/1983	B1

---

The above documents were not referred for declassification review at time of processing  
Freedom of Information Act - [5 U.S.C. 552(b)]

- B-1 National security classified information [(b)(1) of the FOIA]
- B-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- B-3 Release would violate a Federal statute [(b)(3) of the FOIA]
- B-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- B-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- B-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- B-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- B-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

# WITHDRAWAL SHEET

Ronald Reagan Library

*Collection Name*

WHITE HOUSE OFFICE OF RECORDS MANAGEMENT  
(WHORM): SUBJECT FILE

*Withdrawer*

DLB 9/12/2014

*File Folder*

IT108 (INTERNATIONAL FUND FOR AGRICULTURAL  
DEVELOPMENT) (175147-199999)

*FOIA*

S697  
SYSTEMATIC

*Box Number*

36

121

---

<i>ID</i>	<i>Document Type</i> <i>Document Description</i>	<i>No of</i> <i>pages</i>	<i>Doc Date</i>	<i>Restric-</i> <i>tions</i>
165558	CABLE  ROME 26826	1	11/8/1983	B1

---

The above documents were not referred for declassification review at time of processing  
Freedom of Information Act - [5 U.S.C. 552(b)]

- B-1 National security classified information [(b)(1) of the FOIA]
- B-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- B-3 Release would violate a Federal statute [(b)(3) of the FOIA]
- B-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- B-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- B-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- B-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- B-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

MEMORANDUM

EB/OP/IFAD  
FITIREAX

IFAD-II  
USG Policy

THE WHITE HOUSE  
WASHINGTON

November 17, 1983

FOR: THE CABINET COUNCIL ON FOOD AND AGRICULTURE  
WORKING GROUP ON IFAD

FROM: BURLEIGH LEONARD, ACTING EXECUTIVE SECRETARY OF  
THE CABINET COUNCIL ON FOOD AND AGRICULTURE

SUBJECT: IFAD Issue Paper

The attached document is a draft issue paper on IFAD. I prepared it from materials provided by AID and USDA. Please note that the paper is only a first draft and therefore may not be the best presentation of the matters at issue. It is my intent to refine the issue paper after the initial working group meeting on November 21. Please be prepared to comment on the paper's substance and format at the November 21 meeting.

The meeting will begin at 3:00 p.m. in Room 208 OEOB.

International Fund for Agricultural Development  
Issue Paper  
(11/17/83 Draft)

## ISSUES

- o What is the appropriate level of the U.S. FY 1985 contribution to IFAD?
- o Should the U.S. participate in the negotiation of a second replenishment of IFAD?
- o If so, what negotiating position should the U.S. adopt?

## BACKGROUND

The International Fund for Agricultural Development (IFAD) is an outgrowth of the 1974 World Food Conference. It was established in December 1977 to mobilize additional resources to be made available on concessional terms for agricultural development. Under the agreement establishing IFAD, industrialized countries (Category I) and petroleum-exporting countries (Category II) contribute resources for projects in developing countries (Category III) that address the needs of small farmers and the landless farm worker.

IFAD's initial funding for 1978-1980 amounted to \$1 billion, \$200 million of which was contributed by the U.S. IFAD has a staff of 164, half professional and half support. Most of IFAD's projects are co-financed by existing multilateral institutions, such as the World Bank and the regional development banks. However, IFAD also cooperates with national organizations, including development-oriented agencies like AID.

## DISCUSSION

### I. Level of U.S. FY 85 Contribution to IFAD

The first replenishment of IFAD was negotiated to provide funds for three calendar years, 1981-1983. The U.S. share (17 percent of the total pledges) was to be \$180,000,000. The replenishment was not finally agreed to until January 1982. As a result of the late agreement and Congressional concern over IFAD's staff size, the U.S. did not appropriate funds for IFAD in FY 1982. The FY 1983 Continuing Resolution (CR) appropriated \$24,000,000 for IFAD; the FY 1983 Supplemental added \$16,000,000; and the FY 1984 CR has appropriated \$50,000,000. Thus, by December 31, 1983, the end of the period covered by the first replenishment, the U.S. will have contributed \$90,000,000, or one-half of its pledge.

Except for Iran, Iraq and Libya, other donors had already contributed two-thirds of their pledges as of September 30, 1983, (compared to two-ninths by the U.S) and are prepared to complete their contributions in late 1983 or early 1984. The consolidated budget request pending with OMB seeks \$50,000,000 for IFAD in FY 1985.

As a matter of policy, the Administration has attempted to meet its obligations to all multilateral development banks (MDBs). The IFAD pledge is an obligation incurred by the Reagan Administration (the first replenishment was signed in January 1982; the U.S. formal instrument of contribution was filed in February 1983). President Reagan has indicated that the U.S. would provide the balance of the U.S. contribution to IFAD before the end of CY 1983 (see attached letter to President Zia).

The other Category I donors have expressed concern about the U.S. record to date. Arguments have been advanced with some force that the U.S. Administration would not be acting in good faith if it failed to seek a full \$90,000,000 appropriation in FY 1985. Four major Category I donors (United Kingdom, Germany, France and Canada) indicated that they would exercise their rights under the first replenishment agreement to withhold their final contribution under the principle of "parallelism", if the U.S. did not make its contribution in a timely manner.

### Options

1. Request \$90,000,000 for FY 85.

Advantages:

- o Comes as close as presently possible to complying with U.S. pledge and President Reagan's commitment.
- o Probably would pass Congress.

Disadvantages:

- o Has negative budget impact.
- o Could prematurely signal U.S. support for a second replenishment of IFAD (unless accompanied by appropriate caveats).

2. Request \$50,000,000 for FY 85.

Advantages:

- o No budget increase over FY 84.

Disadvantages:

- o Does not honor U.S. commitments.



- o Could prematurely signal U.S. opposition to a second replenishment of IFAD (unless accompanied by appropriate caveats).
- o Would seriously damage IFAD if OECD nations withhold final contribution.
- o Leaves U.S. paired with Iran, Iraq and Libya.

### 3. Various intermediate options.

- a. Request \$70,000,000 in FY 85.
- b. Request \$20,000,000 in an FY 84 Supplemental and \$50,000,000 in FY 85.

#### Advantages:

- o A combination reaching at least \$70,000,000 might be enough to demonstrate U.S. good faith efforts. It would be seen as an effort to increase the funding, and the amount carried forward would be relatively small.
- o Option 3(b) would not interfere with the pending State/IDCA budget request for FY 85.
- o Options 3(b) may have an advantageous effect on the economic/military assistance ratio in the FY 84 Supplemental request.
- o OECD nations probably would not withhold funding with this increased show of U.S. support.

#### Disadvantages:

- o Combines the disadvantages of Options 1 and 2.

## II. U.S. Participation in Negotiation of a Second Replenishment of IFAD

Consultations on a second replenishment of IFAD commenced in July 1983. A second meeting was held in October. A third meeting, scheduled for December, has been postponed to at least February 1984, with the expectation that the U.S. will then know what its FY 1985 budget request will be and whether it will participate in a second replenishment.

### Arguments For Participation in Second Replenishment

1. IFAD places emphasis on rural poor. IFAD is the only multilateral institution which is focused entirely on the small farmers and landless poor. There is no question that this sector

is a critical sector for development. Successful projects can make a major impact in raising nations to agricultural self-reliance. As a specialized agency, IFAD can develop the depth of experience needed to design effective targeted projects and innovations. U.S. support of IFAD is a clear international illustration of our support for the agricultural sector.

2. IFAD provides for a partnership between OECD and OPEC countries. The governance of IFAD emphasizes partnership between OECD and OPEC. This serves an important diplomatic purpose by creating a forum for cooperation among the Arab and industrialized states.

3. IFAD leverages U.S. dollars. Generally, in MDBs, the U.S. contribution share is 25 percent. In IFAD the current share of the U.S. is 17 percent. As a result, the U.S. contribution gets more project dollars into the field than any other use. IFAD mobilizes more petro dollars for development per U.S. dollar invested than any other development institution. It is unlikely that OPEC states would divert their IFAD contributions to other international assistance programs, should IFAD's funding be reduced or eliminated.

4. IFAD is an efficient, low-overhead operation. IFAD operates with a limited number of staff. By design, it is a "fund", not a "bank", and is structurally prohibited from being involved in project implementation. Thus, administration of projects are undertaken by other institutions which co-finance IFAD projects. Staffing requirements were the subject of a study by Elmer Staats, former Comptroller of the U.S. The study concluded that IFAD's staff was actually too small.

#### Arguments Against Participation in Second Replenishment

1. AID is already heavily oriented toward agriculture. Approximately half of U.S. development assistance goes into the agricultural sector (\$750,000,000 out of \$1,500,000,000). In addition, some ESF funds are spent on agricultural projects. While most of these funds are spent on research rather than on projects with direct application to rural poor, the results of research may be more beneficial in the long run than specific rural development projects.

2. IFAD has accomplished its mission. To the extent that IFAD was formed because of a lack of donor attention to the problems of the rural poor, it has accomplished its mission. Various industrialized countries and multilateral institutions are now placing increased emphasis on assisting the rural poor.

3. The U.S. lacks control over IFAD. IFAD loans are being made to countries that are ineligible for U.S. assistance. The U.S. does not have a blocking vote over country loans nor has it been

successful in influencing IFAD's lending policy (though, in fairness, the U.S. may not have tried that hard to influence lending policy over the years).

4. IFAD is simply one more drain on the Treasury. The U.S. could save a significant amount of money by dropping out of IFAD. In the alternative, the U.S. could supplement its bilateral assistance programs with funds that heretofore have gone to IFAD.

#### Options

1. Proceed to negotiate a second replenishment of IFAD.
2. Proceed to negotiate a second replenishment of IFAD on strict predetermined conditions (see discussion of issue III).
3. Defer a decision until further information is obtained (such as a clarification of OPEC's position, soundings on potential preconditions for a new replenishment, Congressional views, etc).
4. Refuse to negotiate a second replenishment of IFAD.

The arguments for and against Options 1, 2, and 4 are set forth above.

The option of deferment requires further discussion of tactical considerations. The U.S. is looked to for leadership in IFAD. Several nations, perhaps including OPEC, will not decide whether to negotiate a second replenishment until the U.S. makes its decision. This may suggest a low priority for IFAD, or possibly the recognition that without U.S. participation IFAD would be crippled. On the other hand, if there is interest on the part of other countries that IFAD be discontinued, there may be some advantage for the U.S. to wait on others to make the first move to withdraw from IFAD. It should be noted, however, that it is improbable that the other donors will proceed with substantive negotiations on a second replenishment without the U.S.

#### Implications of U.S. Decision on Second Replenishment for FY 85 IFAD Budget Request

Should the U.S. decide to participate in the negotiation of a second replenishment, the U. S. probably would want to avoid any interim actions which would damage IFAD.

A FY 1985 budget request of \$50,000,000 (without a FY 1984 Supplemental request) would send a signal of U.S. disinterest in IFAD. It probably would result in several OECD countries withholding their payments, thereby limiting resources for IFAD's 1984 program. Moreover, it would have a negative effect on a second replenishment. Thus, some parties believe that a decision

to participate in the negotiation of a second replenishment is a compelling reason for requesting an increased appropriation request for FY 1985 or a FY 1984 supplemental request or both.

Other parties claim that a decision to negotiate a second replenishment will overshadow whatever unhappiness there may be with respect to the U.S. delay in meeting its first replenishment commitments.

A decision not to participate in the negotiation of a second replenishment would be received negatively by many U.S. allies. If the decision is accompanied by a FY 1985 budget request for \$50,000,000 (which is viewed as a breach of U.S. commitments), the U.S. will suffer two "black eyes" -- one for pulling out of IFAD and the other for not living up to its first replenishment pledge.

Therefore, it is argued that a decision not to negotiate a second replenishment makes a full FY 1985 budget request even more necessary. Getting out of IFAD is an acceptable decision; the honorable way out is to make good on the existing U.S. pledge promptly. If the U.S. announces a budget request of \$90,000,000 at or before the time it announces its decision to withdraw from IFAD, the U.S. can withdraw in dignity and minimize the political fallout which can be anticipated as a result of withdrawal. It should be noted that 1984 is the 10th anniversary of the World Food Conference. The U.S. role in the collapse of IFAD could generate disproportionate attention because of this timing factor.

### III. U.S. Negotiating Position on Second Replenishment of IFAD

If the decision is made to participate in the negotiation of a second replenishment of IFAD (even if a decision to participate in the replenishment is deferred), the U.S. should consider what its negotiating posture should be.

The following are conditions the U.S. might seek to incorporate into a second replenishment agreement:

1. Equal OECD-OPEC Participation. One of the unique aspects of IFAD is the participation of OPEC and OECD as equal partners in the governance of IFAD (each has one-third of the votes; the recipient developing countries have the final third of the votes). Originally, the U.S. expected OPEC to share equally in the funding of IFAD. In the first replenishment of IFAD, OPEC pledges were 43 percent of the total pledges. OPEC instruments of contribution constituted 38 percent of the total (Iran and Libya have not deposited their instruments of contributions). The dollar value of the contributions from OPEC is 48 percent because of changes in currency value.

If the OPEC partnership is a significant reason to continue IFAD, either for diplomatic reasons or because of its leveraging effect on the U.S. contribution, a focus on the OPEC contribution is appropriate. At the last consultations, two OPEC nations (Venezuela and Nigeria) stated that the OPEC share would have to be reduced from 38 percent.

U.S. insistence on equal OECD-OPEC participation in IFAD would be principled and would be in accord with the initial intentions of OPEC. However, it could undermine prospects for successful negotiation of a second replenishment and create tensions with OPEC countries, since OPEC nations maintain that they never agreed to a 50 percent share of contributions to IFAD.

2. Level of Replenishment. The level of replenishment should be large enough to assure a continuing effective IFAD program, and small enough to minimize U.S. budget problems.

3. Eligible Recipients. IFAD carries out projects in countries that are ineligible for U.S. assistance (Cuba, Nicaragua, Guyana, etc.). The U.S. does not have veto power to avoid this situation. The U.S. could seek to restrict the list of recipients, either directly or by requiring an 85 percent vote of approval. This proposal would be controversial.

4. Private Sector Requirement. The U.S. could approach the aforementioned problem through the back door by defining the type of qualified projects as those benefitting the small private farmer. Certainly in Cuba, if not elsewhere, there are likely to be few private farmers eligible, and the host government is not likely to wish to encourage aid to the private sector. Since one of the "selling points" for IFAD is its emphasis on the "small farmer", such a position would not be totally inconsistent with IFAD's purpose, though it would still remain a controversial proposal.

# WITHDRAWAL SHEET

## Ronald Reagan Library

*Collection Name*

WHITE HOUSE OFFICE OF RECORDS MANAGEMENT  
(WHORM): SUBJECT FILE

*Withdrawer*

DLB 9/12/2014

*File Folder*

IT108 (INTERNATIONAL FUND FOR AGRICULTURAL  
DEVELOPMENT) (175147-199999)

*FOIA*

S697  
SYSTEMATIC

*Box Number*

36

121

---

<i>ID</i>	<i>Document Type</i> <i>Document Description</i>	<i>No of</i> <i>pages</i>	<i>Doc Date</i>	<i>Restric-</i> <i>tions</i>
-----------	---	------------------------------	-----------------	---------------------------------

---

165559 LETTER

1 6/16/1982 B1

DUPLICATE OF #165540; REAGAN TO ZIA

---

The above documents were not referred for declassification review at time of processing  
Freedom of Information Act - [5 U.S.C. 552(b)]

- B-1 National security classified information [(b)(1) of the FOIA]
- B-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- B-3 Release would violate a Federal statute [(b)(3) of the FOIA]
- B-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- B-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- B-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- B-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- B-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

C. Closed in accordance with restrictions contained in donor's deed of gift.



United States Department of State

Washington, D.C. 20520

JAN - 9 1984

199315

3101

IT108

C0010

FG006-12

TR

JV

Dear Mr. Kreisky:

This is in reference to your letter of October 25 to Judge Clark and his December 20 reply concerning the International Fund for Agricultural Development (IFAD).

The United States, as you pointed out, played a leading role in the establishment of IFAD. We have also been IFAD's largest donor and have consistently supported IFAD's objectives in agricultural development, especially its emphasis on small farmers and the rural poor.

We share your concerns about IFAD's financial problems, caused by the delay in payments from a number of countries in both the OPEC and OECD group, including the U.S. The United States takes its commitments seriously and intends to meet its commitment to IFAD in full. In this regard, I am pleased to note that the U.S. Congress recently approved the Administration's request for \$50 million for IFAD in Fiscal Year 1984. The Administration will be submitting its Fiscal Year 1985 budget request to the Congress in February 1984.

The United States intends to participate in the upcoming consultation on the second replenishment on February 29 in order to assess the problems of IFAD and prospects for the second replenishment. We welcome your agreeing to assist IFAD's President Al-Sudeary with the second replenishment discussions, in which we are sure you will draw on your many years of experience as a world leader. We look forward to working with you in this endeavor. I would welcome an opportunity to discuss these issues with you during your intended visit to the United States in early 1984.

Sincerely,

Denis Lamb

Acting Assistant Secretary  
Economic and Business Affairs

Mr. Bruno Kreisky  
Vienna, Austria

NSC 8309369



DEPARTMENT OF STATE  
EXECUTIVE SECRETARIAT  
TRANSMITTAL FORM

S/S 8339613

Date January 9, 1984  
84 JAN 9 PII 27

For: Mr. Robert C. McFarlane  
National Security Council  
The White House

Reference:

To: Mr. William Clark From: Bruno Kreisky

Date: October 25, 1983 Subject: Kreisky concern for IFAD  
(Int'l Fund for Agricultural Development).

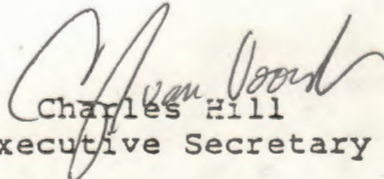
WH Referral Dated: December 27, 1983 NSC ID# 8309369  
(if any)

         The attached item was sent directly to the  
Department of State.

Action Taken:

- A draft reply is attached.
- A draft reply will be forwarded.
- A translation is attached.
- X   An information copy of a direct reply is attached.
- We believe no response is necessary for the reason  
cited below.
- The Department of State has no objection to the  
proposed travel.
- Other.

Remarks:

  
Charles Hill  
Executive Secretary



REFERRAL

DATE: 27 DEC 83

## MEMORANDUM FOR. STATE SECRETARIAT

DOCUMENT DESCRIPTION: TO: PRESIDENT

SOURCE: KREISKY

DATE: 25 OCT 83

KEYWORDS: AUSTRALIA

SUBJ: KREISKY CONCERN FOR IFAD INTL FUND FOR AGRICULTURAL DEVELOPMENT


-----  
REQUIRED ACTION: DIRECT REPLY FURNISH INFO COPY

COORDINATE WITH AGRICULTURE &amp; SOMMER OF

THE NSC -- THANKS

DUEDATE: 10 JAN 84

COMMENTS.

  
FOR ROBERT M. KIMMITT

EXECUTIVE SECRETARY

Received in S/S-I  
12/28 at 10:00 AM (28)

Dec 22, 1983

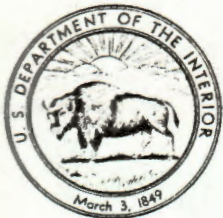
NATIONAL SECURITY COUNCIL

TO NSC/S

Please send the attached  
to State for direct reply.  
Ask State to clear its  
reply with Agricultural  
and SOMMER (NSC).

Thank you.

Peter Sommer



THE SECRETARY OF THE INTERIOR  
WASHINGTON

December 20, 1983

Dear Dr. Kreisky:

Thank you for your letter of October 25, 1983, which Ambassador Klestil delivered to me just prior to my departure from the White House. I appreciate your interest and concern regarding the International Fund for Agricultural Development (IFAD). I have forwarded your letter to the National Security Council staff and to the Department of State who I understand will respond in greater detail.

I also wish to thank you for your kind words regarding my nomination as Secretary of the Interior. It was my good fortune to grow up in the hills, valleys and forests of California where I learned to appreciate the rich natural heritage blessing America. President Reagan has given me an opportunity to conserve this heritage.

My best regards.

Sincerely,

A handwritten signature in dark ink, appearing to read "Bill Clark", written in a cursive style.

William Clark

Dr. Bruno Kreisky  
Ex-Chancellor  
Socialist Party of Austria  
Loewelstrasse A 1010

BRUNO KREISKY

9369

~~we~~

Vienna, October 25, 1983

Received by  
Kreisky  
11/10/83

Dear Mr. Clark,

May I congratulate you on your nomination as Secretary of the Interior. I am confident that the nomination will soon be confirmed by the Senate and you will discharge your new responsibilities with even greater distinction.

You are already aware of my life-long commitment to assist the poor and the underprivileged of this world. I have, therefore, followed with particular interest international efforts to solve the problem of world hunger. One of the major outcomes of the 1974 World Food Conference was IFAD - The International Fund for Agricultural Development. The Initiative for creating IFAD came from OPEC countries which provided 43 percent of its initial resources of \$ 1000 million but the leadership role in responding to this initiative was played by USA which offered, in 1977, a contribution of 20 percent or \$ 200 million to IFAD's initial resources.

Having observed the work of this young institution, I can say with confidence, that IFAD is one of the most innovative and effective development institutions. It is unique because it is the only international financial institution focusing exclusively on increasing food production and within that sector, it is dedicated primarily to the needs of the rural poor. It is also cost effective because with a professional staff of only about 75, it has developed an operational capacity to commit \$ 400 - 500 million a year for good and

Mr. William CLARK  
National Security Advisor  
The White House  
Washington D.C.

./.

innovative projects in its member countries. Its administrative costs are thus one of the lowest in the UN system. At the Cancun Summit held in October 1981, IFAD's role in dealing with the world food problem and the need for the timely replenishment of its resources were widely emphasized.

Despite these accomplishments, IFAD is facing a serious financial crisis mainly because of delays in the payment of the US contribution to the first replenishment of IFAD's resources. As you are no doubt aware, the United States, which actively participated in the negotiations for the first replenishment, had pledged a contribution of \$ 180 million for the period 1981 -83 (out of a total of \$ 1100 million ) but so far only \$ 40 million have been appropriated for FY 83 and \$ 50 million have been requested for FY 84. If this amount is appropriated in full, the United States would have paid, by the end of Calendar 1983, only \$ 90 million or half the amount pledged.

// The US Administration will be soon making a decision on seeking appropriation for IFAD for FY 85. I understand one option under consideration is to budget the remaining amount of \$ 90 million over two years i.e. FY 85 and FY 86. This option, if followed, would lead to a serious disruption in IFAD's operations, since it does not have the margin of resources to withstand a two year stretch out in the payment of these contributions. If the Administration would at least seek an appropriation of \$ 90 million for FY 85, then other member governments, who are currently withholding the last one third of their payments, will also pay these amounts, thus enabling IFAD

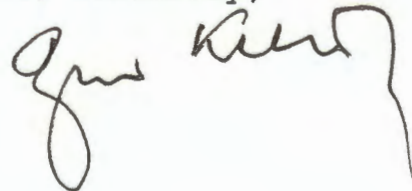
to continue its operations through the first half of 1984. This action by the US will also prepare the ground for serious negotiations on the Second Replenishment.

I have recently accepted the responsibility to assist IFAD in successfully completing its Second Replenishment. During a forthcoming visit to Saudi-Arabia to meet King Fahd, I also intend to seek a reaffirmation of their support for the Second Replenishment. However, my efforts in Saudi-Arabia and other countries could be seriously undermined if the prospects of completing the first replenishment by the end 1984, do not appear reasonably secure.

Even though in your new assignment you will not be directly dealing with this subject, may I seek your advice in pursuing this matter. I also intend to visit the United States early in 1984, but in the meanwhile, in view of the urgency involved, I would particularly appreciate your assistance in conveying these views to President Reagan and Secretary of State Shultz and in seeking their personal support for this promising and dynamic institution.

With my warm regards and best wishes,

yours sincerely,

A handwritten signature in cursive script, appearing to read "James King". The signature is written in dark ink and is positioned to the right of the typed name "James King".

NSC/S PROFILE

UNCLASSIFIED

ID 8309369

RECEIVED 27 DEC 83 11

TO PRESIDENT

FROM KREISKY

DOCDATE 25 OCT 83

CLARK, W

20 DEC 83

KEYWORDS: AUSTRALIA

SUBJECT. KREISKY CONCERN FOR IFAD INTL FUND FOR AGRICULTURAL DEVELOPMENT

ACTION. DIRECT REPLY FURNISH INFO CY \* DUE: 10 JAN 84 STATUS C FILES WH

FOR ACTION  
STATE

FOR CONCURRENCE

FOR INFO

COMMENTS

REF# LOG NSCIFID ( V )

ACTION OFFICER (S) ASSIGNED ACTION REQUIRED DUE COPIES TO


DISPATCH JK 14/27 W/ATTCH FILE \_\_\_\_\_ (C)

RECEIVED 27 DEC 83 11

TO PRESIDENT

FROM KREISKY

DOCDATE 25 OCT 83

CLARK, W

20 DEC 83

HILL, C

09 JAN 84

KEYWORDS: AUSTRALIA

SUBJECT: KREISKY CONCERN FOR IFAD INTL FUND FOR AGRICULTURAL DEVELOPMENT

ACTION. DIRECT REPLY FURNISH INFO CY \* DUE: 10 JAN 84 STATUS C FILES WH

FOR ACTION

FOR CONCURRENCE

FOR INFO

STATE

LAUX

COMMENTS

REF# LOG NSCIFID ( V V )

ACTION OFFICER (S) ASSIGNED ACTION REQUIRED DUE COPIES TO

C 1/10 RECD S/S DIRECT REPLY 1 LX

DISPATCH \_\_\_\_\_ W/ATTCH FILE \_\_\_\_\_ (C)