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**Transcript of interview with**

**WINSTON TEMPLE**

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## FOREWORD

The following is a transcript of an oral interview conducted by the authors of the World Bank's fiftieth anniversary history: John P. Lewis, Richard Webb and Devesh Kapur, *The World Bank: Its First Half Century*, Washington, DC: Brookings Institution Press, 1997. It is not a formal oral history, and it is not a systematic overview of the work of the person interviewed. At times the authors discussed the planned publication itself and the sources that should be consulted; at other times they talked about persons and publications extraneous to the Bank. Some interview tapes and transcripts begin and end abruptly. Nevertheless, the World Bank Group Archives believes that this transcript may be of interest to researchers and makes it available for public use.

*Winston Temple*  
*November 20, 1991 - Verbatim*

**[Begin Tape 1]**

**TEMPLE:** . . . the main issue that one should raise is that overall ODA, official development assistance, to Vietnam is very, very low, okay? And there are basically only three donors to Vietnam which count, and those are the Russians, of course, the Swedes, and the UN system.

**LEWIS:** And the UN system?

**TEMPLE:** UN system. Now the Vietnamese lack resources very, very badly, especially in the North. In the South, they get remittances from abroad, but in the North, they really don't. So it's a very, very bad situation from that point of view. No donors and very few resources.

So they've been very, very keen--at least since I arrived over there, which was in '88, I think--they were very, very keen in opening up the doors, and in '89 they really decided to open up the doors of the country. They said, "We want to go to a free market system, right? And not only do we want to go to free market system, but we want to really normalize relations with the World Bank and the IMF [International Monetary Fund], et cetera, and definitely with the U.S. That's the way to develop, and that's the way we should move."

So, they were very, very keen on having the World Bank enter the country, having approaches to the World Bank. That was not only with the World Bank, but also with the Asian Development Bank. They tried to get IFC [International Finance Corporation], IMF, everything. They really wanted it to happen, okay? And there were several missions by IMF, by FIAS [Foreign Investment Advisory Service], by World Bank as such, IDA [International Development Association], by Asian Development Bank--many, many missions. We're not talking about one. We're talking about several missions, right, from different sectors, from forestry and ecology, et cetera. And none of these missions ever concluded anything except in a report.

So the Vietnamese received, they were very grateful for the report, then they said, "Well, we would like to follow up."

And the World Bank officials would say, "Yes, we want to, want to follow up. But, you know, our Board [of Executive Directors] has this problem." And basically, it went down to the--the bottom line was that the Board was not able to. Now, obviously it was the U.S. who was intervening in this.

But still, you know, the Vietnamese were very friendly. I mean, they didn't say, "Okay, we were--we're very annoyed at this." No. No, not so. "We realize the problems. Just let's continue talking, maybe eventually we can reach an agreement."

They went so far as to--each thing which they thought would please the IMF and the World Bank, they tried to do it. Internally, in economic policies, internally they tried to favor what the donors wanted. Externally, you know, the Cambodians--they tried to do everything possible which would please the external, foreign countries. But in spite of all of this and their enormous interest, especially in the World Bank, they got nothing.

Now, I remember their frustration reached exceptional limits when they had just agreed to doing the--no, sorry. They had just finished the agricultural sector review, which was a FAO [Food and Agriculture Organization] exercise. And FAO suggested that they should send a

mission from the investment center of FAO, which, as you know, works very closely with the World Bank, investment center of FAO. Normally, investment centers of all these U.N. organizations work very, very closely with the World Bank. Why? Because it is the World Bank which makes the loans. I mean, these investment centers really all they do is prepare the program loans and so on.

So they agreed to a mission from the investment center. They came. They talked about projects to be funded by the World Bank. And then nothing came out of it. And they were really frustrated by that, you know; it hurt them very, very badly. And I mean, all the missions which came, all of them sort of said, "Look we want to help you," et cetera, but nothing [inaudible] So, they were really very, very frustrated. And they believed that the World Bank was an excellent institution. They liked it. All the reports were very welcome.

**LEWIS:** Do you remember: was one of these people was a Danny Leipziger?

**TEMPLE:** I believe he was there. Yes, he was. The name is familiar.

**LEWIS:** He wrote a very, very good paper about liberalization in Vietnam [inaudible] I happened to read it.

**TEMPLE:** So that's the main comment I should make about the application of Vietnam to the World Bank.

And it's a shame, because, you know, I mean, the way one of the people from the IFC put it when I asked him, I mean when he had just gone down to South Vietnam, and I said, "Well, what's the South like?"

And he said, "Well, you know, it's very liberal. It's a free-market economy. It's the Wild, Wild West."

And I said, "You mean the Wild, Wild East?"

And he said, "Yes."

[Laughter]

It was basically that, you know. I mean, he said, "It's a paradise for free economics."

**WEBB:** Well, is there anyone permanent from the Bank?

**TEMPLE:** There is no World Bank mission.

**LEWIS:** They have no mission.

**TEMPLE:** And to them it's very frustrating, you know, because they wanted--they wanted to have at that time World Bank, they wanted to have IMF.

**LEWIS:** One senses that might move fairly--as far as the U.S. position, it might move very quickly.

**WEBB:** This was through a year ago.

**TEMPLE:** This was until 1990.

**LEWIS:** Yeah.

**TEMPLE:** From '88 until '90, the two years I was there.

**WEBB:** To the end of '90, more or less, or the middle of '90.

**TEMPLE:** Yeah, the middle of '90.

**WEBB:** Yeah.

**KAPUR:** I guess the block, official block, is that they are in arrears to the Bank and Fund.

**TEMPLE:** Yes, they are. Well, this was the often quoted argument, you know: “You have arrears of 100 million SDR [special drawing rights] to the IMF; therefore, you know, we can't do anything until World Bank is repaid the arrears.”

And then the Vietnamese said, “Look, 100 million SDR is really, in a context of what we have in mind, is very, very small. We develop a program. We get a loan from a bank. And then we pay the arrears. And then everything's solved.”

And it makes sense. So it was more--I think they saw this problem of arrears more of an excuse of the World Bank and the IMF.

**KAPUR:** I think that's right. The Bank has very [inaudible] Nicaragua which had much more arrears.

**TEMPLE:** Yeah.

**WEBB:** Peru.

**KAPUR:** Peru, which has even more.

**WEBB:** 800 million has been creatively financed.

**TEMPLE:** Yeah. There you are. [All talking at once]

**KAPUR:** Zambia.

**WEBB:** They've created some—what do you call it--the rights [inaudible] fund. They've created a kind of World Bank version to accommodate arrears.

**KAPUR:** In any case they've created some in the marginal areas of the World Bank.

**LEWIS:** Well, the U.S. has been playing a very mugs rogue game, I think, in the Bank on many things in the last ten years, but this is the least surprising one. There's a lot of scar tissue here, I'm guessing.

**KAPUR:** This one—it's unequivocal that it's the U.S.

**LEWIS:** Oh, sure. Sure.

**KAPUR:** And in this last Annual Meetings the French tried to organize.

**LEWIS:** Oh, yeah, yeah. Well, they'll come around, I think.

**KAPUR:** Yeah, now that . .

**LEWIS:** This is one—it's not the Administration, primarily. It's the Congress.

**TEMPLE:** Oh, yeah. True indeed, because I remember we--our own head man (who is called the Administrator, by the way) William Draper, went to Vietnam and had a meeting with the prime minister. And they hit it off very well. You know, they became immediate friends right from the start. And then our Administrator, who's also very well-known politically over in the U.S., went and talked with [George H. W.] Bush, and, you know, explained the situation. And so the Administration was in favor of Vietnam.

**LEWIS:** I think I heard the Administration was [inaudible] It's sort of in the process of [inaudible]

**TEMPLE:** Anyway, that's the long and the short of Vietnam, and I feel sorry for Vietnam, because truly they have gone out of their way to do what is required. And it's a very, very tough situation to be in.

Well, I don't think I can say much more about the World Bank and Vietnam, unfortunately. So let's go to Bangladesh now.

**LEWIS:** Okay.

**TEMPLE:** Now, I don't have to quote the situation on the macroeconomic aspects of Bangladesh. I think of those you're aware, no? Many people say that it's a basket case, there are no solutions in the country. It's just too many people in too small a place, you know, and if you want to industrialize with a literacy of 26 percent--you know, there's no way to industrialize. In agriculture, you can't increase it. You know, you don't have any more forests to burn up because you're only 8 percent covered, so you're--I mean, the whole picture sounds very, very bad. Okay?

And in that context, of course, you have a huge donor involvement. So you say, "Well, what are the pledges of so and so for this country?" It turns out that this year, there was 2.4 billion dollars in pledges. You know, that's a huge amount of money, okay? Normally, it's been around 1.8, 1.6 to 1.8 billion of pledges, I think, every year. And expenditures have been between 1.4, 1.5 billion.

Now that's--and the World Bank over there, I don't know exactly what its share of that is, but I suppose it's very, very [inaudible]

And all these pledges are within the context of the Paris aid consortium meeting, which is organized by the World Bank and the consultative group. As you know, there are two mechanisms of donors for donor coordination in countries. You have either consultative groups or the roundtable meetings. The consultative groups are World Bank; the roundtable meetings are UNDP [United Nations Development Program].

**WEBB:** But the Paris consortium is not a roundtable, then?

**TEMPLE:** No, it's not a roundtable.

**LEWIS:** It's square. [Laughter]

**WEBB:** Is there a roundtable for--it's always one or the other?

**TEMPLE:** It's one or the other.

**LEWIS:** It goes back to the least developed country concept, I think.

**TEMPLE:** Yeah, exactly. For example, in Laos it's roundtables. In Vietnam we discussed that, and they said, "We want a consultative group because we want the World Bank to be there." I mean, even in that. And they really liked that sort of thing.

**WEBB:** Just a footnote, what kinds of countries end up in roundtables?

**TEMPLE:** The same ones. Same ones. It's exactly the same concept.

**LEWIS:** But he means which recipient countries.

**WEBB:** Why--how is it chosen that it's in one case roundtable . .

**TEMPLE:** More custom, I think. More and more kind of a preference. The least developed countries normally--it depends really on presence of--you have a big presence of the UN system or of the World Bank, so it starts basically on that basis. And equally the least developed countries concept is where UNDP, the UN system was more involved and, therefore, that--but sorry: you have more information than I do.

**LEWIS:** Yeah, a little bit. In 1981 there was a least developed countries conference in Paris, and there was a lot of effort to get each of the least developed countries to come forward with a plan for their requirements. And it was agreed that if they did that there was a--I think the UNDP took the lead in organizing these preparations.

**TEMPLE:** The next one has been in 1991, so you can imagine how much of a lead.  
[Laughter]

**LEWIS:** Yeah, that's right. But, I mean, before the '81 meeting individual countries had sort of committee gatherings of--to come up with their . . .

At any rate, they then established a permanent mechanism that there would be a gathering, a focus of donors.

The consultative groups of the Bank were started rather--there was a sort of scarcity of capacity in that system, and the Bank wasn't prepared to chair too many of these things. Not nearly all of the--almost none of the least developed countries probably had one at that time.

And I think that most of the new starts, which were very much for the low-income countries, were roundtables. In the normal case that simply signifies, as you said, who's in the chair.

**TEMPLE:** Yeah. Who's more involved with the country, really, at that moment.

**LEWIS:** Yeah. Yeah.

**WEBB:** Okay. I'm sorry to interrupt.

**TEMPLE:** Yeah, no. So, here it's consultative group. And apart from the consultative group, which meets in Paris, you know, they have what's called local consultative groups. The local consultative groups are carried on over here, across Bangladesh. And these consultative groups would have normally all the major donors, not all investors but all major donors and plus some UN agencies--again, those which are the main donors, normally UNDP, UNICEF, and WFP [World Food Program]. Those are the donors, essentially. The others are basically executing agencies, okay?

**LEWIS:** WHO [World Health Organization] is there?

**TEMPLE:** Sometimes, yeah. You know, I mean, it's not substantial, nor is--well, UNFPA [United Nations Fund for Population Activities] is not substantial, but again UNFPA is part of UNDP.

**LEWIS:** Yes.

**TEMPLE:** WFP is part of UNDP, but yet they've put it--I mean, some of these things do not obey to a strict logic, okay?

But anyway, so you have a consultative group and the local consultative groups. And all those are chaired by the World Bank. Okay. And the local consultative groups--sorry--the consultative groups are mainly the objective of pledging or, "Let's discuss the policies of the countries and on the basis of discussing the policy of the country, let's make a pledge to it." That's normally the objective of the consultative group, the way, at least in Bangladesh, it works. The local consultative group, on the other hand, has a different objective. It's, "Let's discuss specific policies"--for example, women in development, environment, non-governmental organizations, TA [technical assistance] policy and procedures--and that's [inaudible] TA policy and procedures. And, you know, we just sit down and discuss all this.

And the World Bank in this sense has been very wise in saying, "Okay, we may be the, you know, the organizers and the party responsible for the local consultative groups, but we need a lead agency to take the lead in some of these." And on TA policy and procedures, for example, technical assistance policy and procedure, UNDP is the lead agency. So UNDP does all the legwork, all the background work, and the World Bank literally what it does is lends its name and its locale and its place to have the meeting. And I think that's very wise of the World Bank, because not only do the agents, the other agents, other institutions, feel that



they have not--that the work has not been usurped but they truly collaborate with the World Bank.

**LEWIS:** Do they have one on agriculture, this other?

**TEMPLE:** Ah, I'm sure—well, no, I don't think there's one on agriculture, but there is . .

**LEWIS:** Water management?

**TEMPLE:** Yes, there is. The flood action plan, for example [inaudible]

**LEWIS:** Yes.

**TEMPLE:** On agriculture, maybe not agriculture as such but maybe accelerated cereals production [inaudible]

The--any subject which is relevant, which is politically dynamite, we have a local consultative group. Sometimes we're [inaudible] and you have local consultative group on average at least six, six to ten per year.

**LEWIS:** And you meet how frequently?

**TEMPLE:** Once every two months, once every month. It's between one month to a month and a half and sometimes sooner. So it's quite active. And they are good. So, those work.

And one of the other local consultative groups which is important is the discussion of the country memorandum, which is normally the performance of the country in the policy of—what does the World Bank call it; the policy frame or the . .

**LEWIS:** Oh, yes, yes.

**TEMPLE:** . . or policy paper.

**KAPUR:** Policy framework paper.

**TEMPLE:** That's what: policy framework paper.

**LEWIS:** The Bank and Fund?

**TEMPLE:** Yeah, the Bank and the Fund and the ESAF [Enhanced Structural Adjustment Facility] and all that. So the memorandum, this country memorandum reflects the performance of the country vis-à-vis the, compliance with the ESAF and—what is it called?

**WEBB:** PFP.

**TEMPLE:** Hmm?

**WEBB:** PFP.

**TEMPLE:** PFP. All right. PFP.

**LEWIS:** And who writes the paper?

**TEMPLE:** World Bank.

**LEWIS:** I see.

**WEBB:** The country memorandum?

**TEMPLE:** Yeah.

**LEWIS:** Oh, so that's the one that goes to the consortium meeting, is it?

**TEMPLE:** Yeah. But it's discussed here previously . .

**LEWIS:** I see.

**TEMPLE:** . . with the donors and the LCG [local consultative group].

**LEWIS:** I see. Mm-hmm.

**TEMPLE:** Right. And that again has enormous uses, because from the point of view of the government, it prepares it--it prepares the government for the type of questions it will receive in Paris.

**LEWIS:** And it writes a response memorandum, doesn't it?

**TEMPLE:** The government? No, I think the country memorandum comes--it's the government's paper, actually, is it not?

**WEBB:** Oh, I see. It's the country memorandum.

**TEMPLE:** Yeah.

**WEBB:** It's not the World Bank country memorandum.

**TEMPLE:** Yeah. Yeah.

**LEWIS:** The World Bank gives a report, though, which before—at least, in the India case, the World Bank writes a . .

**TEMPLE:** It's on grey paper.

**LEWIS:** . . a grey paper, and then the government comes along . .

**TEMPLE:** Puts in another one.

**LEWIS:** . . and answers. And I don't think—at least in my time in Delhi, which was long ago, they were not talked around in . . .

**TEMPLE:** I think they do the same thing over here. Very similar.

**WEBB:** But here at the meeting, you have on the desk the policy framework paper and you also have a report by the government itself.

**TEMPLE:** Yes. You have a report by the government. You don't have the PFP. You have the country memorandum, the gray one, as it were.

**WEBB:** Ah, yes.

**LEWIS:** You have the two of them.

**TEMPLE:** But the gray one is not yet shall we say finalized, nor is the government one finalized.

**LEWIS:** You discuss both of them here before they go to Paris?

**TEMPLE:** Yeah. Exactly.

**LEWIS:** That's very good.

**TEMPLE:** That's the idea. Okay? And then at last the government sort of realizes what's going to be--what type of presentations are going to be made, and it allows equally the donors to communicate to their headquarters the type of presentations they should make, and what [inaudible] the donors.

**LEWIS:** These, of course, are the local representatives.

**TEMPLE:** I think you must be getting cold from that air conditioning, no?

**WEBB:** Oh, thank you.

**TEMPLE:** Yeah. I have just come from Switzerland so I'm accustomed to the cold.

**LEWIS:** Thank you.

**TEMPLE:** So, anyway--so, that's--you know, these local consultative groups do have a role.

**LEWIS:** I was thinking that it was to make the Paris meeting almost ceremonial, but not because that is--people from headquarters are . . .

**TEMPLE:** Yeah. Exactly.

**LEWIS:** Right.

**TEMPLE:** You've got the process. Very much so.

**LEWIS:** Yeah. Yeah.

**TEMPLE:** Okay. So, but nonetheless, the local consultative groups do have a very, very, you know, a very major role. I mean, they join donors all together, and I think that's an important issue.

Unfortunately, one can say, well, the NGOs are not there. I think there's an issue, point to take account of, but if you consider there's something like 1280 NGOs in the country, even 10 percent would be too much. Even one percent would be too much. But, anyway.

So, I do think that in that sense the World Bank plays an important role. Okay?

Now let's focus on the point of aid coordination, which is very closely related to the [inaudible]. Aid coordination--I think Chris [Christopher R. Willoughby] is right. Chris Willoughby is right. I think aid coordination is not done as much as it should be by the World Bank, nor [inaudible] by any means, not by UNDP, not by the government, not by the [inaudible]

We have what we call the DCR, the *Development Cooperation Report*. Do you have a copy of that? Do you want one? I don't want to burden you. I know what it's like to carry things.

**LEWIS:** Yeah, I think so. How thick is it? Well, we can get the Bank to send it to us in Washington.

**TEMPLE:** Shall I get you a copy? Let's see if we have one.

**[Interruption]**

**TEMPLE:** . . . aid coordination, this booklet, because it lists all the projects which are funded by donors in a country. This is a UNDP effort every year in every country, okay? So if you want to know what, shall we say, a donor has funded, what has been funded in the first place, all you have to do is look in the booklet and that way you can avoid duplicating the work being done by another. You see?

**WEBB:** And it's just a list.

**TEMPLE:** It's just a list, you know, with a sort of a few bits of information on each project. I mean, that, from my point of view, it's the best effort at coordination that you have, okay, because that way you know exactly what other people are doing. The problem is that not many people read it.

**LEWIS:** Yeah. I meant to ask you a related question earlier and the sectoral--I'm trying to say consultative groups--the sectoral ones?

**TEMPLE:** Yeah.

**LEWIS:** Are government representatives at . . .

**TEMPLE:** Sure.

**LEWIS:** They're there. Okay.

**TEMPLE:** You have government and donors.

**WEBB:** So all the local consultative groups have . . .

**TEMPLE:** Yeah. Now the interest of the government varies, for example. I mean, I've seen in some local consultative groups that the government officials are not very high-ranking. In others [inaudible]

**LEWIS:** Any move to sort of think about comparative advantage of different donors and think about it as sort of an allocative problem of who's going to do what, in support of education, for example?

**TEMPLE:** Yeah, that's part of the process. You find that some donors are more interested in some fields than others. There's no doubt about it. For example, the Scandinavians will not touch anything to do with infrastructure. The Japanese will touch everything to do with infrastructure. Yeah, you'll find that all the time.

So on aid coordination, I think the World Bank, no, but nor any donor either--not UNDP either, not the UN system, but not the government either.

**LEWIS:** Hmm.

**TEMPLE:** The government does not take its role of aid coordination very strongly. Why? Because it's too dependent on foreign aid, okay? I mean, let's talk about who will raise the 2.4 billion dollars in pledges, okay? Its current account, normally it's a 1.6 billion to 1.8 billion dollars per year deficit, okay? And the funding by foreigners is equivalent to more than . .

**[Interruption – publication delivered]**

**WEBB:** Great. Thank you.

**TEMPLE:** So, you know, I mean, this is part of the problem. It's not really the current account deficit but also of the annual development program of the country, which is really all the capital expenditures of the public sector, the donors fund officially between 90 and 95 percent--extra officially more than 100 percent. Right? So the donors are actually funding the current expenditures of the country.

**LEWIS:** But this means, then, the donors really by their contributions can determine the composition of a capital program of the country.

**TEMPLE:** Well, no. Let's go through it by stages. But the point I'm making that up to that point is that the government finds it very difficult to coordinate things because of the importance and the strength of the donors. I mean, if the donors contribute more than 100 percent extraofficially of the annual development program, then the government is in a very weak position to say, "Well, I'm going to coordinate all this."

**LEWIS:** Because [inaudible] a very strong incentive, isn't that right?

**TEMPLE:** Hmm?

**LEWIS:** It has a very strong motivation to achieve a coherent . . .

**TEMPLE:** The government has a huge motivation, but it can't do it. I mean, the other is just too strong. And I mean if you will say the U.S. goes up to--[inaudible] and that's so much now.

But the World Bank—okay, the World Bank goes over to the government and tells them, “Look, we want to lend you money for public resources--public resources sector,” for example.

And the government says, “Well, okay. We'd be delighted to.”

And then the World Bank says, “Ah, yes, but you have to meet these conditions,” which are very logical.

The government will say, “Well, hold it, you know, these conditions are very difficult.”

And the World Bank will say, “Well, you just have to take them or no money.”

And then they'll say, “Okay, we'll take them.”

You know, I mean Bangladesh realizes perfectly well that they live on donor assistance, they exist on the basis of donor assistance. Without donor assistance, the country would be in a real mess. I mean they're very, very aware of it. I mean the statistics speak for themselves.

**WEBB:** Does this turn into a charade where the government says yes but they really mean no. And then they take the money and then they--and both sides know it's going to work that way.

**TEMPLE:** In many ways, Richard, I think that you're right. You are right in many ways, because you can see it again--the statistics, you know, sort of give you a hint on this. We've talked about, you know, the amount of money which is pledged. But the amount of money which is not utilized and is in the pipeline of all these annual pledges, it's at 5 billion dollars, 5 billion, which means that it's not being used. The money is not being used. And it's not being used for several reasons, amongst one of them being what Richard just said, that, you know, the government will have to agree but deep down they don't want to agree so they don't go after it with a necessary emphasis.

**LEWIS:** Do you have any notion of what a sort of normal operating pipeline would be? It wouldn't be zero.

**TEMPLE:** No, no. Of course not. No, no. But I mean 5 billion, 6 billion is more . . .

**LEWIS:** But this is a two to one by the ratio.

**TEMPLE:** Yeah.

**LEWIS:** Or more than two to one.

**TEMPLE:** Well, normally, I mean, it's 1.6 billion to 1.8 billion pledges.

**LEWIS:** Yeah.

**TEMPLE:** So, you're talking about what? Three times the normal.

**WEBB:** Three, yeah.

**LEWIS:** It depends, you know, whether a two-year pipeline is normal [inaudible]

**TEMPLE:** I would say two to three years at the most.

**LEWIS:** Yeah. So it's . . .

**TEMPLE:** Two years. And I think that's part of the problem. And equally, reality is that all donors are constantly complaining, you know, "The government is not complying with this, the government is not complying with that," and that's part of the problem.

Now, of course, the other complaint, which is constant, is this business of "you aren't giving us counterpart funds so we can't disburse." And so it's one argument against the other, just gets worse and worse.

**LEWIS:** Is that counterpart problem, which is a sort of an internal budgetary problem, I suppose, is that worse or is that sort of a constant?

**TEMPLE:** No, it's got worse. Constantly worse, you know. Constantly worse. Counterpart funds are less and less available. You have to explain the reality that it's more than 100 percent, and now we're covering current expenditures.

And it's going to get worse, on top of that, unless the government decides that okay, what they're going to do is they're going to increase tax revenue one way or another, and they're going to reduce current expenditure one way or another, i.e., cut subsidies. For example, subsidies rather than being reduced, last year they increased to something like 14 percent of current expenditures. And they wanted to reduce them to 10 percent. That would be difficult. Again, you know, I mean wages which are a huge amount. And the reality of this country is that the only employer that you have really, apart from working in the fields in very, very small plots and totally unemployed, is the government. It employs what--we're talking about 700,000 people. And, you know, in a country which has 108 million people, active labor force of around 30 million people. It's not an easy situation.

So counterpart funds is a problem, and the donors do have a big say. They definitely have a big say. Donors have a big say. But--so the government doesn't want to sort of force the issue by saying, "We are going to coordinate, and we'll tell the donors what to do." But equally, the donors themselves do not coordinate [inaudible]

Now we've tried--UNDP has at least tried within the UN system to coordinate. We have what we call agency head meetings. We have joint consultative group meetings. We're constantly trying to coordinate between ourselves. But we can't coordinate with donors, I mean, not everybody is equal [inaudible]

**KAPUR:** Now it does seem rational why the government didn't want to coordinate, take the lead in coordinating. But what's the rationality for the donors not to organize themselves?

**TEMPLE:** Yeah. Well, that's a good point. I think that, you see, individually the donors--who would be the best one to coordinate the donors. Japan, I would say, is one of the largest. It is, I think, the largest apart from the World Bank and Asian Development Bank, the largest donor. I think over there you have some graphs about the donors?

**WEBB:** Mm-hmm.

**TEMPLE:** Well, let's see who are the largest.

**LEWIS:** [Inaudible]

**TEMPLE:** So, the next one in line would be the Asian Development Bank and then IDA more or less at the same level, no? But if the World Bank doesn't do it, then . . .

**LEWIS:** I think that basically—I've talked about aid coordination for many years—but there's a lot, strong motivations against coordination on both sides.

**TEMPLE:** Yeah.

**LEWIS:** That the government would like to play one donor off against another.

**TEMPLE:** If you want the air conditioning, just put it on.

**WEBB:** This is nice.

**TEMPLE:** Okay.

**LEWIS:** And the donors--it goes against the grain very often. It's sort of like do their own thing, like to justify their own programs with their parliaments and not be pieces of something else.

**TEMPLE:** Yeah.

**LEWIS:** It's only when they feel the pressure of resource scarcities that they sort of--they coordinate for efficiency reasons, there's a real push on coordination. That's why the Bank has become more interested, I think, in the last 10 years. And the bilaterals should be more interested.

**TEMPLE:** Yeah.

**LEWIS:** And I think that the, above all, the recipient government should be interested, because if it thinks of the aid flow as a sort of a quantum that's more or less determined by other considerations than the details of the program, then it better get that quantum into as efficient and productive a paradigm as possible.

**TEMPLE:** Mmm. Yeah.



**LEWIS:** And avoid overlaps, avoid inconsistencies and so on. And so that is--I don't understand why the two--the second and third chapters of the conversation aren't more closely linked. It seems to me that these sectoral consultative groups are what we used to think of as mechanisms for coordination.

**TEMPLE:** Well, yeah. And that's what they should be.

**LEWIS:** Yeah. But they don't--it doesn't happen that way.

**TEMPLE:** It doesn't go to the extreme that it should, you see.

**LEWIS:** I understand. Yeah.

**TEMPLE:** Because the overall objective of aid coordination, I mean the bottom line is you should have a joint program of all donors.

**LEWIS:** Yeah.

**TEMPLE:** In which all donors will certainly agree, and will distribute the way . . .

**LEWIS:** It's according to comparative advantage of what--yeah, that's right.

**TEMPLE:** Okay. Right. But that doesn't go, that doesn't happen, okay?

Maybe one can always argue that the five-year plans of the government are not sufficiently explicit or that the annual development program is not prioritized in the way it should be so you have all these problems, okay? Now, of course, they're trying. You know, the donors keep on insisting on the need for the government to prioritize its three-year rolling investment plan, which I think is part of the objective, okay? But if you consider that, you know, the donors have been at this for 20 years now; still, you know, they're still at it, right?

Now there is one exception on which coordination is very, very efficient, okay? And that, I'm happy to say, is with the UN. It's on cyclone, on the substance.

**LEWIS:** Cyclone, huh.

**TEMPLE:** On the substance in general. On that the UN is in charge of that. And the last--in this last cyclone, it was very, very efficient on that. You know, we acted as a kind of information booth both for the government and the donors and for the international community. You know, we channeled funds, and it went very well. It went very, very well. UNDP was very much involved on that.

And--but then the second part, once you go over the relief, then you have to go to coordination of the rehabilitation, and that's a different story, okay? And there, that's more World Bank objectives. It's more long-term. And I think they've been trying to coordinate, right, but there are problems in that, and I'll just give you an example of the lack of coordination on this long-term rehabilitation.

The government requested to UNDP that they wanted a conference, shall we say, to discuss with donors some pledges for rehabilitation, repair rehabilitation, which is different from relief, okay?

So UNDP said, "Fine, we'll bring one. We'll do one." So they brought in a team, a UN interagency team, to draft a report. And the report came up with damages of 1.7 billion dollars.

So, UNDP took this, and they had an ECOSOC [UN Economic and Social Council] meeting in Geneva. And UNDP presented a report that said 1.7 billion dollars. And donors contributed 500 million, of which new money, I think was somewhere around 120 million. Rehabilitation does not work. Okay?

Now again, part of the rehabilitation problem is lack of coordination. Another example: the consultative group, as I mentioned before, normally pledges between 1.6 and 1.8 billion dollars. This year they pledged 2.4. Why? Was it just because the kindness of the heart that it was a new government or was it also to do that they had in mind the cyclone, which had just hit the country.

**LEWIS:** Probably.

**TEMPLE:** And you see . .

**LEWIS:** Sure.

**TEMPLE:** . . and then we have this meeting of the ECOSOC. And then we have these meetings with the World Bank on precisely rehabilitation, primary rehabilitation, and which projects will be done by which donor.

**LEWIS:** And the donors generally don't have budgetary reserves very much, you know, for that sort of thing.

**TEMPLE:** But the point is that, yeah, the point is really basically that there doesn't seem to be enough coordination. Now I'm painting a very negative picture. In reality, actually, considering that it's 2.4 billion dollars, you know, the quantity of donors and money involved, it's much better than it could be.

**LEWIS:** How many official donors are here?

**TEMPLE:** Well, I don't know. Let's look in that. I mean, it's bound to be the number of donors over here.

**LEWIS:** I'll bet it's about 25.

**TEMPLE:** Hmm?

**LEWIS:** Maybe 25.

**[Interruption]**

**TEMPLE:** Right, but the NGOs are equally important. And NGOs, you have some of them . . .

**LEWIS:** But does the 50 include the multilateral groups, the UNDP and World Bank?

**TEMPLE:** No, it doesn't; just countries. Bilateral.

**LEWIS:** So it's about 20 or something?

**TEMPLE:** Oh, yeah. Yeah, I'd say even more, many more. And you then count all the NGOs, oh, my god, you've got a huge amount, no?

**LEWIS:** Yeah. Yeah.

**TEMPLE:** So--oh yes, here we are. You see the acronyms and abbreviations for all the donors. Oh, my god. Oh, well, they include some of the governments also. So, I don't know.

**LEWIS:** Yeah.

**TEMPLE:** Let me ask . . .

**[Interruption]**

**LEWIS:** How does your discretion vis-à-vis New York compare with Willoughby's discretion vis-à-vis Washington? Do you have any sense of that? I mean, do you have more, a greater degree of autonomy than he has or . . .

**TEMPLE:** Yeah, we do.

**LEWIS:** You do.

**TEMPLE:** Yeah, I think so.

**LEWIS:** I think probably you do.

**TEMPLE:** Yeah. Field offices--it's in the nature of the work, you see, I think. The UNDP bases its whole system on field offices, okay?

**LEWIS:** Yeah.

**TEMPLE:** The World Bank, on the other hand, is centralized in Washington . . .

**LEWIS:** Yeah.

**TEMPLE:** . . . and has these field offices more as a sort of special cases than anything. In our case, it's the other way around.

**LEWIS:** Yeah.

**TEMPLE:** The field offices are really what we're all about. So, yes, we have more autonomy than the World Bank does, definitely. But actually, I don't know. It seems that Chris Willoughby over here has a pretty independent [inaudible] situation.

**LEWIS:** And they have upgraded--in some cases, probably here the--no, I don't know about here--in some cases like Pakistan they upgraded the seniority of the representative in the field to give him rather more clout.

**TEMPLE:** Well, I think people think very highly of Chris Willoughby over here, huh?

**LEWIS:** Oh, I wouldn't be . . .

**TEMPLE:** Yeah. Yeah. He's made a very good impression, both with other donors as well as with the government.

**WEBB:** He has an excellent reputation back in the Bank.

**TEMPLE:** Yeah. Yeah. Yeah. So, you know, I mean, he's very well thought of. And I think—I mean that's more than half the battle won, you know.

**LEWIS:** Yeah. Yeah.

**TEMPLE:** But the problem is, of course, that the conditions which are requested by the Bank are very difficult for Bangladesh. Very, very difficult. And also the speeds at which they want results are also very difficult. And I suppose that's one of the reasons why, you know, the governments always look at UNDP, you know, they look at us with kind eyes, whereas in the World Bank it's sort of very wary. Why? Because, you know, we realize that the government has problems. And we, you know--that's our basic objective is to help them to solve those problems in a nice way, in a long-term way. But the World Bank is a departure on that. They want stronger decisions and quicker decisions than we demand.

But--well, anyway, so on cyclone that was definitely put coordination on the side of the UN on the relief efforts. On repair rehabilitation coordination, it has not been done as well.

**WEBB:** What about some other areas of work? I don't know. For instance, the big thing is water control, water supply.

**TEMPLE:** Yeah. Flood action plan. Okay. Now that, for example, is an interesting case. As you know, there was--in '87, '88, there were huge floods over here. In '88 floods covered--water covered two-thirds of the country, so it was pretty bad. Normally it covers one-third at least, but then it was two. All right. Here floods are unavoidable. I mean, the whole place is a delta. I mean, the whole country is a delta. So, you know, you're talking about constant floods. And, you know, people have adapted to the floods. And if a few thousand people die from the floods--it's part of the reality of the country. I mean, if, for example, I'm fortunate that I've just come from Switzerland, you know, a thousand people die in Switzerland, my god, it's the end of the world, you know. If a thousand people die here in Bangladesh it doesn't even appear in the newspapers maybe, you know?

And--but, so floods constantly occur. And the '87, '88 floods were especially bad, okay? So, the donors decided that something had to be done. So they proposed to the government, and they said, "Look, let's develop a system whereby you don't have these problems." Okay?

Now, the French were the most emphatic in saying that they could establish a system whereby with--what is it--embankments and canals and all that sort of thing, they would avoid floods, right? They would control the whole thing. And they were talking about 6, 7 billion dollars to do this. Okay?

On the other hand, other voices said, "Well, you can't control nature. Eventually--you might be able to do it for one year, two years, but eventually, you know, there will be a huge, huge flood which will just sort of wash away the embankments. And in the meantime, maybe the floods are being very useful, which you do not realize the purpose of. For example, maybe salinity will increase if you don't--if you don't have a flood." Right?

So many arguments went back and forth, back and forth. So they decided, "Okay, let's do a flood action plan." Right. So, the World Bank was requested to do the flood action plan. And at that moment the government was being not all that keen; the donors were very keen. The government was not keen because it believed that there would be too many studies, and generally the donors are funding too many studies, according to the government. In a way, it's true. You know, we seem to adorn libraries all over the place. Yes. And so what happened was that we all decided on the flood action plan and 26 projects were to be funded.

**LEWIS:** These are study projects?

**TEMPLE:** Study projects. Feasibility studies.

**WEBB:** These studies are normally paid for by Bangladesh . .

**TEMPLE:** No. No.

**WEBB:** . . in the sense that they come out of the pledge?

**TEMPLE:** Ah. Ah. Yeah. Yeah.

**WEBB:** As part of the . . . [all talking at once]

**TEMPLE:** Yeah. They come out of the pledges, yes. In the case of UNDP, of course, also from the IPF [Indicative Planning Figure], in the World Bank from the TA [technical assistance] credits.

**WEBB:** In other words, is the Bangladesh objection a little bit because they see it as an opportunity cost?

**TEMPLE:** Yes. Yeah.

**LEWIS:** Sure. Yeah.

**TEMPLE:** I mean, from their point of view, donors are forcing them to do something which they don't want to.

**WEBB:** Yeah.

**TEMPLE:** It's again the old problem of coordination.

**LEWIS:** And the costs are very high.

**TEMPLE:** Say, I think all together something like 100 million dollars.

**LEWIS:** Yeah. That's what I heard.

**KAPUR:** It goes to consultants from outside.

**TEMPLE:** Consultants. Yeah. Yeah. Foreign consultants.

And then what happens if that--the investments are going to be maybe 500 million dollars, okay. But the investment will be only 1995, 1994 or 1995--the best of case is 1993. The floods were in '86. Right.

So, I mean the government does have a point in all that. But the flood action plan is there. I mean, it's a big thing. We're all involved in it. UNDP is funding five projects of that. Oh, yeah.

**LEWIS:** How does that relate to--you funded, I guess, or took the lead in this study that Just Faaland did on the agriculture sector.

**TEMPLE:** Yeah, oh, the agriculture sector review; yeah.

**LEWIS:** And that was just before your time, I guess?

**TEMPLE:** Yeah. Yeah. It was before my time, but there was one which was--only one which has been followed up, and that's accelerated cereal production project . .

**LEWIS:** Okay.

**TEMPLE:** . . program. But all the others, no. For example, seed policy is still lacking.

**LEWIS:** Where did that initiative come from? Was it from the government or the UNDP or . .

**TEMPLE:** I think it came more from UNDP. It was more emphasized by UNDP, if I remember correctly.

**LEWIS:** Do you have agricultural specialists on the staff here [inaudible]

**TEMPLE:** No, UNDP as such does not have specialists.

**LEWIS:** Does FAO have people?

**TEMPLE:** Yes. Yes. And we bring in consultants. You see, the way we work is that we are just basically--UNDP is a funding agency, okay? So we analyze projects and we monitor--we approve projects and we monitor them. But if we need expertise, we hire the expertise, consultants from abroad or national consultants.

But--so, anyway, yeah. So part of the problem is again this coordination business. But, you know, I keep on being very negative about coordination. I think it's not that bad. I think coordination does exist, okay? I mean, the flood action plan, when you look at it, it's a very, very good effort at coordination so that all donors are agreed what they're going to do on water.

**WEBB:** Well, a certain rationality comes out of that.

**TEMPLE:** There is a rationality.

**WEBB:** No gross duplication leading to conflicts.

**TEMPLE:** Yeah. No. No, exactly.

**LEWIS:** I'm a little confused, though. We heard also yesterday some talk about the flood action plan, but so far, it seems to have led a set of studies . .

**TEMPLE:** Yeah.

**LEWIS:** . . to reconcile quite different views on the French on the one hand and the Americans on the other. Does there really--does an action plan exist yet or is this activity meant to inform some future action plan?

**TEMPLE:** Well, all these projects are leading to an action plan.

**LEWIS:** Leading to the action plan. So, this is, you say, we've got the action plan--you're on the way to getting an action plan?

**TEMPLE:** We're getting, we're on the way to getting an action plan and it should be ready by 1992, 1993. 1993, I would guess, because some of them have not even started the work, some of the projects.

**WEBB:** How about coordination, just as another example, on population?

**TEMPLE:** Oh, boy. That's—I--that's--you see, there--that is exactly the--that's a very good question, Dick, because I think one should analyze what are the main problems of the country. Obviously, one of them is excessive population. Another one is employment, lack of employment. These are the real issues in the country, and what are the donors doing? I mean, who should look at the thing? They should be concentrating more than half of their efforts on how to reduce population, right? But obviously they're not. Right? I mean, if you look at that, and they're doing all sorts of things, right? But again it's the comparative advantage of the donors.

**[End Tape 1, Side A]**

**[Begin Tape 2, Side B]**

**WEBB:** . . . there's not enough priority given to it, I think that's what you are saying.

**TEMPLE:** I think that the priorities by the donors are the priorities of the donors and not necessarily the priorities of the country.

**WEBB:** Yeah.

**LEWIS:** There has been this big commitment just recently to population, hasn't there?

**TEMPLE:** Well, I don't see it sufficiently, let's put it this way.

**LEWIS:** I see.

**WEBB:** Four hundred, something like that, 600 million?

**TEMPLE:** How long? What period?

**WEBB:** Yeah. Yeah. Exactly. So I presume it's five years at least.

**LEWIS:** The government will be willing to accept and implement whatever it gets in the population [inaudible]?

**TEMPLE:** You see, I don't know, because I don't know whether the donors truly know what the reasons for the excessive population are. I mean, it's very easy to say, "Okay, people just produce children. Let's try and reduce that." But it's not only that. I mean, one of—for Dick, for example, and myself, this is very--and for you maybe also--for you, it might be more difficult to understand. Right? For us, for example, we all know that a child to a farmer here is capital, right?

**LEWIS:** Yeah.

**TEMPLE:** Right. So, you know that.

**LEWIS:** Yeah.

**TEMPLE:** Okay. Well, many donors don't, okay? You know, they don't realize that a farmer will have as many children as he can because he regards the children as a sort of when he's--when--a pension fund for when he's old, you know, who will keep him and sort of in good style, you know, and who will help him in the fields in the meantime. And, you know, the . . .

**WEBB:** In general--maybe this is a crude question—do you find these bureaucrats who represent these countries, the donors, do you find them quite ignorant about development, as in the economy?

**TEMPLE:** Yeah. I often--yeah, I have to answer, you know, that obviously and this . . .

**WEBB:** Off the record.



**TEMPLE:** . . yeah. Off the record. Yeah. No, don't worry. But I have to answer that obviously, you know, the people who come over here not all of them are--do they have this specialization which they would require. I mean, I don't think they're--country has, shall we say, diplomats specialized in developing countries--very few of them have. I mean, they might send a few people like that, but they don't send all of them with that knowledge. So, yes, there is a bit of that.

**KAPUR:** I mean, I'm very surprised on the point which you raised about farmers sort of see children as an asset. You know, I sort of--it's sort of first course or whatever in development, this would be there. I mean, it's--I mean, it's sort of fairly common knowledge, but the impression I have got from you is it's not that common knowledge.

**TEMPLE:** Well, it's common knowledge, you know, I mean, for you, for me, for many people. But the donors maybe have, just have different priorities.

**LEWIS:** But they've been working on this stuff in Bangladesh for 20, 30 years. The Ford Foundation has been working on population issues for a long time. Lincoln Chen did an analysis of [inaudible]. I think that they know as much about the motivation fertility here as in any developing country in the world.

**TEMPLE:** But the bottom line is that we have 108 million people over here.

**LEWIS:** Oh, yeah.

**TEMPLE:** You know, in a short time it will be [inaudible]

**LEWIS:** But the absolute size isn't the issue; it's the growth rate.

**TEMPLE:** Well, the growth rates are going up. It's 2.8. Some people say 2.1, but, you know [inaudible]

**LEWIS:** Well, I mean, the growth rate is too damned high. It's not as high as Pakistan. It's a little bit higher than India.

**TEMPLE:** No, here I think it's higher than Pakistan.

**LEWIS:** I don't think so.

**TEMPLE:** You don't think so?

**LEWIS:** No.

**TEMPLE:** Pakistan is?

**LEWIS:** Well, it's pushing three. And--I mean, it's a very, very tough problem, but the--I don't think that the donors underestimate the . . .

The U.S. has been through a very strange cycle now.

**TEMPLE:** The U.S. are now very emphatic on that.

**LEWIS:** Yeah.

**WEBB:** On population [inaudible]

**TEMPLE:** Yes.

**WEBB:** Were they very active--pro this recent pledge, group pledge, on population?

**TEMPLE:** I think so, yes.

**WEBB:** Mm-hmm.

**TEMPLE:** Yeah. Yeah. But the pledges are not made, you know, at the Paris Conference, I understand, on the basis of "I'm going to," you know, for this specific thing.

**WEBB:** Yeah.

**TEMPLE:** It's more general.

**WEBB:** Yeah. I mean, on population is that one of the local working groups?

**TEMPLE:** Maybe not; maybe. I don't know.

**WEBB:** Yeah. Yeah.

**TEMPLE:** But, well, anyway, the reality of it: the growth rate is far too high. More so in a country like this, which as we've already discussed, it already has--I think it has the highest density in the whole world, doesn't it?

**LEWIS:** I think for it's . .

**TEMPLE:** This country, I think?

**LEWIS:** . . certainly for this size of terrain, I think it--a territory--it probably is the most densely populated.

**WEBB:** Maybe except for Hong Kong.

**LEWIS:** Well, yeah.

**TEMPLE:** Yeah. Yeah.

**LEWIS:** But that's not this size.

**KAPUR:** Singapore.

**TEMPLE:** But as you say, for example . .

**LEWIS:** Yeah. But as you say, for a predominantly rural society it is the most densely-- unless it's New Jersey. I'm not sure about that. [Laughter]

**TEMPLE:** But yeah, it's a real problem.

**LEWIS:** [Inaudible]

**TEMPLE:** So, maybe there is a bit of that, what you say, you know, that the donors are not sending the type of people who are willing to take up what really should be the concern of the government. But maybe one could say that maybe the government is not sufficient--does not give this a sufficient priority.

**LEWIS:** I suspect that's more like it.

A lot of your donors will have people--the Swedes, the Canadians, the Americans, British, probably the Germans--all have really sort of development specializing personnel here, so that there ought to be plenty of voices who recognize the importance of population growth. I think it's a . .

**TEMPLE:** Maybe it's the government?

**LEWIS:** Yeah, I think it's the government. It's hard for them to--there's certain even--there's a degree of religious inhibition, even in this society, I think; not as much as there is in Pakistan and not nearly as much as religious, but there's a different set of problems in Africa [inaudible]

**TEMPLE:** Let me get you another coffee. Another coffee?

**[Interruption]**

**TEMPLE:** And, you know, all these things which we do, all these studies which we do, we share with donors. We don't just keep them to ourselves, you know. We have a huge budget in printing, all over the place.

But, you know, I don't know whether people read all these things. And we have all these discussions and--but I suppose, bit by bit, that people get used to the ideas. But you can't, you know, impose them. The way I feel is that if you shout at a person, you can get that thing done, okay? But it won't last. You must convince them. That takes time.

**KAPUR:** You know--sorry. I'm always surprised, I mean, on even, say, the amount of publications on Bangladesh you see in the World Bank--enormous amount of the research in this and that. And now I think that you add on the UNDP with that, all of the agencies consulted. I mean, it's--it's a factory.

**TEMPLE:** Oh, yeah.

**KAPUR:** Huge amount of studies and documentation which has become sort of end in itself, obviously.

**TEMPLE:** Oh, yeah. That's what the government says: too many studies. Yeah.

**KAPUR:** Is it any--I mean, this--there seems to be very little which is not, which is new now.

**TEMPLE:** Yeah.

**KAPUR:** I mean, the early years, '70s, if you see a report, you know, the issues which you raise, I mean, if you see the CSP [country strategy paper] of Bangladesh of the World Bank in '73, it had employment, population, you know, as the major issues.

**TEMPLE:** That's precisely the point. And I keep asking: those were the major issues in '72, why the heck are we now in '91 with the same issues?

**KAPUR:** Right. And more studies on the same issues.

**TEMPLE:** Yeah.

**WEBB:** To try to understand a little more the important issues. It's obvious--it seems, I mean it seems quite clear that it's one of those collective processes . .

**TEMPLE:** Yeah.

**WEBB:** . . where there is a result, but it's kind of hard to say exactly how that result has been achieved.

**TEMPLE:** Yeah.

**WEBB:** One of the results is that it's a set of priorities, a sort of--and allocation. And I don't think it's analyzed. I'm saying that you see, your reaction to this---it's hard to say how much government input there is into that final documentation and how much donor input. How would you feel about that?

**TEMPLE:** Well, you see the government has for they--they have a three process, three planning stages, let's put it that way. First, it's a prospective plan. It's a twenty-year plan, okay? Then they have the five-year plans, which every five years they have a plan. And then they have the annual development programs, okay, which are the specific investment programs of the public sector.

The problem I see is that the overall perspective plan, of course, is a series of good intentions. The five-year plans are more specific, but still quite general. For example, if you examine the objectives of the present five-year plan, one is increase national income; second one is reduce poverty; and the third one is increase self-reliance. Very nice objectives, but very general. Now you have the strategy later on, but equally the strategies aren't all that specific.

So, really you have to emphasize on the priorities on the annual development program, right? And the annual development program, the problem that all donors have with the government [inaudible] is that it is not prioritizing the way it should be. And this is a big issue. And this is what the World Bank has been insisting for a long--for some time now.

**WEBB:** How does the World Bank function in this rather amorphous process in terms--are they quite adamant about their own priorities?

**TEMPLE:** Yes.

**WEBB:** Yeah.

**TEMPLE:** Each donor is quite adamant about his own priorities. And that's what I'm saying--it's part of the problem for the government because they can't sort of impose their own coordination.

**WEBB:** But that means there's a certain working out?

**TEMPLE:** Eventually, yes.

**WEBB:** And that happens at this roundtable . .

**TEMPLE:** Yeah.

**WEBB:** . . to a large extent or . . .

**TEMPLE:** In part, then local consultative group informal discussions.

**WEBB:** Does the World Bank usually win out?

**TEMPLE:** Win what?

**WEBB:** Win out? Do they manage to impose . . .

**TEMPLE:** Sometimes yes.

**WEBB:** Yeah.

**TEMPLE:** But again, with some lack of success in many cases. For example, you have some of your public-sector programs--sorry--a program--a sector loan--a program loan will not get implemented. It's been improved, but it's not implemented.

**WEBB:** Are some people particularly stubborn?

**TEMPLE:** In the World Bank?

**WEBB:** Countries, donors, or others?

**TEMPLE:** No. I would say not people, no.

**WEBB:** I mean donors.

**TEMPLE:** Yeah. No. No. I think the stubbornness goes from both sides, not always . . .

**LEWIS:** Let me try a hypothesis on you. It's based on an assumption of fact--I may be wrong about the fact--my assumption is that there's been a great deterioration in coordination here. Back about ten years ago, I thought I knew that Bangladesh was sort of a leading case

of country-led coordination. It was done in the External Resources Division, I guess it's called . .

**TEMPLE:** Yeah, yeah, yeah.

**LEWIS:** . . of the Planning Commission.

**TEMPLE:** Yeah, that's what . . .

**LEWIS:** For example, one of the white-haired voices, also completely bald, is A. M. A. Mohith. Do you know him, Mohith?

**TEMPLE:** I don't know him.

**LEWIS:** He's been since, in one of the changes of government, he was the Finance Minister for a while. But . .

**TEMPLE:** You aren't talking about Muti [ph.]?

**LEWIS:** No. Muhith. M-U-H-I-T-H. A. M. A. Mohith. He's been a consultant to the World Bank and . .

**TEMPLE:** Yeah, I think I know him.

**LEWIS:** And he's now retired, but he's fairly active.

**TEMPLE:** Yeah.

**LEWIS:** Probably a UNDP consultant, probably.

**TEMPLE:** Yeah, I think I know which one you mean. Yeah, yeah.

**LEWIS:** Anyway, they took great pride in saying that they called these sectoral meetings, and I think that Bernie [Bernard] Zagorin had something to do with sort of helping to implement this process.

**TEMPLE:** Yeah.

**LEWIS:** But, at any rate, they--I'm sure that the heavy donors still had an awful lot of leverage on them, but the cosmetics were at least that this was a Bengali coordinated operation and that it was done sector by sector.

**WEBB:** When was this?

**LEWIS:** This was in the beginning of the '80s. It was when I was at DAC [Development Assistance Committee of the Organisation for Economic Co-operation and Development], and we had a meeting and Mohith came. And I came through here in '79. And this was everybody's story that they told.

Now my hypothesis is that--well, two possibilities. One is that it really varies, depends quite a bit on the senior bureaucrats who are playing the role. Some are much more resourceful and sort of aggressive than others. But the more important point would be that it's a function of the changes of regime. You've had two or three turnovers here. And when you have that kind of turbulence, I would think that the bureaucrats would sort of pull back and be much more cautious about the role they play vis-à-vis the new bunch, new man; they'll keep their heads down. And at that point, then, the donors, the World Bank sort of moves into, more explicitly into the driver's seat. And I don't know if there's anything in that, but I was quite struck--I mean, quite struck by your reporting that there's little coordination, because the reputation . .

**TEMPLE:** Insufficient, I'll put it. Not little. Insufficient.

**LEWIS:** Okay. The reputation was that there was really--this was a kind of a--not much else was Bangladesh was number one, but here was one place where they really did pretty well.

**TEMPLE:** Yeah. I'll answer you with this.

**LEWIS:** Yeah.

**TEMPLE:** This is a comment I've heard from some other people, especially some of the old government bureaucrats. They say, "You know, during our time, there was better coordination."

**LEWIS:** Yeah, yeah.

**TEMPLE:** Actually, I will say one thing which would be favorable to coordination. I think the people previously were--how shall we say--possibly they held control better of those matters. You know, the bureaucrats at that time were more decentralized decision-makers.

**LEWIS:** Right.

**TEMPLE:** You know, so, there was a bit of that.

Second, and I think equally important, is that the government counterpart funds were greater than they are now, much greater.

**LEWIS:** Yes, that's probably true. Yeah.

**TEMPLE:** Right? So they had more say in the matter, right? They would say, "Okay, if you don't want to fund that, we will," you know, so they had a bargaining power in that. Now they don't.

**LEWIS:** Good point.

**TEMPLE:** And--so I would say generally yes, I think coordination may have been better before. There is definitely a fact that--I have heard many people saying that the process for approval and implementation of projects was much faster 10 years ago than it is now, which is part of the issue of coordination, of course.

**LEWIS:** Yeah, one other time, sort of '82 [inaudible] came through.

**KAPUR:** You said that the fraction of local counterpart funds has been declining?

**TEMPLE:** Yes.

**KAPUR:** Has the percentage of the public investment [inaudible]

**TEMPLE:** Ex-officially. Officially, it's [inaudible]

**KAPUR:** Has that also been increasing since 1982 now?

**TEMPLE:** Yes, country-wise. You see when the counterpart funds--shall we say the savings in the fiscal current account, when that has been going down . . .

**KAPUR:** Right.

**TEMPLE:** . . . the foreign funds have been going up.

**KAPUR:** Up.

**TEMPLE:** Now, I mean, right now it's got to the stage--believe me, on this business of resource mobilization where I--it's around, what, 10 percent of GDP investment right now, 10 to 11. I would say that's basically just for replacement. And you're no longer getting real new investment, you know. And government's, as I say, you know, part of the government's deficit, I mean, is just growing and growing.

**LEWIS:** Yeah. Yeah.

**KAPUR:** Because if you put that as a depreciation.

**WEBB:** Pardon?

**KAPUR:** I mean, the rule of thumb would be that 10 percent.

**TEMPLE:** Well, that's what I'm saying, yes. It's just depreciation.

**KAPUR:** [inaudible] replacement.

**WEBB:** How about the--this is--I--this is all new to me this [inaudible] I don't know the most elementary principles. What I don't have very clear at all, I have no idea at all what the degree of authority of these people who are attending these meetings here in the local group and then in those, vis-à-vis their head offices, their ministries or . . .

**TEMPLE:** Ministry is much more important normally.

**WEBB:** Pardon.

**TEMPLE:** In all donors practically head offices are more important.

**WEBB:** Yeah.



**TEMPLE:** It's just the UN system which is more decentralized.

**WEBB:** Well, [inaudible] countries, you mean, especially countries?

**TEMPLE:** Countries. Except some countries. I mean, for example, some countries are--I would say the U.S. are pretty decentralized, I would say.

**LEWIS:** Yeah. It's been the most decentralized bilateral.

**TEMPLE:** But other countries.

**WEBB:** Japan?

**TEMPLE:** Japan I would say is very centralized.

**KAPUR:** Very, very. That has always been.

**WEBB:** So they're always telexing back and forth.

**TEMPLE:** Consulting, yeah.

**LEWIS:** The Germans are . .

**TEMPLE:** Faxing.

**WEBB:** Faxing, yeah.

**TEMPLE:** No. Telexing, you . .

**WEBB:** Went out . . .

**TEMPLE:** No, the little house cannot be sent by telex, you know.

**KAPUR:** The Japanese characters.

**TEMPLE:** So they have to send it by fax. Great invention for—I mean, how can you sort of do this and send that by telex. [Laughter]

**WEBB:** No wonder they invented the fax.

**TEMPLE:** Yeah. Did they invent the fax?

**WEBB:** I think so.

**TEMPLE:** There you are.

**KAPUR:** It's made a tremendous [inaudible]

**TEMPLE:** Before, you know, when they used to do telexes, they used to dictate to a Spanish-speaking secretary, who would take it phonetically, and then she would send the telex phonetically, and then a Spanish-speaking secretary in Japan would read it out phonetically, and then the Japanese would understand the Japanese . .

**LEWIS:** Right. Right.

**TEMPLE:** . . because Spanish and Japanese phonetically sound sort of same.

**LEWIS:** That's right. We used to have a sort of comedian who's a Japanese member, a resident member of DAC. And he was--one of his sort of comic bits was to say, "Here"--he'd come in with this telegram—"these are the instructions I've just gotten from Tokyo," and he'd read it. [Laughter]

**TEMPLE:** Now let me go to a different point about World Bank and these countries, okay? We can come back to coordination, if you want.

Now, World Bank really has two--I suppose two or three activities--I do not whether to call them activities--one activity is obviously that of a funding agency of projects, no doubt. The other is technical assistance. And the third one, for all I know, is policy advice.

**LEWIS:** Yes.

**TEMPLE:** Right? I don't know; I mean don't ask me. Chris will be much better to answer all these. But I will just dedicate myself to talking about the technical assistance role as it pertains to UNDP, okay?

**LEWIS:** Right.

**TEMPLE:** We are, as I repeat, a funding agency for technical assistance. And we have many institutions--many organizations and institutions which execute our projects which we fund, you know, for example, FAO, UNIDO [United Nations Industrial Development Organization], IPO [International Progress Organization], VTCD [Vocational Training and Community Development] and whatever, right? Government also executes.

And some of these projects are also executed by the World Bank, right? So, they are an executing agency for UNDP technical assistance, right? And on that, we've had some problems. We've had some problems.

For the moment, yeah?

**WEBB:** I'm sorry.

**TEMPLE:** We've had some problems. For example, one of the problems which we've had is not that they've been bad at executing the projects. I would say the World Bank has been terrific at executing the projects. They've been very good. They're very efficient. The problem is that they've used on many occasions subcontracts, okay?

For example, we tell them, "Look, you execute the project."

Then they go back to Washington and say, "Okay, we agreed to execute a project." Then they hire a private firm, which executes the project, okay?

**LEWIS:** Yeah.

**TEMPLE:** So they do the work, right? And then the problem that we've had with that is that we are paying an overhead to the World Bank of 13 percent to execute the project, and then they're paying to the private firm something like 25 or 30 percent overhead, right?

**LEWIS:** Right.

**TEMPLE:** So, we're paying really 13 in a way uselessly because we could have hired the private firm ourselves, for the sake of argument.

**LEWIS:** Yeah. Yeah. Yeah.

**TEMPLE:** And that is an issue which has been bothering us, okay?

The second issue which has been bothering us is that in the past we've been used by the World Bank to finance feasibility studies, okay? Now, from my point of view, that's fine and good if the feasibility studies, from my point of view—I'll not tell you what UNDP has thought of these things--from my point of view, it's fine and good, if the feasibility studies are really feasibility studies. But if the decision, on the other hand, is already taken and the feasibility study is just to back up something, then it's not very good, right? I mean, because then we're just doing a feasibility study just to sort of allow the Board of the World Bank to see that a feasibility study has been done, but not because we're trying to determine whether it's feasible or not because that's already been determined previously. They've said, "We want this, and it is, therefore, feasible. And we'll go ahead with it."

**WEBB:** Sort of window dressing.

**TEMPLE:** Exactly.

**LEWIS:** But would there be a next case where they had--they'd almost decided they want to do it, but they still have not . . .

**TEMPLE:** And the feasibility study has come out not feasible? I haven't seen it.

**LEWIS:** You haven't seen one of those?

**TEMPLE:** No. So that is my problem.

**KAPUR:** Do you have any sort of examples which might . . .

**TEMPLE:** Jamuna bridge. Perfect example.

**WEBB:** Oh, is this . . .

**LEWIS:** The big bridge?

**TEMPLE:** This huge bridge which is going to cost 1 billion or whatever it is. I don't know how much money it's going to cost.

**WEBB:** You mean they've already gone and done a study that approves it?

**TEMPLE:** We've done all the studies. The feasibility studies were done under the firm intention of the World Bank that they would go ahead and fund this Jamuna bridge. It's now the new government which has suddenly sort of begin doubting, because this was a sort of an old government, [Hussain M.] Ershad . .

**LEWIS:** But the World Bank has already decided they're going to do that, you say?

**TEMPLE:** A long time ago it was decided that they would go ahead with that.

**LEWIS:** We heard in Washington from World Bank people that it was a crazy idea, didn't we?

**TEMPLE:** Well, now they say it. When did they say that to you?

**WEBB:** No, that wasn't [all speaking at once] that probably was . . .

**TEMPLE:** They may have said that two months ago, but one year ago that was not the message.

**LEWIS:** Somebody, I won't quote his name because he [inaudible]--but I thought that I read someplace that they need it like they need a hole in the head.

**KAPUR:** Well, that's what the Swedes, the Swedes and the Scandinavians have been arguing.

**LEWIS:** We were told that all political factions in Bangladesh are--the one thing they're united on they need this bridge. They want it. It's a matter of national prestige. And I heard that conversation from this World Bank [inaudible]

**TEMPLE:** I'll go the other way around.

**LEWIS:** . . that it was crazy.

**TEMPLE:** I'll go the other way around. If the World Bank thinks already that it's a crazy idea, then they've decided already that it's a non-feasible thing to do.

**LEWIS:** Well, this is just somebody who moved into this spot very recently. He doesn't have total voice in the Bank, but . . .

**TEMPLE:** Okay. Fair enough. But what I'm saying is that still they got UNDP to fund these feasibility studies. I mean, I--some things are very clear right from the start, whether it's feasible or not feasible.

**LEWIS:** Well, this one I don't--I mean, we're even disagreeing ourselves as to what the attitude in the Bank is. It doesn't sound to me as though it's a clear-cut case of being feasible or not feasible.

**KAPUR:** Well, that bridge is going through.

**TEMPLE:** Well, I can tell you that politically Ershad wants it . . .

**LEWIS:** Really?

**KAPUR:** Yeah, we heard at the Bank.

**LEWIS:** Huh? At the Bank?

**KAPUR:** Yes. It's going through.

**WEBB:** That's the way I read [Jochen] Kraske's message.

**TEMPLE:** It's not going to go through now. Now, no. Now, it's a different story. Now, politically, the government doesn't want it, I don't think. I don't know.

**KAPUR:** No, no. The government I think they want it, and I'm sure by the end of December you will see that they'll say yes, the World Bank. I would go out on a limb and say that.

**TEMPLE:** Okay.

**LEWIS:** Well, where you had--impressions from up high in the Bank or what?

**KAPUR:** Also, I mean, over here, if you see the--they first said, you know, the Bank said the--it was more a question of allocative decision-making, do you need like 500, half a billion for, you know, education, health, et cetera, et cetera, or like for a bridge. But because it's become a very strong political issue over here, because the Ershad regime had made it that they really, they want it as a national thing, the present government wants to sort of outdo Ershad on that aspect: "We are even more for nation-building than Ershad." This is the sense which one has.

And so the Bank, which earlier had sort of distanced itself, has been forced to reevaluate this thing, and the reevaluation is going to be done and finished by the beginning of December. Chris Willoughby is going back to Washington at the end of this month, in two weeks, to brief them.

**LEWIS:** Okay.

**KAPUR:** That's where it stands.

**LEWIS:** Maybe your political forecast is right, and I guess I remember that part of the conversation, but it still seems to me as I--at the moment that politically the issue shifts somewhat, partly because of the change in regime but also it is not a silly thing to ask for a feasibility study if you are in doubts about the--to start with--about sort of plausibility . .

**TEMPLE:** Okay. Maybe I gave you the bad example, okay. But there are examples.

**LEWIS:** I don't think they are exploiting you in this case, I think. That's what I'm saying.

**TEMPLE:** Yeah. Okay. But in some other cases, you know, I would have that doubt. And I said personally that is my problem.

Now let's go officially to what UNDP says, okay?

**LEWIS:** Yeah.

**TEMPLE:** Number one, UNDP is--it's defining its priorities very, very clearly for the fifth country program. It has defined for Bangladesh three very clear priorities. One is poverty and people's participation in poverty alleviation. Second is natural resources and environmental management. And third, it is economic restructuring and planning.

Now, these are our priorities. If the World Bank wants something, then it has to fall within our priorities, right?

**LEWIS:** Even for—even to hire you to do a feasibility study, correct?

**TEMPLE:** Right. So, if they want a feasibility study, for example, because they want to, how shall we say, whatever, to determine whether a river can change track or whatever, they come to us, and we'll say, "Well, we're very sorry. It doesn't fit in our priorities."

And part of the problem has also been, I think, is that the World Bank cannot give technical assistance on a grant basis but only on a loan basis.

**LEWIS:** Yes. That has always been an issue.

**TEMPLE:** Yeah. So--which the Asian Development Bank does not have. So, obviously, they come to us to get this funding for the feasibility studies. And the government has also pressured us in that sense. So what I'm saying is that we feel there's pressure sometimes.

**LEWIS:** Sure.

**TEMPLE:** And when it comes down to a bottom line, we fund a feasibility study which is given in a subcontract to the private sector, and we pay 13 percent, and it's 30 percent, and we say, "Well, hold it. Something wrong there."

**LEWIS:** Now this pyramiding of markups is a real . . .

**TEMPLE:** It's a pain in the neck.

**LEWIS:** Yeah. Yeah. At least that.

**TEMPLE:** So . . .

**WEBB:** There's an exception to not donating technical assistance for very, very important countries, like Russia, for instance. [Laughter]

**KAPUR:** And in fact, that was discussed in the Board. It was precisely for—left all the Part II countries' EDs were really outraged because the money they said comes from the profits of the Bank, the profits of the Bank come out of them.

**WEBB:** Interesting.

**KAPUR:** Exactly. So they said that this is not IDA money; it's IBRD [International Bank for Reconstruction and Development], which is not a . . .

**LEWIS:** Well, I think IBRD reflows is the same kind of thing.

**KAPUR:** No, I mean, IBRD is essentially not--it's not coming from a Part I country's exchequers.

**LEWIS:** Oh, that's right.

**LEWIS:** So to give that 30 million dollars to the Soviet Union for technical assistance, when the Bank refuses to give it to anyone else, to poorest African countries, is a little . . .

Although they have started to give a little bit of grant money for technical assistance.

**LEWIS:** I think so. Of course they fund the CGIAR [Consultative Group for International Agricultural Research] out of their--the profits, and then the river blindness thing, you know, at the time.

**WEBB:** We've really exploited you.

**TEMPLE:** No. Come on. It was delightful.

**LEWIS:** Let me just ask you one other question. I'm not sure how pertinent it is. It is in a way pertinent for our study in general. The *Human Development Report*. Mahbub [ul-Haq] wrote one that really stirred things up this time with his human rights . . .

**KAPUR:** Index.

**LEWIS:** Did that get much reaction here?

**TEMPLE:** Thank god, no. Not as much as it got, for example, in Malaysia, let's put it that way.

**LEWIS:** Yeah. Yeah. Yeah. Yeah.

**TEMPLE:** No, that [inaudible] no, it didn't . . .

**LEWIS:** Didn't have a big impact?

**TEMPLE:** No. There was--I think there was more emphasis, I think, on the overall aspect that UNDP with the *Human Development Report* had really pointed the way for all future technical assistance.

**LEWIS:** In contrast to the *World Development Report* at the time?

**TEMPLE:** Yeah.

**LEWIS:** Yeah. And people appreciate that.

**TEMPLE:** Yeah. That it should be more human development oriented.

**LEWIS:** Yeah. Yeah. I think that . . .

**TEMPLE:** Everyone's talking about human development all over the place.

**LEWIS:** In a way, it's a pity. I kind of like the fact that he brought this set of political issues into the--onto the table, but it's too bad that it stirred up so much dust, I think.

**KAPUR:** Well, in a sense it stirred up the dust particularly in those countries who've dropped in the rankings.

**TEMPLE:** Yeah.

**KAPUR:** You know, the set who by conventional indicators do well . .

**TEMPLE:** Yeah. And then they look bad.

**KAPUR:** And in the indicators they look bad. Like Malaysia.

**TEMPLE:** Malaysia.

**LEWIS:** Well, the choice of the indicators is pretty arbitrary, really, partly because there's not much around.

**KAPUR:** Actually, there's some work being done now in the World Bank to give it a more firm statistical basis to reduce the arbitrariness of that. The reports are indicative, sure, that looked at other things.

**TEMPLE:** Well, let me add a point. I--you know, I think the World Bank, because this is the purpose of your meeting with me basically to find out about the World Bank . .

**LEWIS:** Yeah. Yeah.

**TEMPLE:** I think the World Bank is good. It's done a good job over here in general. I think Chris Willoughby is good, and the staff over there are good, okay? And from my point of view, I coordinate very well with them--very, very well. You know, I have never had problems where I've, shall we say, gone to the World Bank and they've told me, "Look, we don't agree with you at all, you know, just push on." No. It's been exactly always the contrary. They've been extremely helpful to try to sort of take account of our concerns at every stage. So.

**LEWIS:** That's good.



**TEMPLE:** You know, we always . . .

**WEBB:** It's quite symbolic that you live next to each other.

**TEMPLE:** Yeah, that's right, isn't it? [Laughter]

**[End Tape 1, Side B]**

**[End of interview]**