

**Summary of Oral History Transcript**

Wapenhans, Willi A.

Interview conducted by Professor William Becker and David Milobsky, on  
1993-07-21

Wapenhans, a native of Germany, talks briefly of his survival in the aftermath of World War II, his tenureship as assistant professor of agricultural economics, and his subsequent involvement in development economics research; focusing on agricultural economies in Eastern Europe. In 1960, while undertaking field research into the economy of Greece, he came to consider joining the World Bank. As an agricultural economist, one of his first assignments in the Bank, at the tail end of the Black presidency, was a desk study on the dispute over the Indus waters between India and Pakistan, specifically, the Tarbela Dam. Predating the Indus work were supervisory missions to Taiwan and Japan.

Wapenhans talks about the conclusions reached and action taken as a result of the desk study; George Woods appointing a sitting Executive Director (Pieter Lieftink) of the Bank as head of a group to carry out a study independent of the Bank's regular process; his involvement therein while at the same time working on India and Iran; his work on the development of the Jengka Triangle in Malaysia with one of its schemes turning Malaysia into the largest palm oil producer in the world and Jengka becoming an early model for similar regional development programs; negotiating one of the very early co-financing operations with the KFW of Germany; and financing the Roseiris Dam in the Sudan and its economic implications.

Wapenhans talks about the Bank's involvement in supporting and financing agricultural research and, in that context, focuses on the

political and economic situation in Africa during the period of the 60s. In 1968, McNamara became President and subsequently set up the Consultative Group for International Agricultural Research (CGIAR), with a Technical Advisory Committee (TAC) whose secretariat is hosted by the FAO, and Sir John Crawford from Australia as its first chairman.

Beginning of '67, Wapenhans became Deputy Division Chief for Agriculture and by '69 he was Deputy Director. Wapenhans discusses the McNamara reorganization of '72 during which time he was asked to reorganize the Agriculture Department into regional establishments, and his subsequent promotion to Director of the Projects Department in the newly-established region of Europe, Middle East and North Africa (EMENA). Also, the question of lending criteria in the Bank during that time, his participation in the establishment of the IBRD/FAO cooperative program in '64, and the quality of technical staff in light of the Bank's shifting ambition from world leader in the technical and sectoral field to that of leader in development.

Wapenhans elaborates on one of his first assignments as Director in early '73 at the behest of McNamara; working on the technical assistance program for Saudi Arabia. The eruption soon thereafter of the Yom Kippur War and the Bank's involvement in the eventual reopening of the Suez Canal, and his work in helping turn it into a financially rewarding and independent authority.

By late '75 Wapenhans was acting Vice President for EMENA. In the fall of '76 he was promoted to Vice President for Eastern Africa. He talks about the Bank's relationship with Iran during that time, covers in detail the political and socioeconomic set up of the newly emerging states in Africa, specifically, the Eastern African countries and his dealings with the respective governments, opines on the African philosophy on development and the difficulties the Bank had in making development projects succeed in a bad policy environment, the Bank's handling of the 'Lagos Plan of Action, 1980', the "Berg" report and

its recommended Program of Action for Africa, the Bank's involvement in mediating the dismantling of the East African Community established in the 60s, and McNamara's '73 Annual Meeting speech in Nairobi and the effects of the Bank's rural development philosophy for Africa.

In '84 Wapenhans returned to EMENA replacing its retiring vice president. He discusses the Bank's changing role vis-à-vis the political changes taking place in Southeastern Europe, the Balkans, Central and Eastern Europe, the Middle East and North Africa, and the Bank's involvement in the aftermath of the second oil price shock in '79 and the ensuing debt crisis.

In the summer of '86, Conable succeeds Clausen as President and embarks on a major reorganization in 1987 to streamline the Bank. Wapenhans talks of his reluctance in accepting his appointment as Senior Vice President, External Affairs and Administration in March of '87, describes the design and objectives of the '87 reorganization, the details of its implementation and his responsibilities therein, the traumatic effect on Bank staff, his dissatisfaction and disappointment in how the institution was operating in the aftermath, and his request for reassignment as Vice President of EMENA in January '90.

He elaborates on the challenges in the wake of the political changes sweeping Eastern and Central Europe, the membership of East Germany, and, eventually, that of the Soviet Union. His major involvement in the preparation of the first technical assistance agreement with the USSR signed in August '91, and in September '91 with the G-7 Deputies meeting focusing on the need for crisis management in the Soviet Union.

Wapenhans talks of the events which led to the responsibility given him [by President Preston in early '92] to review the Bank's portfolio. He back tracks and discusses the Gulf war against Iraq with its impact on the economies of the countries severely affected, and

the Bank's role in stimulating economic development in the Middle East as a region. He covers in detail the compensation system, his work on reforming it, and the effects on the Institution.

Wapenhans concludes with a comparative evaluation of the presidents under whom he served, Black, Woods, McNamara, Clausen, Conable, and a reserved evaluation of Preston, limited to his managerial decisions, due to the brevity of his tenure under him.