

ops

subject copy filed on:-
Overseas Aid: Policy Review: Pt 3



10 DOWNING STREET

PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T 68/82

THE PRIME MINISTER

10 April 1982

My dear Prime Minister,

Thank you for your letter of 11 March about Britain's contribution to the Sixth Replenishment of the International Development Association (IDA).

Your letter set out most cogently the importance of IDA to the poorest countries in Africa and elsewhere, and the consequences for them of the application of the pro-rata provision in the IDA 6 Agreement. I also discussed these difficulties with Mrs. Gandhi during her recent visit to London.

In view of the situation in the poorest countries Her Majesty's Government have agreed to waive the pro-rata provision in respect of their second (current) instalment to IDA 6. This means that £370 million of Britain's grant contribution of £555 million to IDA 6 is now available for commitment.

I hope very much that other major donors will follow suit. They attach importance to the principle of burden-sharing and to the desirability of IDA having a broad financial base but they have been told of our decision and the reason for it.

All good wishes,
Yours sincerely

The Honourable R. G. Mugabe, M.P.

Roger Deakin