

Summary of Oral History Transcript

Aldewereld, Siem/Simon

Interview conducted by Dr. Robert W. Oliver, California Institute of Technology, on 1961-07-13.

Although Aldewereld officially joined the Bank in December 1946, according to this interview his work actually started in October of that year. He was asked to join Crena de Iongh, the newly-appointed Treasurer, as his assistant. Prior to joining the Bank Aldewereld had been Crena de Iongh's deputy at the Dutch Government's office in New York. As assistant to the Treasurer his first assignment was to forecast the amount of bonds needed on the basis of the projected scale of lending. According to Aldewereld, the Bank was at that time in the process of working out policies for its operations; mostly during the first six months of 1947 where certain basic principles were established from which the Bank has never departed. These relate mainly to disbursements and supervision of Bank projects, which in turn were based on project progress in accordance with the originally agreed to criteria.

Aldewereld elaborates with a few examples on the progress made, especially, as the Bank tried to adjust its supervision techniques to existing situations in the borrowing country and the effect of these methods on American business organizations. He covers in detail, while illustrating on specific projects, project appraisal and the evolution of that policy, project management and learning from experience, creditworthiness or absorptive capacity of the borrowing countries, and the distinction between program lending and general purpose lending.

Aldewereld discusses briefly the Bank's view on other granting-type organizations, and the limiting factors in its lending, going

back to the question of creditworthiness of a country. Then, the Technical Operations Department he headed, covering mainly staff skills, economic questions dealing with determining the type of investments to be made, with its merits and demerits, alternative investment achieving the same objective, effects of a project on the balance of payments of a country, and the economic benefits of a given investment in what is referred to as a cost-benefit analysis. Also, the Bank's preference for lending to the private enterprise, whenever possible, thus enabling the government concerned to have money available for other high-priority purposes.

According to Aldewereld, the reorganization of 1952 basically covered the way in which projects were dealt with, since the responsibility for project appraisal was scattered around the Bank. He elaborates on the division of responsibility between the (his) Department of Technical Operations and the Area Departments, as well as the Economics Department, which was basically a research department and its responsibilities.