The World Bank Group Archives Exhibit Series contains exhibits originally published on the Archives’ external website beginning in 2002. When the Archives’ website was transferred to a new platform in 2015, it was decided that older exhibits would be converted to pdf format and made available as a series on the World Bank’s external database, Documents & Reports.

These exhibits, authored by World Bank archivists, highlight key events, personalities, and publications in the history of the World Bank. They also bring attention to some of the more fascinating archival records contained in the Archives’ holdings.

To view current exhibits, visit the Exhibits page on the Archives’ website.
Excerpts from the 1973 Annual Report

Thirty years ago, the World Bank Group published its 1973 Annual Report. It was 29 years after the 1944 Bretton Woods Conference in New Hampshire, which instituted the Bank and the Fund. The Bank came into existence in 1945 and officially opened for business in June 1946.

In 1973, Britain, Ireland and Denmark joined the EEC. The Paris Agreement ended US involvement in Indochina. Afghan prime minister Muhammad Daoud overthrew the monarchy and declared Afghanistan a republic with himself as president. Chilean General Augusto Pinochet overthrew Marxist president Salvador Allende and set up a military dictatorship. Juan Peron returned to power in Argentina; he was elected president, but died one year later. The Yom Kippur war broke out when Egypt invaded Israel on the Day of Atonement. US aid to Israel precipitated the Arab oil embargo and subsequent energy crisis in the industrial world. Famine struck Ethiopia. The US launched Skylabs 1, 2 and 3, and the space probe Pioneer transmitted television pictures from Jupiter. The film director Bernardo Bertolucci released Last Tango in Paris.

Robert S. McNamara had become World Bank Group President in 1968. He remained in this position until 1981. Upon his arrival he initiated a vigorous increase in Bank Group lending, borrowing, and numbers of staff.

The 1973 Annual Report summarized the accomplishments of the Bank’s previous year and provided comparative statistics for the previous ten years.

In 1973 there were 73 loans approved, for a total of $2,051 million (compared to 37 loans approved in 1964, for a total of $810 million). There were 102 member countries in 1963, and this number increased to 122 by 1973. Borrowings by the Bank totaled $100 million in 1963, and had increased to $1,723 million by 1973, a near record level. The single largest source of funds was Japan, which provided 35% of the total, followed by Germany with 22%. The Bank offered its first bond issue in Lebanon in 1973.
In 1963 there were 463 "professional" staff; by 1973 this number had increased to 1,654.

The World Bank Group as a whole approved development assistance totaling $3,555 million during the year ending June 30, 1973. The figure was higher than any previous year, and marked the fulfillment of McNamara’s goal (announced five years earlier) that the Bank Group should provide twice as much assistance in 1969 – 1973 than it had in the previous five years.

By the end of fiscal year 1973, Bank Group lending was distributed:

- Eastern Africa: $341.9 million
- Western Africa: $176.6 million
- Europe, Middle East And North Africa: $912.5 million
- Asia: $1,292.1 million
- Latin America and Caribbean: $684.9 million

This lending was assigned to the following sectors:

- Agriculture: $937.5 million
- Development Finance Companies: $310.0 million
- Education: $276.1 million
- Electric Power: $321.5 million
- Industry: $67.2 million
- Non-project ("program loans"): $225.0 million
- Population planning: $21.5 million
- Technical Assistance: $4.0 million
- Telecommunications: $247.8 million
- Transportation: $682.4 million
- Urbanization: $36.0 million
- Water Supply and Sewerage: $278.8 million
The Report acknowledged that the Bank Group institutions played a vital, although marginal, role in the global development effort. The greatest proportion of the resources devoted to development were mobilized by the developing countries themselves. The problems of development were too complex for definitive solutions, and the report promised only to highlight the search for solutions.

1973 saw a sharp increase in IDA lending: 75 credit projects for $1,357 million. The Executive Directors made a comprehensive review of IDA’s lending policies during 1972 - 1973. This review indicated that over 70% of IDA’s lending had been channeled to the poorest countries (those with a per capita income of less than $120). Over one half of the IDA resources had been for agriculture and education. The ED’s review concluded that IDA’s basic lending policies should be maintained, and that greater emphasis should be given to the very poor countries. Increasing emphasis should be given to lending to sectors that were most important to the bulk of the population in developing countries.

The Third Replenishment of IDA became effective in September 1972.

For the first time in history, Bank Group lending for agriculture exceeded that for any other sector - $937.5 million, almost doubling the amount of the previous year. The increase took place during a period when the priority needs of developing countries were underlined by a dramatic deterioration in the global food situation. An unprecedented combination of adverse weather conditions in large parts of the world led to serious shortfalls in food grain production, a precipitous decline in grain reserves, and a scramble for supplies that raised world food prices sharply. In Western Africa particularly, where millions of people were hit by food shortages resulting from severe drought, the Bank explored supplementing with development schemes the relief operations organized under the aegis of the UN’s FAO.
The Bank joined with the UNDP and the WHO in an ambitious program to control river blindness. The Onchocerciasis Control Program was launched over a seven country area of western Africa in 1973.

In Nicaragua, the Bank Group provided financing to help in the reconstruction of homes, schools, industries and urban infrastructure following the disastrous earthquake that hit Managua in 1972.

The Bank Group continued its support for population planning through projects in Iran and Malaysia; in northeast Brazil a land resettlement project helped the members of Brazil’s poorest area.

The Report went on to say: "Taking all developing countries together, their economic growth appears to have been 6% during 1972, which matches the target set for the Second Development Decade in the United Nations’ International Development Strategy. However, the ‘least developed’ nations fell below their previous year’s growth; countries with manufactured exports had an increased growth in GNP, and petroleum-exporting countries continued to have a high growth rate. An overall growth rate is an inadequate index of the underlying problems of development each country and its people face. Poverty, even in the developing countries favored by relatively good resource endowments, characterized the lives of millions of individuals, particularly in rural areas. They suffer from widespread unemployment or underemployment, poor nourishment and debilitating diseases; their productivity is generally low. Probably close to 1,000 million people in the developing world have annual per capita incomes of less than $100 at official rates of exchange. Of these, 300 million have average incomes of less than half of that amount. OECD’s Development Assistance Committee indicated that there was a slight increase in capital flows to the developing countries from 1972 to 1973, although indications were that commitments had increased while disbursements had decreased as a proportion of donor nations’ GNP."

Record high inflation rates affected the developing world.
The Bank served as executing agency for a number of projects for UNDP, which was facilitated by the reorganization of UNDP in 1971 and the Bank in 1972. Approximately half of the projects were related to transportation, but general planning assistance increased during the year, including projects in Jordan, Afghanistan, Sudan, Nigeria, and Kenya.

The Consultative Group for International Agricultural Research (CGIAR), started in 1971, had its membership increased to 29 organizations. By June 1973, 65 states had ratified the Convention on the Settlement of Investment Disputes (ICSID).

Lending for education was approximately 50% higher than the previous year. The Bank and IDA supported, for the first time, projects devoted mainly to primary education (in Indonesia and Lebanon). Elements of these projects included assistance for the local production of textbooks.

EDI held ten courses and graduated over 250 Overseas Fellows during the fiscal year. For the first time, courses were held on managing urban growth, water supply and waste disposal, and economic analysis of the agricultural sector.

The Bank marketed twenty four bond issues, for the equivalent of $1,887 million, during 1972: in Kuwait, Germany, Japan, Belgium, Switzerland, United States, and Italy. The June 1973 borrowing in Switzerland was the largest single borrowing made by the Bank to date, consisting of SwF 450 million.

The Report stated that the Bank’s total income for the fiscal year was $758,001,000; its total expenses were $572, 283,000. Net income was $185,609,000.

The 1973 Annual Report was also the first report following the major reorganization of the Bank in 1972. Before this reorganization, the Bank’s structure had consisted of seven area department and eight project departments. The area departments were composed of country experts who had an advanced knowledge of particular countries or groups of countries. The projects departments consisted of staff with specialized technical skills in specific sectors who worked on projects in all parts of the world.
Following the 1972 Reorganization, five regional Offices were established – each responsible for planning and supervising the execution of the development programs within the countries. Each of these regional offices had control over the sector specialists, financial analysts, economists and loan officers required to carry out its responsibilities. This "decentralized" structure was designed to: permit the Bank to maintain and improve the effectiveness of the development assistance; to enable a closer working relationship between the "country" experts and the "sector" specialists; and to contribute to a multi-disciplinary, team approach in preparing and appraising projects. In addition, Development Policy Staff and Central Projects Staff groups were created. The Development Policy Staff dealt with global and country-wide development policy issues, the Bank's economic work, and the Computing Activities Department. The Central Projects Staff dealt with sector policy issues in the decentralized sectors.

Under the new organizational structure, there were five Regional Vice Presidents: Bernard Bell, Roger Chaufournier, I.P.M. Cargill, Munir P. Benjenk, and Gerard Alter. Sir Denis Rickett and Mohamed Shoab were Senior Vice Presidents. Bernard Chadenet was Vice President of Organization Planning and Personnel Management; Hollis B. Chenery was Vice President of Development Policy; Warren C. Baum was Vice President of Projects Staff; Aron Broches was Vice President and General Counsel; and Simon Alderwereld was Vice President of Finance. William Clark was Director of External Relations and P.N. Damry was Secretary. J. Burke Knapp was Senior Vice President of Operations under President Robert McNamara.

In 1973 the Bank had a Permanent Mission in Eastern Africa and a Permanent Mission in Western Africa. There were Resident Missions in Afghanistan, Bangladesh, Colombia, Ethiopia, Ghana, India, Nepal, Nigeria, Pakistan, Thailand, and Zaire.

*International Development Association made two credits totaling $11.5 million to Afghanistan, May 2, 1973*