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## INTERNATIONAL DEVELOPMENT ASSOCIATION

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IDA Press Release No. 71/2  
January 13, 1971

### McNAMARA ANNOUNCES \$25 MILLION IDA ASSISTANCE FOR CYCLONE-DEVASTATED EAST PAKISTAN

The International Development Association (IDA) has approved a credit of \$25 million to assist Pakistan in rebuilding the areas in East Pakistan devastated by the cyclone of November 12 and 13 and in providing the population there with better protection against cyclones and floods.

Mr. Robert S. McNamara, President of IDA, said in making the announcement today, "This credit will assist projects of high economic and human priority. It is a major step in East Pakistan's road to recovery and development.

"The credit is part of national and international efforts to usher in a new life to the remaining population of the area whose basic means of livelihood on the farm and at sea were destroyed. IDA's action demonstrates its capacity to respond promptly and effectively to the complex and compelling demands of developing countries."

The credit will help to finance some key elements in the Pakistan Government's \$180 million Reconstruction Program for the cyclone-affected coastal areas, along the seaface of the Ganges-Brahmaputra delta and the Chittagong coast to the east of the delta.

The Government's Program involves the restoration of water supply, farms, livestock, fishing and transport boats, houses, roads for internal communication, embankments for flood control, better shelters, telecommunications and storm warning facilities.

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East Pakistan is a deltaic flood plain of 33 million acres, approximately the size of Florida. Over 90% of the population of 73 million is rural and about 60% of the gross regional product comes from agriculture.

Per capita annual income in East Pakistan, at present estimated at a little over \$60, is among the lowest in the world. Population densities are among the world's highest, averaging 1,270 persons per square mile; in some rural areas they are as high as 2,100 per square mile.

Violent storms and tidal waves are yearly occurrences along the coast of East Pakistan. The tropical cyclones in the Bay of Bengal are particularly destructive of life and property because the low lying areas along the coast are densely populated.

The cyclone of November 12 and 13 was by far the worst for at least a century. In the path of the storm buildings, communications and means of development were swept away.

Estimates of the loss of life range from 150,000 to 500,000. Hundreds of thousands of houses, head of cattle, poultry and about 500,000 tons of agricultural crops were destroyed. Many of the region's inland and marine fishing vessels and their equipment were wrecked.

Several World Bank missions were in East Pakistan at the time of the cyclone and assisted the Government in the preparation of the Reconstruction Program. On November 18, the Executive Directors of the World Bank and IDA met in a special session and unanimously supported Mr. McNamara's proposal that the Bank Group should make a special effort to help in the reconstruction of East Pakistan.

The IDA credit will finance civil works and equipment for the repair of the damage done by the cyclone, as well as for longer-term rehabilitation of the area and for improved protection against cyclones and floods.

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The projects expected to be financed under the credit would be taken from the following major categories of the Reconstruction Program: deep wells, shallow wells and tanks for fresh water supply; reconstruction of coastal embankments; rural infrastructure, including rural roads, minor irrigation and drainage works, and rural development centers to serve as shelters during storms; rehabilitation of roads; fishing boats and equipment; water transport equipment and landing facilities; other reconstruction projects including telecommunications and an improved cyclone warning system.

The credit also provides for technical assistance necessary for the preparation, evaluation and execution of projects contained in the Program.

Support for the Reconstruction Program is coming from a number of bilateral and multilateral sources of finance. Some of these have expressed interest in providing financial assistance in conjunction with IDA.

The projects financed by IDA are scheduled for completion over an 18 month period at an estimated cost of \$35 million. The IDA credit will cover about 70% of the cost and the Government of Pakistan will provide the balance.

In order to implement the Program, the Government of Pakistan has established a Reconstruction Board for Cyclone Affected Areas under the chairmanship of the Governor of East Pakistan. A senior Reconstruction Program Administrator has been appointed to serve as Secretary and Chief Executive Officer of the Board. He will monitor and supervise the numerous projects in the Program to be executed by the various departments and agencies of the Central and Provincial Governments.

The IDA credit to Pakistan will be for a term of 50 years, including 10 years of grace. It will be interest-free but will include a service charge of 3/4 of 1% to cover IDA's administrative costs.