

cing. This demands a systematic analysis of a myriad complex factors, including each project's probable immediate contribution to national income, its ability to generate funds to service the loan, and its relevance to the total concept of economic development.

Finally, having completed the two phases outlined above, and having categorized the resulting projects on the basis of relative priority, it is imperative to provide for the efficient implementation of the funds. Supervision and implementation, though the last phase, is by no means the least significant. For example, with regard to the servicing of the debt generated by the project, it is vital that pre-arranged timetables be adhered to, lest the scheme's earning power fall behind the repayment schedule. I would venture to say that improper implementation has, in many cases, contributed considerably to a condition existing today in many developing countries, whereby a major portion of all new development loans is committed to the servicing of existing debt. This condition has reached alarming proportions in some nations already, and threatens to stifle the progress of economic growth altogether in the near future.

The inadequate depth of human resources in developing countries, and the corresponding need to mobilize additional manpower for development, is not unrecognized by the countries of this region. I discovered on my trips that, in some cases, a country may be capable of securing financing readily enough through its own channels, but is unable to identify appropriate projects or to present them in a form acceptable to international financial institutions.

Another obstacle often encountered by developing countries is a reluctance to solicit technical assistance on a bi-lateral basis. There is, I believe, a tendency to suspect that any request for assistance is apt to imply a commitment of some sort to the developed country. While this need not necessarily entail a disadvantageous posture, the fear of it is often enough to inhibit the developing country.

We would hope that, through the ADB's multi-lateral character, we could eliminate that reluctance. And, in fact, we do not intend to take a passive stance, simply awaiting requests for technical assistance.

Within the next few months, we expect to have completed the initial staffing of the Operations Department and the Economic and Technical Assistance Department. We have, as well, already begun to approach a number of outside sources of technical assistance, with whom we could work jointly, in performing feasibility