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Series: Meeting and event briefing materials

Dates: 11/21/1997 – 11/25/1997

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THE WORLD BANK

Washington, D.C.

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The World Bank

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Washington DC 20433

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PUBLIC DISCLOSURE AUTHORIZED

Meeting: Mr. Franz Vranitzky
(Former Chancellor of Austria)
Personal Representative of the Chairman
in Office at the Organization for Security and
Cooperation in Europe (OSCE)

Tuesday, November 25, 1997

3:00 - 3:30 p.m.

MC12-755 *Meeting Room*

 Archives



30488775

R2002-036 Other #: 44 Box #: 186494B

President Wolfensohn - Briefings Books for Presidents Meetings - Meeting Materials
Franz Vranitzky - Former Chancellor of Austria - Personal Representative of the

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10/25

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A. CLASSIFICATION

☒ Meeting Material
☐ Trips
☐ Speeches

☐ Annual Meetings
☐ Corporate Management
☐ Communications with Staff

☐ Phone Logs
☐ Calendar
☐ Press Clippings/Photos

☐ JDW Transcripts
☐ Social Events
☐ Other

B. SUBJECT: MEETING: MR. FRANZ VRANITZKY (FORMER CHANCELLOR OF AUSTRIA), PERSONAL REPRESENTATIVE OF THE CHAIRMAN IN OFFICE AT THE ORGANIZATION FOR SECURITY AND COOPERATION IN EUROPE (OSCE) (B) (N) // VENUE: MC-12-755 (JDW'S MEETING ROOM) // CONTACT: SUSANNE SIMADER @ 81562 (L. HUBLOUE) // IN ATTENDANCE: JDW, KIRBY ZAKI (FOR MMB), J.LINN, KHOSROW ZAMANI (FOR H. ROSEN), LUIGI // EXTERNAL ATTENDEES: MR. FRANZ VRANITZKY, OSCE, H.E. MR. HELMUT TUERK, AMBASSADOR OF AUSTRIA, MS. RUTH BACHMAYER, ADVISOR TO THE ED (INTERNAL), BACKGROUND NOTE: MR. VRANITZKY IS IN WASHINGTON IN HIS CAPACITY AS OSCE ENVOYEE TO ALBANIA FOR A DEBRIEFING AT THE U.S. STATE DEPARTMENT, (B) ECAVP (IN COORDINATION WITH EXT & IFC) // DUE: FRIDAY, NOV. 21, EXC: LP // ALI (11/11) (11/17)

DATE: 11/25/97

Brief includes:

- Albania - Projects in Preparation for Board Approval
- Albania at a Glance
- Briefing note to JDW from Johannes Linn, Nov. 21
- Bio

C. VPU

Corporate

☐ CTR
☐ EXT
☐ LEG
☐ MPS
☐ OED
☐ SEC/Board
☐ TRE

Regional

☐ AFR
☐ EAP
☒ ECA
☐ LAC
☐ MNA
☐ SAS

Central

☐ CFS
☐ DEC
☐ ESD
☐ FPD
☐ FPR
☐ HRO

Affiliates

☐ GEF
☐ ICSIO
☐ IFC
☐ Inspection Panel
☐ Kennedy Center
☐ MIGA

D. EXTERNAL PARTNER

☐ IMF
☐ UN
☒ MDB/Other IO
☐ NGO
☐ Private Sector

☒ Part I
☐ Part II
☐ Other

E. COMMENTS:

File Location ☒ EXC ☐ IISC ☒ Archives	Cleared By Luigi Passamonti	Date: 12/08/97
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ALBANIA

Projects in Preparation for Board Approval in FY1998

<i>Projects in Preparation</i>	<i>Credit. (million US\$)</i>	<i>Status</i>
Rehabilitation Credit	\$25	Board approval scheduled
Recovery Program Technical Assistance Project	5	Board approval scheduled
Private Industry Project	10	Negotiated, scheduled for FY1998
Durres Port Project	15	Appraised, scheduled for FY1998
Health Project	17	Appraised, scheduled for FY1998
Community Works	8	Pre-appraised, scheduled for FY1998
Land Development Project	8	Pre-appraised, scheduled for FY1998

Status of Bank Group Operations in Albania
IBRD Loans and IDA Credits in the Operations Portfolio

Project ID	Loan or Credit No.	Fiscal Year	Borrower	Purpose	Original Amount in US\$ Millions				Difference Between expected and actual disbursements a/			Last ARPP Supervision Rating b/	
					IBRD	IDA	Cancellations	Undisbursed	Orig	Frm Rev'd	Dev Obj	Imp Prog	
Number of Closed Loans/credits: 2													
Active Loans													
	IDA25240	1993	REPUBLIC OF ALBANIA	AGRIC. SECTOR ADJ. C	0.00	20.00	0.00	5.86	5.49	0.00	S	U	
	IDA24990	1993	REPUBLIC OF ALBANIA	TRANSPORT/INFRASTRUC	0.00	18.00	0.00	5.39	4.86	0.00	S	S	
	IDA24920	1993	REPUBLIC OF ALBANIA	TECHNICAL ASST.	0.00	4.00	0.00	1.30	1.10	0.00	S	S	
	IDA26330	1994	REPUBLIC OF ALBANIA	SCHOOL REHAB. AND CA	0.00	9.60	0.00	3.40	3.13	0.00	S	S	
	IDA26100	1994	REPUBLIC OF ALBANIA	DURRES WATER SUPPLY	0.00	11.60	0.00	6.49	6.31	0.00	S	S	
	IDA25440	1994	REPUBLIC OF ALBANIA	LABOR MARKET DEVELOP	0.00	5.40	0.00	2.47	2.32	0.00	S	S	
	IDA25430	1994	REPUBLIC OF ALBANIA	SOCIAL SAFETY NET	0.00	5.50	0.00	1.44	1.31	0.00	S	S	
	IDA25340	1994	REPUBLIC OF ALBANIA	HOUSING	0.00	15.00	0.00	1.72	1.25	0.00	U	U	
	IDA27320	1995	REPUBLIC OF ALBANIA	RURAL ROADS	0.00	15.00	0.00	10.94	11.96	0.00	HS	HS	
	IDA26800	1995	REPUBLIC OF ALBANIA	RURAL DEVELOPMENT	0.00	6.00	0.00	2.38	2.55	0.00	S	S	
	IDA26770	1995	REPUBLIC OF ALBANIA	POWER LOSS REDUCTION	0.00	5.00	0.00	.03	.04	0.00	S	S	
	IDA26590	1995	REPUBLIC OF ALBANIA	HEALTH SERVICES REHA	0.00	12.40	0.00	8.58	8.98	0.00	S	S	
	IDA26520	1995	REPUBLIC OF ALBANIA	IRRIGATION REHABILIT	0.00	10.00	0.00	1.55	1.30	0.00	HS	HS	
	IDA26490	1995	REPUBLIC OF ALBANIA	BFSAC	0.00	15.00	0.00	7.45	7.40	0.00	S	S	
	IDA26460	1995	REPUBLIC OF ALBANIA	TAX ADMIN. MODERNIZ.	0.00	4.00	0.00	1.75	1.66	0.00	S	HS	
	IDA28880	1996	REPUBLIC OF ALBANIA	NATIONAL ROADS	0.00	25.00	0.00	22.86	23.77	0.00	HS	HS	
	IDA28460	1996	REPUBLIC OF ALBANIA	FORESTRY	0.00	8.00	0.00	6.77	7.13	0.00	S	U	
	IDA28260	1996	REPUBLIC OF ALBANIA	POWER TRANSM. & DIST	0.00	29.50	0.00	23.91	26.39	0.00	S	S	
	IDA27950	1996	REPUBLIC OF ALBANIA	AGROPROCESSING DEVEL	0.00	6.00	0.00	4.44	4.70	0.00	U	U	
	IDA27700	1996	REPUBLIC OF ALBANIA	URBAN WORKS & MICRO	0.00	4.00	0.00	2.00	2.37	0.00	S	S	
Total					0.00	229.00	0.00	120.73	124.02	0.00			
				Active Loans		Closed Loans		Total					
				Total Disbursed (IBRD and IDA):	104.57	44.96		149.53					
				of which has been repaid:	0.00	0.00		0.00					
				Total now held by IBRD and IDA:	229.00	43.50		272.50					
				Amount sold	0.00	0.00		0.00					
				Of which repaid	0.00	0.00		0.00					
				Total Undisbursed	120.73	.01		120.74					

a. Intended disbursements to date minus actual disbursements to date as projected at appraisal.

b. Following the FY94 Annual Review of Portfolio performance (ARPP), a letter based system was introduced (HS = highly Satisfactory, S = satisfactory, U = unsatisfactory, HU = highly unsatisfactory); see proposed Improvements in Project and Portfolio Performance Rating Methodology (SecM94-901), August 23, 1994.

Note:

Disbursement data is updated at the end of the first week of the month.

Albania at a glance

#####

POVERTY and SOCIAL

	Albania	Europe & Central Asia	Lower-middle-income
Population mid-1996 (millions)	3.3	479	1,125
GNP per capita 1996 (US\$)	820	2,180	1,750
GNP 1996 (billions US\$)	2.7	1,043	1,967

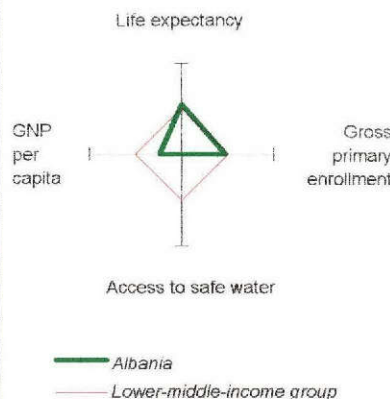
Average annual growth, 1990-96

Population (%)	0.2	0.3	1.4
Labor force (%)	0.8	0.5	1.8

Most recent estimate (latest year available since 1989)

Poverty: headcount index (% of population)	20	..	..
Urban population (% of total population)	39	65	56
Life expectancy at birth (years)	73	68	67
Infant mortality (per 1,000 live births)	30	26	41
Child malnutrition (% of children under 5)	..	..	..
Access to safe water (% of population)	..	..	..
Illiteracy (% of population age 15+)	..	..	..
Gross primary enrollment (% of school-age population)	98	97	104
Male	98	97	105
Female	99	97	101

Development diamond*

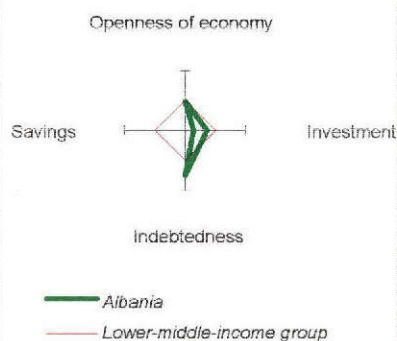


KEY ECONOMIC RATIOS and LONG-TERM TRENDS

	1975	1985	1995	1996
GDP (billions US\$)	..	2.0	2.4	2.7
Gross domestic investment/GDP	..	30.4	21.0	20.5
Exports of goods and services/GDP	..	16.2	12.5	12.6
Gross domestic savings/GDP	..	28.3	-1.0	-6.8
Gross national savings/GDP	..	30.1	14.7	11.4
Current account balance/GDP	..	-1.9	-6.4	-9.2
Interest payments/GDP	..	..	0.4	0.4
Total debt/GDP	..	..	29.4	27.4
Total debt service/exports	..	..	1.1	4.1
Present value of debt/GDP	..	..	32.6	..
Present value of debt/exports	..	..	196.7	..

	1975-85	1986-96	1995	1996	1997-05
(average annual growth)					
GDP	..	..	8.9	9.1	..
GNP per capita	..	..	9.7	7.6	..
Exports of goods and services	..	..	27.4	12.4	..

Economic ratios*

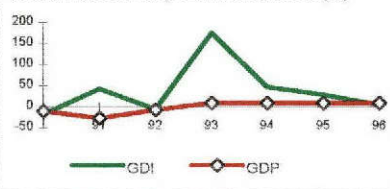


STRUCTURE of the ECONOMY

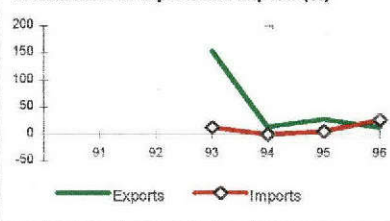
	1975	1985	1995	1996
(% of GDP)				
Agriculture	..	27.9	55.9	55.4
Industry	..	34.9	21.3	21.1
Manufacturing	..	..	..	..
Services	..	37.2	22.7	23.5
Private consumption	..	62.6	87.4	94.2
General government consumption	..	9.2	13.6	12.6
Imports of goods and services	..	18.4	34.5	39.9

	1975-85	1986-96	1995	1996
(average annual growth)				
Agriculture	..	3.5	10.6	8.1
Industry	..	-9.1	6.0	7.7
Manufacturing	..	..	..	..
Services	..	2.6	7.6	12.9
Private consumption	..	0.1	1.1	19.9
General government consumption	..	0.0	9.2	2.6
Gross domestic investment	..	-0.1	28.5	5.2
Imports of goods and services	..	..	5.6	26.5
Gross national product	..	0.0	11.3	9.2

Growth rates of output and investment (%)



Growth rates of exports and imports (%)

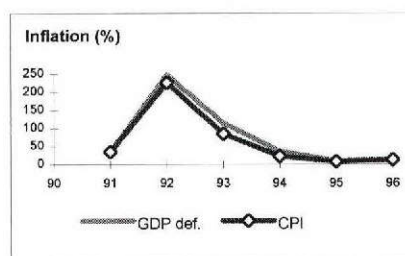


Note: 1996 data are preliminary estimates.

* The diamonds show four key indicators in the country (in bold) compared with its income-group average. If data are missing, the diamond will be incomplete.

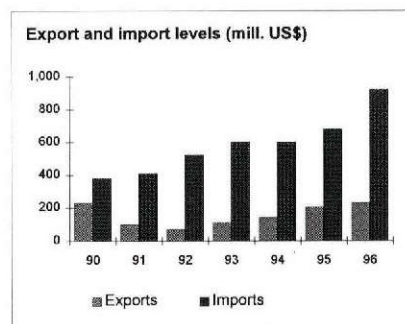
PRICES and GOVERNMENT FINANCE

	1975	1985	1995	1996
Domestic prices				
(% change)				
Consumer prices	..	..	7.8	12.7
Implicit GDP deflator	..	0.4	9.8	14.6
Government finance				
(% of GDP)				
Current revenue	..	50.6	23.9	18.3
Current budget balance	..	24.4	-1.9	-7.5
Overall surplus/deficit	..	-1.8	-10.4	-11.9



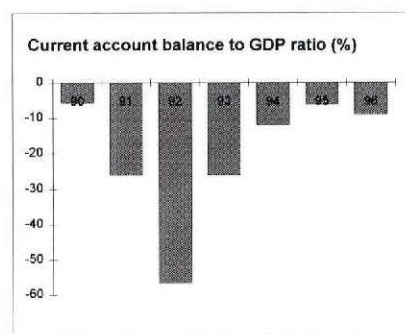
TRADE

	1975	1985	1995	1996
(millions US\$)				
Total exports (fob)	..	304	205	229
Commodity 1	..	..	..	..
Commodity 2	..	..	..	..
Manufactures	..	..	..	..
Total imports (cif)	..	345	679	921
Food	..	..	..	..
Fuel and energy	..	..	..	..
Capital goods	..	..	..	..
Export price index (1993=100)	..	..	..	..
Import price index (1987=100)	..	..	..	..
Terms of trade (1987=100)	..	..	..	..



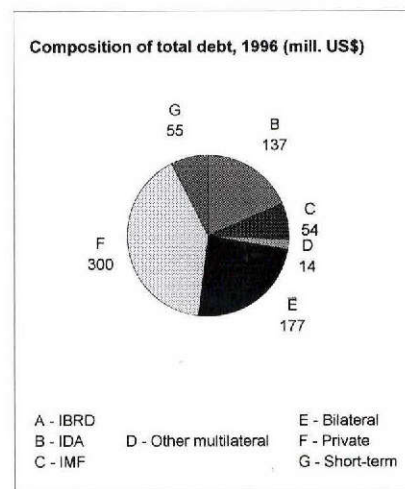
BALANCE of PAYMENTS

	1975	1985	1995	1996
(millions US\$)				
Exports of goods and services	..	319	302	338
Imports of goods and services	..	363	836	1,073
Resource balance	..	-44	-534	-735
Net income	..	1	53	61
Net current transfers	..	6	327	428
Current account balance,				
before official capital transfers	..	-37	-181	-249
Financing items (net)	..	20	207	297
Changes in net reserves	..	17	-26	-48
Memo:				
Reserves including gold (mill. US\$)	..	83	265	323
Conversion rate (local/US\$)	..	8.6	92.8	104.5



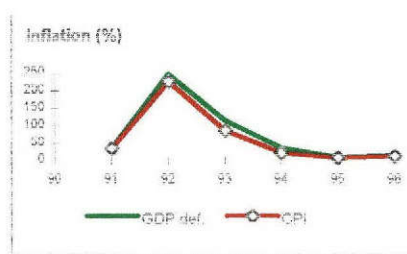
EXTERNAL DEBT and RESOURCE FLOWS

	1985	1995	1996
(millions US\$)			
Total debt outstanding and disbursed	..	713	737
IBRD	..	0	0
IDA	..	109	137
Total debt service	..	7	34
IBRD	..	0	0
IDA	..	1	1
Composition of net resource flows			
Official grants	..	118	80
Official creditors	..	46	54
Private creditors	..	0	2
Foreign direct investment	..	89	97
Portfolio equity	..	0	0
World Bank program			
Commitments	..	36	62
Disbursements	..	43	32
Principal repayments	..	0	0
Net flows	..	43	32
Interest payments	..	1	1
Net transfers	..	43	31



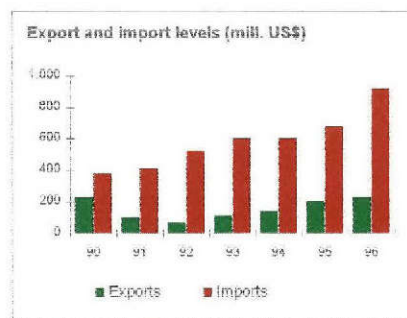
PRICES AND GOVERNMENT FINANCE

	1975	1985	1995	1996
Domestic prices				
(% change)				
Consumer prices	..	..	7.8	12.7
Implicit GDP deflator	..	0.4	9.8	14.6
Government finance				
(% of GDP)				
Current revenue	..	50.6	23.9	18.3
Current budget balance	..	24.4	-1.9	-7.5
Overall surplus/deficit	..	-1.8	-10.4	-11.9



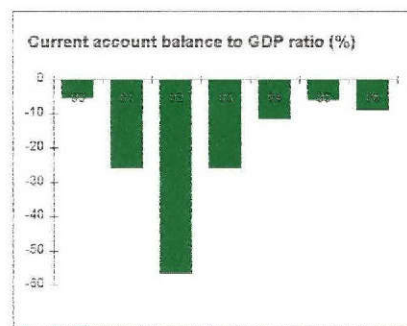
TRADE

	1975	1985	1995	1996
(millions US\$)				
Total exports (fob)	..	304	205	220
Commodity 1	..	..	..	..
Commodity 2	..	..	..	..
Manufactures	..	..	..	..
Total imports (cif)	..	345	679	921
Food	..	..	..	..
Fuel and energy	..	..	..	..
Capital goods	..	..	..	..
Export price index (1993=100)	..	..	..	..
Import price index (1987=100)	..	..	..	..
Terms of trade (1987=100)	..	..	..	..



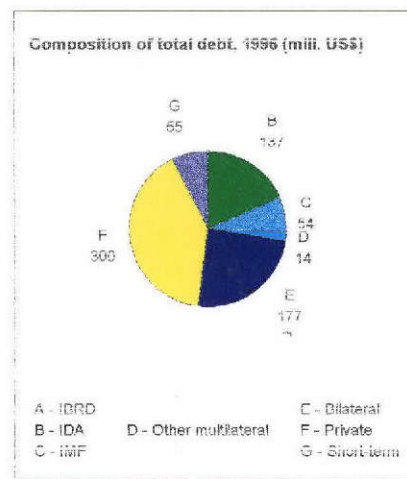
BALANCE of PAYMENTS

	1975	1985	1995	1996
(millions US\$)				
Exports of goods and services	..	310	302	338
Imports of goods and services	..	363	836	1,073
Resource balance	..	-44	-534	-735
Net income	..	1	53	81
Net current transfers	..	6	327	428
Current account balance,				
before official capital transfers	..	-37	-181	-249
Financing items (net)	..	20	207	297
Changes in net reserves	..	17	-26	-46
Memo:				
Reserves including gold (mill. US\$)	..	83	265	323
Conversion rate (local/US\$)	..	8.6	92.8	104.5



EXTERNAL DEBT and RESOURCE FLOWS

	1985	1995	1996
(millions US\$)			
Total debt outstanding and disbursed	..	713	737
IBRD	..	0	0
IDA	..	109	137
Total debt service	..	7	34
IBRD	..	0	0
IDA	..	1	1
Composition of net resource flows			
Official grants	..	118	80
Official creditors	..	46	54
Private creditors	..	0	2
Foreign direct investment	..	89	97
Portfolio equity	..	0	0
World Bank program			
Commitments	..	36	62
Disbursements	..	43	32
Principal repayments	..	0	0
Net flows	..	43	32
Interest payments	..	1	1
Net transfers	..	43	31



OFFICE MEMORANDUM

DATE: November 21, 1997

TO: Mr. James D. Wolfensohn, President

FROM: Johannes Linn, Vice President ECA

EXTENSION: 80602

SUBJECT: **Briefing for meeting with Dr. Vranitzky - Former Chancellor of Austria and OSCE - Special Envoy for Albania (meeting November 25, 1997)**

1. Purpose of the Visit: Dr. Vranitzky is in Washington in his capacity as OSCE envoyee to Albania for a debriefing at the U.S. State Department. Dr. Vranitzky may want to brief you on his assignment in Albania. As his OSCE mandate in Albania expired in October 1997, he may also want to explore options for a new international role possibly in international finance or in an international peace keeping mandate, similar to the one assumed in Albania.

2. Background: Dr. Vranitzky was appointed OSCE Special Envoy for Albania in March 1997 to assist the country to return to normalcy after the collapse of the pyramid scheme had resulted in massive civil unrest. Dr. Vranitzky played this role most effectively. He visited Albania between March and July numerous times, managed consensus building among the country's warring political factions, and pushed for new free and fair elections. He also obtained a commitment from former President Berisha to resign if his Democratic party were to loose in the elections; he offered help to Albania's Interim Government (of national Reconciliation) for democracy building.

3. Dr. Vranitzky was also instrumental in supporting the deployment of the Italian led Multinational Protection Forces (MPF), which helped to restore minimum security in parts of the country in early 1997. Dr. Vranitzky strongly supported the post-crisis role of IFIs. One can argue, that the very effective role played by Dr. Vranitzky in Albania was crucial for the agreement reached between the then President Berisha and the opposition, which paved the way for elections in June 1997. Without his interventions, general elections may not have been held.

SUGGESTED TOPICS OF DISCUSSION

4. I suggest, you congratulate Dr. Vranitzky on his outstanding achievements in Albania.

5. You may ask Dr. Vranitzky about the prospects of the new Government, the chances of advancing on key economic adjustment issues in the present political environment. You might ask him for specific suggestions for the Bank's post-crisis strategy in Albania.

6. You may inquire from Dr. Vranitzky about his personal plans for the future and ask about his interest in an international assignment or in the financial sector. He has professional experiences in the banking/financial sector, but they date back to the period prior to his appointment as Chancellor of the Federal Republic of Austria (1986). Dr. Vranitzky is particularly interested in EU issues and economic and political issues related to Central and Eastern Europe.

Attachment: Curriculum Vitae Dr. Franz Vranitzky

cc.: Messrs.: Rosen, Koch-Weser, Malloch Brown

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November 21, 1997 5:51 PM

Franz Vranitzky

Franz Vranitzky was born in Vienna on 4 October, 1937. He graduated from the Economic University of Vienna in 1960 and received a doctorate in 1969.

In 1961 he joined the National Bank of Austria, originally in the economic research department. In 1970 Mr. Vranitzky was appointed an advisor on economic and fiscal policy to the Austrian Federal Minister of Finance.

In 1976 Vranitzky was appointed deputy chairman of the Board of Directors of the Creditanstalt Bankverein and five years later took on the same post at the Österreichische Länderbank. In April 1981 he became chairman of the Länderbank Board of Directors. Mr. Vranitzky joined the Government in 1984 as Federal Minister for Finance, a post which he held until 16 June, 1986, when he was sworn in as Federal Chancellor of the Republic of Austria.

Mr. Vranitzky served as Federal Chancellor for more than ten years. He resigned from this office on 18 January, 1997. In March 1997 he was appointed Special Representative to Albania by the Organization for Security and Cooperation in Europe.

Mr. Vranitzky also served as chairman of the Social Democratic Party for almost a decade. He has published several books. He received an honorary doctorate from Hebrew University in Jerusalem, the "Karlspreis" of the City of Aachen and the Fulbright Prize. Mr. Vranitzky is married and has two children.

