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PUBLIC DISCLOSURE AUTHORIZED

Meeting: Options for FY98 Net Income

Wednesday, February 25, 1998

10:00 a.m. - 10:45 a.m.
Meeting Room MC12-755
(beside Mr. Sandström's office)

Friday, February 27, 1998
10:15 - 11:00 a.m
MC12-755 Meeting Room

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Options for Fiscal Year [FY] 1998 Net Income - February 27, 1998

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A. CLASSIFICATION

- [ ] Meeting Material
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- [ ] Corporate Management
- [ ] Communications with Staff
- [ ] Phone Logs
- [ ] Calendar
- [ ] Press Clippings/Photos
- [ ] JDW Transcripts
- [ ] Social Events
- [ ] Other

B. SUBJECT: MEETING: OPTIONS FOR FY98 NET INCOME (N) (B) // TIME: 10:00 - 10:45 A.M. // VENUE: MC-12-755 (MEETING ROOM) // CONTACT: LAURA @ 32347 / B. WILSON'S OFFICE // IN ATTENDANCE: JDW, EINHORN, WILSON, JUNGR, BURAKREIS, N. PAUL, D. DANKER, J. WILTON, G. WHEELER (FOR PERLIN-annual leave), MUIS, LUIGI // (2/17) PER JE VIA LP: (SANDSTROM-on mission), ZHANG, KOCH-WESER //(2/25) SCOTT WHITE (ADDED) // NOTES: (2/12) LP REQUESTED MEETING - SAME ATTENDEES AS IBRD RESERVES MTG. HELD ON FEB. 11 // (B) B. WILSON // DUE: FRIDAY, FEB. 20 // EXC: LP // ALI (2/12)
Brief includes:
---Note to JDW from Graeme Wheeler
---Note to JDW from Brian Wilson

DATE: 02/27/98

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

Affilliates

- [ ] GEF
- [ ] ICSID
- [ ] 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	Cleared By	Date:
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President Wolfensohn - Briefing Book for President's Meetings and Events - Options for Fiscal Year [FY] 1998 Net Income - February 27, 1998	30489567

Document Date	Document Type	
February 24, 1998	Memorandum	

Correspondents / Participants
To: Mr. James D. Wolfensohn, President
From: Brian V. Wilson, FPRVP

Subject / Title
Alternative Approaches to Reserves This year

Exception(s)
Corporate Administrative Matters

Additional Comments

The item(s) identified above has/have been removed in accordance with The World Bank Policy on Access to Information or other disclosure policies of the World Bank Group.

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Diego Hernández	June 18, 2025

News 2/27

THE WORLD BANK/IFC/MIGA

Office Memorandum

DATE: February 26, 1998

TO: Mr. James D. Wolfensohn, President

FROM: Graeme Wheeler, Acting Vice President and Treasurer GW

EXT.: 85920

SUBJECT: **Letter to Mr. Bong-Hee Won -**
Proposed Structural Adjustment Loan SAL for Korea

1. At tomorrow morning's meeting on "Options for FY98 Net Income" it would be helpful if we could also discuss the pricing of the Korean structural adjustment loan, given the connections between this issue and the Bank's risk-bearing capital.

2. Please find attached a copy of a letter from the Director General of the International Economic Policy Bureau in Korea's Ministry of Finance and Economy, and a draft response from me. Also attached is a copy of the terms on the economic reconstruction loan and a note from Gary Perlin to the Operations Committee on the proposed terms for the Korean SAL. These terms were supported by the Operations Committee. In their letter, the Koreans request that the Bank reconsiders its pricing terms. They believe that the SAL should be priced on standard terms.

3. Ms. Deborah Danker, Senior Manager, FPRFP has been sounding out some of the G7 constituencies and the Netherlands on their position on pricing the SAL. The U.S. and UK representatives are keen to ensure non-standard pricing on the SAL, with the UK supporting pricing that matches IMF terms. Italy and the Netherlands indicated, although less firmly, that they would also favor pricing on the Korea SAL that would differ from standard IBRD terms.

4. Our recommendation is to stand firm on the proposed pricing and not indicate any willingness to negotiate on the terms unless the Board directs us to do otherwise. FPR's simulations indicate that raising the amount of the SAL from USD 2 billion to USD 3 billion would lower the reserves to loan ratio by 0.1% to around 12.85% (from 12.95%) by June 30, 1998. This ratio is sensitive to exchange rate movements and disbursements in the rest of the pipeline and these could change the ratio significantly by the end of the financial year. Our advice is not to increase the size of the SAL above USD 2 billion.

Attachments

cc: Mmes. Jessica P. Einhorn, Deborah J. Danker
Messrs. Gary L. Perlin (o/r), Brian V. Wilson, John Wilton, Luigi Passamonti

Mr G Wheeler
MC 7-227

The Ministry of Finance and Economy

Tel: (822) 503-9149 Fax: (822) 503-9076

To: Mr. Sri-Ram Aiyer (Fax: 1 202 522 1556)
Director, Korea Department
World Bank

From: Bong-Hee Won
Director General
International Economic Policy Bureau
Ministry of Finance and Economy

No. of Pages (including cover sheet): 2

Re: Proposed Structural Adjustment Loan (SAL)

Dear Mr. Aiyer:

Thank you for your cooperation in dealing with the Structural Adjustment Loan. I hope that we will settle the outstanding issues as soon as possible. In this regard, I would like to express our position on these issues in a concrete manner.

First of all, our government is having difficulties coming to terms with the proposed pricing associated with the SAL. We feel that both a interest rate of Libor base rate plus 1 percent and a service charge of 1.5 percent should be reconsidered. The reasons are as follows:

i) The proposed Loan to Korea is a pure and simple SAL, identical in nature to the typical SAL. We have a strong structural reform program. We believe that the SAL is fundamentally different from the ERL offered to Korea last December, the major purpose of which was to alleviate Korea's liquidity difficulties. Thus, we firmly believe that the interest rate applied to Korea's SAL should be the same as that which is applied to the typical SAL, rather than the Libor base rate plus 1 percent that has been proposed by the World Bank. In the same light, we find it difficult to accept the service charge of 1.5 percent on the SAL, as a service charge does not normally apply to the typical SAL.

ii) We understand that the World Bank has not applied different pricing on loans according to the development phase or per capita income of the receiving country until now. We believe that Korea's SAL should not be singled-out and treated as an exception to the World Bank's normal practices.

iii) We understand that the World Bank is facing some difficulties in securing reserves. We believe that this matter should be dealt with in a broad context via the World Bank's reserve policy. Furthermore, it is our view that if the World Bank will, indeed, apply a new pricing policy to its loans, the new policy should take effect following the formal establishment of such policy and should be equally applied to all recipient countries. Also, the fact that Korea has contributed to the World Bank's net income by bearing higher interest rates and additional service charges in the ERL should also be considered.

Secondly, in consideration of the fact that the liquidity situation in Korea remains tight, our government believes that it is of utmost important that we secure as much assistance as possible. The $2 billion that the World Bank recently proposed to offer as the SAL is less than the amount that we had both expected and determined as necessary. We would like to request that the World Bank consider increasing the proposed amount to $3 billion.

I would appreciate your consideration on the matter and look forward to a favorable reply.

Best regards,

Bong-Hee Won
Director General
International Economic Policy Bureau
Ministry of Finance and Economy

Cc: Mr. Nicholas Prescott (Fax: 822 230 3919)

Ministry of Finance & Economy
1, Joongang-Dong, Kwachon-Shi, Kyonggi-Do, Korea(zip. 427-760)

The World Bank
Washington, D.C. 20433
U.S.A.

Graeme P. Wheeler
Director
Financial Products and Services Department

draft.

February 26, 1998

Mr. Bong-Hee Won
Director General
International Economic Policy Bureau
Ministry of Finance and Economy
1, Joongang-Dong, Kwachon-Shi
Kyonggi-Do, Korea 427-760

Dear Mr. Won:

Mr. Sri-Ram Aiyer passed to me a copy of your letter on the proposed Structural Adjustment Loan (SAL) for Korea which was faxed to him on February 25, 1998.

The Board of Executive Directors will need to approve the size of the SAL to Korea and the financial terms which apply. It may, however, be helpful if I outline the management's reasons for proposing the financial terms which have been conveyed to the Korean Authorities. In this context, you may be aware that earlier this week, Mr. Gary Perlin, Vice President and Treasurer of the World Bank, discussed the reasons for the financial terms with Mr. Young-Hoi Lee, Executive Director for Korea.

The Bank has committed to lend the Republic of Korea up to USD 10 billion, equivalent to an increase of about 10% in the IBRD's outstanding loan book. The bulk of this unprecedented program comprises fast disbursing, single tranche loans. This rapid growth and concentration in lending needs to be supported by capital reserves in order to ensure that the Bank maintains its financial strength and risk-bearing capacity. In effect, these large and rapidly disbursing IBRD loans are putting considerable pressure on the Bank's balance sheet.

Management's proposal on the pricing is an attempt to balance the interests of all members, including Korea, as reflected in discussions with members of the Board of Executive Directors. The proposed pricing of the SAL, as with the pricing of the USD 3 billion economic reconstruction loan, reflects the extraordinary impact which the Korean program would have on the Bank's risk-bearing capacity.

I hope that this explanation of the Bank's thinking on loan terms for the Korean SAL is helpful. If I can be of further assistance, please let me know.

Sincerely yours,

Graeme Wheeler

LOAN AMOUNT, TERMS AND CONDITIONS

Proposed Economic Reconstruction Loan to Republic of Korea

Amount:	$3,000,000,000
Currency:	US Dollars (USD)
Maturity:	10 years, including 5 years' grace
Interest:	6-month USD LIBOR, reset semiannually, plus 1%
Service charge:	2% of the principal amount of the loan, payable on effectiveness (to be financed out of the loan and amortized) 1% of the principal amount of the loan, payable one year after the Effective Date 1/2 of 1% of the principal amount of the loan, payable two years after the Effective Date All unpaid service charges due and payable immediately in event of cancellation or prepayment
Commitment fee:	Standard
Loan charge waivers:	Ineligible for current or future waivers of interest or commitment charges
Prepayment:	Standard SCL provision (Bank's redeployment cost)

Korea Structural Adjustment Loan:
Pricing Options and Recommendation
February 17, 1998

BACKGROUND

The Operations Committee will consider a proposed Structural Adjustment Loan (SAL) for Korea on February 17, 1998. This single-tranche loan, at US$2 billion, would follow the US$3 billion Economic Reconstruction Loan (ERL) approved for Korea on December 23, 1997, which marked the resumption of lending to Korea after its graduation from Bank lending in December, 1994. The President's Report and Recommendation on the ERL foresaw one or more such SALs "linked to Korea's progress in implementing a broad program of reform." With the exception of the Korea ERL, the proposed SAL would be twice the size of any loan ever approved by the Bank and its immediate disbursement would be more than twice the size of any single disbursement. If approved, the SAL would -- in the course of less than two months -- bring to US$5 billion a country program which is understood to include total prospective lending of up to US$10 billion in FY98-99.

The financial terms of the ERL were negotiated and approved after considerable Board discussion. Those terms were within a very broad band of options recommended by various Executive Directors, which ranged from "standard" IBRD loan terms (50bps over the cost of IBRD's debt allocated to the loan, typically subject to 25bps of waiver) to LIBOR+500bps. The approved ERL terms were as follows:

Maturity:	10 years, including 5 years' grace
Interest:	6-month USD LIBOR, reset semiannually, plus 1%
Service charge:	3½% of the principal amount of the loan, payable in installments (of 2%, 1% and ½% over the first three years of the loan) or, if not yet fully paid, when the loan is cancelled or prepaid
Commitment fee:	0.75%, beginning 60 days after signing (assuming timely disbursement, no fee would be paid)
Loan charge waivers:	not eligible for current or future waivers of interest or commitment charges
Prepayment:	standard SCL provision (Bank's redeployment cost, not expected to be significant for floating rate SCLs)

Pricing options for the Korea SAL under negotiation fall into three categories: "standard" IBRD loan terms; the terms approved for the ERL; or terms which include substantially wider spreads and shorter maturities (as previously recommended by several EDs, reflecting terms of the IMF emergency facility). The Korean government has requested that the current SAL be priced on "standard" terms. The President indicated during his recent visit to Seoul that ERL terms (perhaps with lower service charges) would be more appropriate.

This note considers the pricing options and recommends an interest rate of LIBOR +100bps (i.e., ERL pricing) for this SAL and, prospectively, for subsequent SALs in the FY98-99 Korea program. A range of maturities and rate-fixing options can be offered. A one-time service charge of 1½% at the time of effectiveness is recommended, which would be financed out of the loan and amortized. Prepayments would continue to be allowed without penalty.

PRICING OPTIONS

1. Standard Pricing

The case for standard pricing would be based on three principles: (1) the cooperative nature of the IBRD, under which borrowers typically pay the same price; (2) the standard nature of the SAL product; and (3) the MDB precedent of ADB's program pricing at a standard spread of 40bps (carrying no waiver provision, but in this case assessed over LIBOR rather than ADB's cost of funds).

The case against standard pricing reflects a combination of *interrelated* concerns involving the country, the product and the financial impact of this program on the Bank. These conditions should provide the Board with a justification for differential pricing.

- Country. Korea is a former IBRD graduate, and it is on this basis that the rationale for non-standard pricing could be established. There are two features which characterize former graduates. The first is relatively high income; Korea's per capita income exceeded $10,500 in 1996, although at exchange rates prevailing when the ERL was presented, per capita GDP would have been $5,600. The other is the existence of substantial unused capacity to borrow from the Bank -- in the case of Korea, over US$10 billion using current IBRD credit standards. (Such measures of country creditworthiness do not necessarily suggest that the IBRD's financial condition would permit full extension of such lines, as described later.)

  "De-graduation" is by design not expected to be a frequent event, but when it occurs it is likely to be precipitated by financial events which would lead a borrower to seek such substantial drawdowns that its program would constitute "extraordinary" lending. Such lending is not contemplated in the Bank's current standard loan pricing structure and could have substantial financial impact on the Bank and its other borrowers. Although no principle was clearly enunciated during Board consideration of the ERL, many EDs representing G7 countries encouraged higher lending volumes with attendant increases in lending spreads.

- Product. While SALs are a standard Bank product in terms of design, in the case of the current Korea program they are so large in size and so quick to disburse that they can – for financial purposes – be considered to be sufficiently different as to warrant differential pricing. While the ERL was distinctive for other reasons as well, notably the speed of project preparation in light of Korea's financial crisis, the program of which the ERL and SAL(s) are both a part continues to feature such "jumbo" loans and disbursements that program-specific pricing is appropriate and necessary.

- Circumstances. The proposed loan and the balance of the prospective program come at a time when the Bank has minimal financial capacity to bear substantial additional lending risks and to pursue its other priority objectives. As the Board was reminded during FPR's seminar on reserves on February 12, the Bank has abruptly shifted from an extended period of stagnant loan growth to one of potentially rapid expansion. With the Bank's earnings deriving exclusively from returns on invested capital, averaging only around 6% in nominal terms over recent years, the Bank's current policies regarding reserves, pricing and income targets cannot be expected to support the type of sudden and substantial portfolio growth represented by the Korea program. (This is especially true in light of the weakened creditworthiness of other Bank borrowers who represent a signficant portion of the Bank's portfolio.) While some other country programs are also growing in response to financial market conditions, no single country comes close to having the impact which arises from the de-graduation of Korea and the prospect of attendant growth of some 10% in the Bank's loan book in less than 18 months.

  The Korea program also arises at a time when the Bank's standard products are likely to change. After the offer of currency choice on existing currency pool (VLR 89) loans expires on July 1, 1998, we will propose the introduction of a wide range of new (LIBOR-based) loan terms. Following on recent Board discussions of income dynamics and reserves, it is also likely that other pricing parameters will be revisited. For countries with ongoing lending programs and gently rising or declining net disbursement profiles, current pricing has built up over time and new pricing will take effect over time as well. Building a $10 billion portfolio of Korea loans in a short period of time, however, should anticipate at least some of those changes. It would certainly be wrong to add these loans to the "sunset" pass-through pools (both CPLs and SCLs) which currently determine lending rates, and which were not designed to accommodate portfolio volatility such as that represented by Korea's de-graduation.

2. *ERL Pricing*

Assuming that non-standard structure and pricing are applied to the SAL, it seems reasonable to adopt the ERL terms for this loan and the balance of the Korea program. The LIBOR base appears non-controversial, but it is necessary to confirm the appropriateness of the lending spread (including ineligibility for waivers) and an up-front service charge. It would not seem sensible to consider a spread narrower than 100 bps, not least because that would offer an incentive to the borrower to use the proceeds of the SAL (at some time in the future) to repay the ERL which is part of the same program.

The ERL **spread** of 100bps was derived from a *qualitative* assessment of the Bank's finances, current and prospective competitive prices, the nature of the programs being financed and the wide variety of views among Executive Directors. The spread is, of course, not sufficient to generate in the near future the additional risk capital needed to support the loan – consider that the Bank's policy is to reserve around 14% of outstanding loans, vs. a 1% annual lending spread. (Of course, earnings on invested capital and loan amortization mean that a good loan will cover its capital charge in far less than 14 years, by which time the loan should be repaid and capital is free to support other loans.) It is not reasonable to expect any financial institution - cooperative or otherwise - to price loans in a way that covers their upfront capital charges. Rather, growth is supported by capital accumulated from past earnings and other sources. In the case of the Korea ERL, the Board agreed that –given the country, market and IBRD balance sheet circumstances -- the loan should begin to contribute to earnings in a way that standard priced loans do not.

The 100bp spread on the ERL was, therefore, informed by market conditions, experience and prospects – along with a sense of what a long-term development bank should charge. We took note of the ADB and IMF pricing "extremes," but found neither to be reflective of the IBRD's role or circumstances. Neither was there a good market proxy, although it was clear that the Bank's pricing was concessional. We knew that prior to the Asian crisis Korean long-term borrowing spreads were around 30bps over LIBOR, and that spreads on Korean paper had opened up to over 800bps in the secondary market (not a level at which one would expect such a borrower to take longer-term money). Current secondary market spreads are in the 300-450bps range, and we know that the bank debt restructuring deal offers international lenders a spread of 225-275bps for 1-3 years on government-backed bank debt. One can conclude, at a minimum, that the ERL spread would be less concessional vis-a-vis the market if applied to the current SAL, but still allows both the Bank and Korea to complement our program partnership with financial terms that support our particular objectives.

The ERL **service charges** were also negotiated on qualitative terms. The 3½% charge, payable over three years, is sufficiently large to require that the Bank recognize this income over time as a yield adjustment. However, the fee was negotiated in view of the uncertainty, costs and risks of preparing and disbursing a single tranche loan for an inactive borrower in a matter of weeks. Although the preparation and supervision of this SAL are more standard, the financial impact of the loan (including reserve build-up, and the need to accommodate fast disbursement and potential large prepayment) still recommends the negotiation of some upfront fee. In view of progress made in the Korea program, a lesser fee of 1½% would seem reasonable, payable up-front out of loan proceeds. This unscientific proposal is roughly equal to one-half the charge on the previous loan, although levying it all upfront makes it both simpler and more easily used as a model for future pricing.

It would also seem sensible to carry forward the **other ERL terms**, especially regarding ineligibility for interest waivers and the right to prepay.

- Waivers. Since the interest spread is intended to help build the Bank's capital and to protect against loss, it would be logical to maintain ineligibility for waivers (as applied to standard, pass-through products) which would otherwise retard that build-up. Incentive for timely repayment would remain in the form of interest charges on late payments and the public creditworthiness concerns of the borrower. In view of

the reasonable potential for early repayment (see next bullet), maintaining ineligibility for waivers also assures more rapid accumulation of risk-bearing capital.

- Prepayment. The right to prepayment without penalty is in keeping with the Bank's role of complementing market sources of finance and facilitating sound sovereign debt management. The ERL design (including the LIBOR base and excluding it from existing loan pools) protects the Bank and its other borrowers against financial risk in the event of prepayment. We should note that this right to prepay is of substantial value and would likely not be available on reasonable terms in the market. Spreads (including ineligibility for waivers) and fees should be considered in light of this feature.

- Maturity. We can extend the same option to Korea on the SAL as was offered on the ERL, i.e., to have a maturity of up to 15 years with 5 years' grace. It is worth considering whether or not to limit this choice to 10 years (Korea's selection in the ERL), in order to maintain financial flexibility for the Bank in the future. On the other hand, as the loan amortizes and capital accumulates it should be attractive to the Bank to keep this loan on the books for a longer term if Korea decides.

- Rate Fixing Option. We can also repeat this offer to allow Korea to fix its loan rate now or in the future. In light of recent global interest rate declines, this could be of interest. This option would be designed to eliminate risk to the Bank, but has real value to the Koreans in light of their limited access to capital and derivatives markets.

2. *"IMF Pricing"*

It is possible that some Executive Directors will continue to believe that IBRD loans should more closely reflect the terms of IMF loans (i.e., short-term facilities at rates of LIBOR+500bps with intended maturities of less than 24 months). However, it should be easier in the case of the SAL than was the case with the ERL to reinforce the long-term nature of the program which the loan is intended to finance. While repayment is not precluded, the success of the loan (and program) will continue to be measured by substantive structural performance rather than rapid loan repayment.

Korea's liquidity needs have declined and the Bank's role is clearly becoming more developmental, so any IMF analogy should be easy to overcome. Although market spreads are clearly still beyond the 100bp level, it would also seem inappropriate to extend a SAL at a rate higher than the ERL, thereby incenting Korea to use proceeds from the latter to repay the former sometime in the future!

RECOMMENDATION

As stated in the introduction to this note, and as reflected in the subsequent analysis of the options, it is appropriate to structure and price the Korea SAL (including prospective operations which constitute the FY98-99 program) on the same basis as the earlier ERL with modified fees. In sum, these terms would be:

Maturity:	10-15 years, including 5 years' grace
Interest:	6-month USD LIBOR, reset semiannually, plus 1%
Service charge:	1½% of the principal amount of the loan, financed out of loan proceeds and amortized over the life of the loan
Commitment fee:	0.75%, beginning 60 days after signing (assuming timely disbursement, no fee would be paid)
Loan charge waivers:	not eligible for current or future waivers of interest or commitment charges
Prepayment:	standard SCL provision (Bank's redeployment cost, not expected to be significant for floating rate SCLs)

gp/koreaSALpricing

IBRD DISBURSEMENTS ($Million)
Revised Base Case(Ver4.0) Based on Feedbacks HMB-2/26/98

					Changes From The Last Round			
	FY98		FY99		FY98		FY99	
Region/Country	Total	Adjl.	Total	Adjl.	Total	Adjl.	Total	Adjl.
Africa	**215**	**0**	**148**	**0**	**0**	**0**	**0**	**0**
Be,IV,NI,SE,TO,UP	1	0	1	0	0	0	0	0
Cameroon	5	0	2	0	0	0	0	0
Gabon	5	0	7	0	0	0	0	0
Lesotho	10	0	8	0	0	0	0	0
Mauritius	13	0	11	0	0	0	0	0
Namibia	0	0	0	0	0	0	0	0
Nigeria	141	0	76	0	0	0	0	0
Seychelles	0	0	1	0	0	0	0	0
South Africa	0	0	12	0	0	0	0	0
Swaziland	2	0	4	0	0	0	0	0
Zimbabwe	38	0	27	0	0	0	0	0
East Asia & Pacific	**10,209**	**7,463**	**10,403**	**7,382**	**0**	**0**	**0**	**0**
China	1,344	0	1,360	0	0	0	0	0
Fiji	2	0	3	0	0	0	0	0
Indonesia	2,205	1,400	1,648	600	0	0	0	0
Korea	5,133	5,000	5,103	5,002	0	0	0	0
Malaysia	37	0	1,024	1,000	0	0	0	0
Papua New Guinea	79	60	45	30	0	0	0	0
Philippines	560	253	485	250	0	0	0	0
Thailand	850	750	734	500	0	0	0	0
South Asia	**1,071**	**250**	**1,058**	**100**	**0**	**0**	**0**	**0**
India	590	0	727	0	0	0	0	0
Pakistan	481	250	331	100	0	0	0	0
Middle East & N.Africa	**913**	**286**	**962**	**240**	**0**	**0**	**0**	**0**
Algeria	209	150	148	0	0	0	0	0
Egypt	100	0	42	0	0	0	0	0
Iran	78	0	81	0	0	0	0	0
Jordan	132	95	96	59	0	0	0	0
Lebanon	59	0	73	0	0	0	0	0
Morocco	171	8	322	144	0	0	0	0
Tunisia	163	33	200	38	0	0	0	0
Europe	**5,005**	**3,235**	**7,720**	**5,888**	**-50**	**-50**	**1,671**	**1,671**
Armenia	0	0	2	0	0	0	0	0
Azerbaijan	0	0	0	0	0	0	0	0
Belarus	11	0	7	0	0	0	0	0
Bulgaria	226	170	243	190	-50	-50	50	50
Croatia	93	46	195	145	0	0	50	50
Cyprus	5	0	5	0	0	0	0	0
Czech Republic	27	0	30	0	0	0	0	0
Estonia	7	0	7	0	0	0	0	0
Hungary	462	375	117	0	0	0	0	0
Kazakstan	279	245	225	175	0	0	-50	-50
Latvia	61	34	18	0	0	0	0	0

IBRD DISBURSEMENTS ($Million)
Revised Base Case(Ver4.0) Based on Feedbacks HMB-2/26/98

					Changes From The Last Round			
	FY98		FY99		FY98		FY99	
Region/Country	Total	Adjl.	Total	Adjl.	Total	Adjl.	Total	Adjl.
Lithuania	17	0	67	50	0	0	0	0
Macedonia	33	25	34	30	0	0	30	30
Moldova	11	0	67	55	0	0	0	0
Poland	210	2	195	0	0	0	0	0
Portugal	0	0	0	0	0	0	0	0
Romania	341	250	514	380	0	0	0	0
Russia Federation	2,211	1,450	3,200	2,450	0	0	0	0
Slovak Republic	8	0	7	0	0	0	0	0
Slovenia	20	0	10	0	0	0	0	0
Turkey	240	0	1,745	1,500	0	0	1,500	1,500
Turkmenistan	4	0	17	8	0	0	0	0
Ukraine	719	638	821	725	0	0	91	91
Uzbekistan	18	0	196	180	0	0	0	0
Latin America	**4,639**	**1,523**	**4,594**	**1,949**	**85**	**85**	**80**	**80**
Argentina	828	415	798	431	135	135	-390	-390
Barbados	5	0	4	0	0	0	0	0
Belize	10	0	3	0	0	0	0	0
Brazil	1,337	0	718	0	0	0	0	0
Caribbean Dev. Bank	2	0	3	0	0	0	0	0
Chile	86	0	57	0	0	0	0	0
Colombia	185	0	184	0	0	0	0	0
Costa Rica	19	0	14	0	0	0	0	0
Dominica	0	0	1	0	0	0	0	0
Dominican Rep.	8	0	29	0	0	0	0	0
Ecuador	87	30	86	30	0	0	-30	-30
El Salvador	27	0	32	0	0	0	0	0
Grenada	0	0	1	0	0	0	0	0
Guatemala	13	0	58	25	0	0	0	0
Honduras	0	0	0	0	0	0	0	0
Jamaica	25	0	26	0	0	0	-50	-50
Mexico	1,471	952	1,946	1,200	0	0	650	650
OECS	0	0	0	0	0	0	0	0
Panama	20	0	27	0	0	0	0	0
Paraguay	47	0	50	0	0	0	0	0
Peru	187	25	204	100	-50	-50	-50	-50
St. Kitts	0	0	1	0	0	0	0	0
St. Lucia	0	0	0	0	0	0	0	0
St. Vincent	0	0	0	0	0	0	0	0
Trinidad & Tobago	13	0	14	0	0	0	0	0
Uruguay	135	100	134	100	0	0	-50	-50
Venezuela	133	0	205	63	0	0	0	0
Total, All Borrowers	**22,052**	**12,756**	**24,885**	**15,559**	**35**	**35**	**1,751**	**1,751**