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Washington, D.C.

© International Bank for Reconstruction and Development / International Development Association or

The World Bank

1818 H Street NW

Washington DC 20433

Telephone: 202-473-1000

Internet: www.worldbank.org

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Audit, External - Audit Coverage

Elizabeth McAllister
File Under Name

THE WORLD BANK/IFC/M.I.G.A.

OFFICE MEMORANDUM

DATE: July 3, 1997

TO: OED Management Team

FROM: Roger Slade, Chief, OEDD1

EXTENSION: 81293

SUBJECT: **Recent Audit Ratios**

1. The attached tables present OED's actual audit ratios for FYs95-97:
2. In general the ratios by region and sector look reasonable. The regional distribution for FY95-97 is acceptable, but there is a slight tendency to favor some continents over others. Africa is a primary focus of the Bank's development effort and OED should give it a little more attention, MNA somewhat less.
3. On the sector side, finance with an audit ratio of 73% seems far too high. The social sector is similarly high (audit ratio 75%) but this reflects a number of recent social fund audits, some of projects that had not yet been closed (and hence without an ICR thereby inflating the audit). Oil and gas at 59% also seems too high. Urban is somewhat high, but might be a reflection of an active evaluation approach in that sector. Agriculture is relatively low.
4. We have also analyzed the audit ratio by country. There are wide differences as might be expected. Those countries where we have not conducted an audit in the last three years are listed below. The fact that we have not done audits in the last three years in some countries might be explained by small size, and/or security reasons. The fact that we have done large numbers of audits in other countries might be explained by OED work program requirements.
5. This analysis provides no evidence about why audits were conducted, the value of the audit findings or the richness of the lessons learned. Such questions, however, as well as distributional equity should inform our future audit strategy.
6. Finally I believe that it would be useful to share this analysis with CODE, probably through the DGO's Annual Report.

cc: Messrs./Mmes. Picciotto, Guerrero, Qualls, van der Lugt

Countries with no audits but at least on completion reporting in the period FY95-97

Region	Country	Region	Country	
AFR	Burkina Faso	EAP	Korea, Republic	
	Burundi		Mongolia	
	Cameroon		Papua New Guinea	
	Cape Verde		Vanuatu	
	Chad		Western Samoa	
	Congo			
	Equatorial Guinea			
	Gabon	ECA	Armenia	
	Gambia		Bosnia-Herzegovina	
	Lesotho		Cyprus	
	Mauritius		Estonia	
	Mozambique		Georgia	
	Niger		Kazakstan	
	Rwanda		Latvia	
	Sao Tome and Principe		Lithuania	
	Sierra Leone		Moldova	
	Sudan		Russia	
	Zaire		Ukraine	
			Yugoslavia	
LAC	Bahamas		MNA	Algeria
	Barbados			Lebanon
	Belize	Oman		
	Caribbean Region	Syria		
	Costa Rica			
	Dominican Republic			
	El Salvador			
	Guatemala	SAS	Afghanistan	
	Guyana		Bhutan	
	Haiti		Maldives	
	Nicaragua			
	St. Vincent			
	Trinidad and Tobago			

ICR/PCR Reviews and Audit Ratios by Region, Sector and Lending Type (FY95-97)

	Eval FY 1995							Eval FY 1996							Eval FY 1997							Evaluation FY95-97				
	PCNs	PCRs	EVMs	SubTotal	PARs	Audit Ratio	Total	PCNs	PCRs	EVMs	SubTotal	PARs	Audit Ratio	Total	PCNs	PCRs	EVMs	SubTotal	PARs	Audit Ratio	Total	Subtotal	Audits	Audit Ratio	Total	
<i>Region</i>																										
AFR	3	74	1	78	37	47	115	0	20	81	101	22	22	123	0	0	93	93	27	29	120	272	86	32	358	
EAP	0	42	0	42	25	60	67	0	12	42	54	16	30	70	0	0	43	43	17	40	60	139	58	42	197	
ECA	0	11	0	11	8	73	19	1	4	14	19	4	21	23	0	0	32	32	10	31	42	62	22	35	84	
LAC	1	55	0	56	32	57	88	0	3	36	39	13	33	52	0	1	53	54	16	30	70	149	61	41	210	
MNA	0	28	0	28	8	29	36	4	0	31	35	26	74	61	2	0	25	27	6	22	33	90	40	44	130	
SAS	1	31	1	33	15	45	48	0	10	26	36	19	53	55	0	2	52	54	8	15	62	123	42	34	165	
<i>Region Total</i>	5	241	2	248	125	50	373	5	49	230	284	100	35	384	2	3	298	303	84	28	387	835	309	37	1144	
<i>Sector</i>																										
Agriculture	2	66	0	68	32	47	100	0	8	58	66	21	32	87	0	1	68	69	10	14	79	203	63	31	266	
Education	1	12	1	14	5	36	19	0	1	27	28	11	39	39	0	0	25	25	10	40	35	67	26	39	93	
Electric Power & Other Energy	1	27	0	28	7	25	35	1	7	21	29	12	41	41	1	0	27	28	14	50	42	85	33	39	118	
Environment				0			0				0		0	0	0	0	1	1	0	0	1	1	0	0	1	
Finance	1	8	0	9	10	11	19	0	3	9	12	3	25	15	0	0	13	13	8	62	21	34	21	62	55	
Industry	0	18	0	18	8	44	26	1	0	10	11	9	82	20	1	0	10	11	3	27	14	40	20	50	60	
Mining	0	2	0	2	0	0	2	0	1	3	4	3	75	7	0	0	1	1	0	0	1	7	3	43	10	
Multisector	0	23	0	23	19	83	42	1	7	22	30	9	30	39	0	0	38	38	7	18	45	91	35	38	126	
Oil & Gas	0	4	0	4	8	200	12	0	1	9	10	3	30	13	0	0	8	8	1	13	9	22	12	55	34	
Population, Health & Nutrition	0	9	0	9	4	44	13	1	0	3	4	2	50	6	0	0	18	18	6	33	24	31	12	39	43	
Public Sector Management	0	14	0	14	7	50	21	0	4	17	21	6	29	27	0	1	15	16	5	31	21	51	18	35	69	
Social Sector	0	1	1	2	2	100	4	0	1	1	2	0	0	2	0	0	4	4	4	100	8	8	6	75	14	
Telecommunications	0	4	0	4	0	0	4	0	0	3	3	0	0	3	0	0	8	8	0	0	8	15	0	0	15	
Transportation	0	29	0	29	13	45	42	0	8	33	41	9	22	50	0	0	35	35	5	14	40	105	27	26	132	
Urban Development	0	10	0	10	6	60	16	0	5	10	15	7	47	22	0	0	12	12	5	42	17	37	18	49	55	
Water Supply & Sanitation	0	14	0	14	4	29	18	1	3	4	8	5	63	13	0	1	15	16	6	38	22	38	15	39	53	
<i>Sector Total</i>	5	241	2	248	125	50	373	5	49	230	284	100	35	384	2	3	298	303	84	28	387	835	309	37	1144	
<i>Lending Type</i>																										
Adjustment	0	42	2	44	34	77	78	1	9	33	43	17	40	60	0	0	45	45	14	31	59	132	65	49	197	
Investment	5	199	0	204	91	45	295	4	40	197	241	83	34	324	2	3	253	258	70	27	328	703	244	35	947	
<i>Lending Type Total</i>	5	241	2	248	125	50	373	5	49	230	284	100	35	384	2	3	298	303	84	28	387	835	309	37	1144	
<i>Grand Total</i>	5	241	2	248	125	50	373	5	49	230	284	100	35	384	2	3	298	303	84	28	387	835	309	37	1144	

ICR/PCR Reviews and Audit Ratios by Division, Region, Sector and Lending Type (FY95-97)

	Division 1							Division 2							Division 3							Department Totals				
	PCNs	PCRs	EYMs	SubTotal	PARs	Audit Ratio	Total	PCNs	PCRs	EYMs	SubTotal	PARs	Audit Ratio	Total	PCNs	PCRs	EYMs	SubTotal	PARs	Audit Ratio	Total	Subtotal	PARs	Audit Ratio	Total	
Region																										
AFR	2	33	85	120	40	33	160	1	29	48	78	20	26	98	0	32	42	74	26	35	100	272	86	32	358	
EAP	0	22	28	50	20	40	70	0	9	13	22	16	73	38	0	23	44	67	22	33	89	139	58	42	197	
ECA	0	1	12	13	9	69	22	0	4	23	27	10	37	37	1	10	11	22	3	14	25	62	22	35	84	
LAC	1	10	30	41	16	39	57	0	24	23	47	26	55	73	0	25	36	61	19	31	80	149	61	41	210	
MNA	1	12	24	37	8	22	45	3	5	15	23	10	43	33	2	11	17	30	22	73	52	90	40	44	130	
SAS	0	21	28	49	14	29	63	0	8	14	22	13	59	35	1	14	37	52	15	29	67	123	42	34	165	
Region Total	4	99	207	310	107	35	417	4	79	136	219	95	43	314	4	115	187	306	107	35	413	835	309	37	1144	
Sector																										
Agriculture	2	75	125	202	63	31	265	0	0	0	0	0	0	0	0	0	1	1	0	0	1	203	63	31	266	
Education	1	13	53	67	26	39	93	0	0	0	0	0	0	0	0	0	0	0	0	0	0	67	26	39	93	
Electric Power & Other Energy	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3	34	48	85	33	39	118	85	33	39	118	
Environment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	1	0	0	1	1	0	0	1	
Finance	0	0	1	1	0	0	1	1	11	20	32	21	66	53	0	0	1	1	0	0	1	34	21	62	55	
Industry	0	0	0	0	0	0	0	2	18	19	39	20	51	59	0	0	1	1	0	0	1	40	20	50	60	
Mining	0	0	0	0	0	0	0	0	2	3	5	2	40	7	0	1	1	2	1	50	3	7	3	43	10	
Multisector	0	0	0	0	0	0	0	1	30	60	91	35	38	126	0	0	0	0	0	0	0	91	35	38	126	
Oil & Gas	0	0	0	0	0	0	0	0	0	2	2	0	0	2	0	5	15	20	12	60	32	22	12	55	34	
Population, Health & Nutrition	1	9	21	31	12	39	43	0	0	0	0	0	0	0	0	0	0	0	0	0	0	31	12	39	43	
Public Sector Management	0	0	1	1	0	0	1	0	18	31	49	17	35	66	0	1	0	1	1	100	2	51	18	35	69	
Social Sector	0	2	5	7	6	86	13	0	0	1	1	0	0	1	0	0	0	0	0	0	0	8	6	75	14	
Telecommunications	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4	11	15	0	0	15	15	0	0	15	
Transportation	0	0	1	1	0	0	1	0	0	0	0	0	0	0	0	37	67	104	27	26	131	105	27	26	132	
Urban Development	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	15	22	37	18	49	55	37	18	49	55	
Water Supply & Sanitation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	18	19	38	15	39	53	38	15	39	53	
Sector Total	4	99	207	310	107	35	417	4	79	136	219	95	43	314	4	115	187	306	107	35	413	835	309	37	1144	
Lending Type																										
Adjustment	0	5	10	15	5	33	20	1	43	69	113	54	48	167	0	3	1	4	6	150	10	132	65	49	197	
Investment	4	94	197	295	102	35	397	3	36	67	106	41	39	147	4	112	186	302	101	33	403	703	244	35	947	
Lending Type Total	4	99	207	310	107	35	417	4	79	136	219	95	43	314	4	115	187	306	107	35	413	835	309	37	1144	
Totals	4	99	207	310	107	35	417	4	79	136	219	95	43	314	4	115	187	306	107	35	413	835	309	37	1144	

Country distribution & Evaluations, alphabetical by Region and Report Type (Eval FY95-97)

Region/Country	Evaluation FY95							Evaluation FY96							Evaluation FY97							Evaluation FY95-97			
	PCNs	PCRs	EVMs	SubTotal	PARs	Audit Ratio	Total	PCNs	PCRs	EVMs	SubTotal	PARs	Audit Ratio	Total	PCNs	PCRs	EVMs	SubTotal	PARs	Audit Ratio	Total	FY95-97 SubTotal	FY95-97 PARs	FY95-97 Audit Ratio	Total
Ecuador	0	1	0	1	2	200	3	0	0	2	2	0	0	2	0	0	2	2	0	0	2	5	2	40	7
El Salvador	0	1	0	1	0	0	1	0	0	1	1	0	0	1	0	0	1	1	0	0	1	3	0	0	3
Grenada				0							0							0				0	0	0	0
Guatemala	0	1	0	1	0	0	1								0	0	2	2	0	0	2	3	0	0	3
Guyana				0				0	0	2	2	0	0	2	0	0	1	1	0	0	1	3	0	0	3
Haiti				0				0	0	3	3	0	0	3	0	0	1	1	0	0	1	4	0	0	4
Honduras	0	4	0	4	3	75	7	0	0	1	1	3	300	4	0	0	4	4	0	0	4	9	6	67	15
Jamaica	0	3	0	3	1	33	4	0	0	3	3	0	0	3	0	0	4	4	1	25	5	10	2	20	12
Mexico	0	8	0	8	2	25	10	0	0	5	5	2	40	7	0	0	5	5	2	40	7	18	6	33	24
Nicaragua				0				0	1	0	1	0	0	1	0	0	1	1	0	0	1	2	0	0	2
Panama				0							0							0				0	0	0	0
Paraguay				0				0	0	0	0	2		2	0	0	1	1	0	0	1	1	2	200	3
Peru	0	4	0	4	2	50	6				0							0				4	2	50	6
St. Vincent	0	1	0	1	0	0	1				0							0				1	0	0	1
Trinidad and Tobago	0	0	0	0	1		1				0							0				0	1		1
Uruguay	0	3	0	3	0	0	3	0	0	2	2	0	0	2	0	0	2	2	5	250	7	7	5	71	12
Venezuela	0	1	0	1	4	400	5	0	1	1	2	0	0	2	0	0	0	0				3	4	133	7
LAC Total	1	55	0	56	32	57	88	0	3	36	39	13	33	52	0	1	53	54	16	30	70	119	61	41	210
MNA																									
Algeria	0	3	0	3	0	0	3	1	0	4	5	0	0	5	0	0	4	4	0	0	4	12	0	0	12
Egypt	0	2	0	2	0	0	2	0	0	7	7	3	43	10	1	0	3	4	0	0	4	13	3	23	16
Iran	0	2	0	2	1	50	3				0							0				2	1	50	3
Iraq				0							0							0				0	0	0	0
Jordan				0				0	0	3	3	6	200	9	1	0	4	5	1	20	6	8	7	88	15
Lebanon				0				1	0	0	1	0	0	1				0				1	0	0	1
Morocco	0	9	0	9	4	44	13	0	0	3	3	2	67	5	0	0	5	5	0	0	5	17	6	35	23
Oman				0				0	0	1	1	0	0	1	0	0	1	1	0	0	1	2	0	0	2
Syria				0				1	0	0	1	0	0	1				0				1	0	0	1
Tunisia	0	6	0	6	3	50	9	0	0	7	7	4	57	11	0	0	3	3	1	33	4	16	8	50	24
Yemen	0	6	0	6	0	0	6	1	0	6	7	11	157	18	0	0	5	5	4	80	9	18	15	83	33
MNA Total	0	28	0	28	8	29	36	4	0	31	35	26	74	61	2	0	25	27	6	22	33	90	40	44	130
SAS																									
Afghanistan	1	2	0	3	0	0	3	0	1	2	3	4	133	7	0	2	9	11	2	18	13	3	0	0	3
Bangladesh				0				0	1	0	1	0	0	1				0				1	0	0	1
Bhutan				0							0							0				1	0	0	1
India	0	16	1	17	8	47	25	0	5	13	18	7	39	25	0	0	19	19	1	5	20	54	16	30	70
Maldives				0				0	0	1	1	0	0	1	0	0	1	1	0	0	1	2	0	0	2
Nepal	0	3	0	3	1	33	4	0	0	4	4	1	25	5	0	0	7	7	0	0	7	14	2	14	16
Pakistan	0	8	0	8	4	50	12	0	2	2	4	4	100	8	0	0	11	11	5	45	16	23	13	57	36
Sri Lanka	0	2	0	2	2	100	4	0	1	4	5	3	60	8	0	0	5	5	0	0	5	12	5	42	17
SAS Total	1	31	1	33	15	45	48	0	10	26	36	19	53	55	0	2	52	51	8	15	62	123	42	34	165
Grand Total	5	241	2	248	125	50	373	5	49	230	284	100	35	384	2	3	298	303	84	28	387	835	309	37	1144

Country distribution. J Evaluations, alphabetical by Region and Report Type (Eval FY95-97)

Region/Country	Evaluation FY95							Evaluation FY96							Evaluation FY97							Evaluation FY95-97				
	PCNs	PCRs	EVMs	SubTotal	PARs	Audit Ratio	Total	PCNs	PCRs	EVMs	SubTotal	PARs	Audit Ratio	Total	PCNs	PCRs	EVMs	SubTotal	PARs	Audit Ratio	Total	FY95-97 SubTotal	FY95-97 PARs	FY95-97 Audit Ratio	Total	
Myanmar	0	2	0	2	4	200	6	0	1	2	3	1	33	4								5	5	100	10	
Papua New Guinea	0	2	0	2	0	0	2	0	0	1	1	0	0	1								3	0	0	3	
Philippines	0	6	0	6	2	33	8	0	4	3	7	4	57	11	0	0	6	6	4	67	10	19	10	53	29	
Solomon Islands				0							0											0	0	0	0	
Thailand	0	4	0	4	2	50	6	0	1	3	4	1	25	5	0	0	3	3	5	167	8	11	8	73	19	
Tonga				0							0											0	0	0	0	
Vanuatu	0	1	0	1	0	0	1				0											0	0	0	0	
Vietnam				0							0											1	0	0	1	
Western Samoa				0				0	1	0	1	0	0	1	0	0	2	2	0	0	0	2	3	0	0	3
EAP Total	0	12	0	12	25	60	67	0	12	12	54	16	30	70	0	0	13	13	17	40	60	139	58	42	197	
ECA																										
Albania	0	0	0	0	1		1				0				0	0	2	2	0	0	2	2	1	50	3	
Armenia				0							0				0	0	1	1	0	0	1	1	0	0	1	
Bosnia-Herzegovina				0							0				0	0	1	1	0	0	1	1	0	0	1	
Bulgaria				0				0	0	1	1	0	0	1	0	0	1	1	1	100	2	2	1	50	3	
Croatia				0							0											0	0	0	0	
Cyprus				0				0	0	1	1	0	0	1								1	0	0	1	
Czech Republic				0				0	0	1	1	0	0	1	0	0	0	0	1			1	1	1	100	2
Estonia				0				0	0	1	1	0	0	1								1	0	0	1	
Finland				0							0											0	0	0	0	
Georgia				0							0				0	0	1	1	0	0	1	1	0	0	1	
Greece				0							0											0	0	0	0	
Hungary	0	4	0	4	0	0	4	0	0	2	2	2	100	4	0	0	5	5	3	60	8	11	5	45	16	
Iceland				0							0											0	0	0	0	
Ireland				0							0											0	0	0	0	
Kazakhstan				0							0				0	0	2	2	0	0	2	2	0	0	2	
Latvia				0				0	0	1	1	0	0	1								1	0	0	1	
Lithuania				0							0				0	0	1	1	0	0	1	1	0	0	1	
Macedonia				0							0				0	0	1	1	2	200	3	1	2	200	3	
Moldova				0				0	0	2	2	0	0	2								2	0	0	2	
Poland	0	0	0	0	1		1				0				0	0	4	4	0	0	4	4	1	25	5	
Portugal	0	0	0	0	2		2	0	1	0	1	0	0	1	0	0	1	1	0	0	1	2	2	100	4	
Romania	0	0	0	0	3		3	0	0	1	1	2	200	3								1	5	500	6	
Russia				0							0				0	0	2	2	0	0	2	2	0	0	2	
Slovak Republic				0							0				0	0	1	1	1	100	2	1	1	100	2	
Spain				0							0											0	0	0	0	
Turkey	0	6	0	6	1	17	7	1	0	3	4	0	0	4	0	0	4	4	2	50	6	14	3	21	17	
Ukraine				0							0				0	0	1	1	0	0	1	1	0	0	1	
Yugoslavia	0	1	0	1	0	0	1	0	3	1	4	0	0	4	0	0	4	4	0	0	4	9	0	0	9	
ECA Total	0	11	0	11	8	73	19	1	4	14	19	4	21	23	0	0	12	12	10	31	42	62	22	35	84	
LAC																										
Argentina	0	8	0	8	4	50	12	0	0	5	5	2	40	7	0	1	2	3	0	0	3	16	6	38	22	
Bahamas				0				0	0	1	1	0	0	1	0	0	1	1	0	0	1	2	0	0	2	
Barbados	0	1	0	1	0	0	1				0				0	0	1	1	0	0	1	2	0	0	2	
Belize	0	1	0	1	0	0	1				0											1	0	0	1	
Bolivia	0	0	0	0	3		3	0	1	0	1	0	0	1	0	0	4	4	2	50	6	5	5	100	10	
Brazil	0	7	0	7	2	29	9	0	0	2	2	0	0	2	0	0	13	13	6	46	19	22	8	36	30	
Caribbean Region				0							0				0	0	1	1	0	0	1	0	0	0	1	
Chile	0	4	0	4	4	100	8	0	0	1	1	3	300	4	0	0	2	2	0	0	2	7	7	100	14	
Colombia	0	5	0	5	4	80	9	0	0	5	5	0	0	5	0	0	4	4	0	0	4	14	4	29	18	
Costa Rica	1	0	0	1	0	0	1				0				0	0	1	1	0	0	1	2	0	0	2	
Dominica	0	1	0	1	0	0	1	0	0	0	0	1	0	1							1	1	1	100	2	
Dominican Republic	0	1	0	1	0	0	1	0	0	1	1	0	0	1	0	0	1	1	0	0	1	3	0	0	3	

APR 14 1995
file Audit Coverage

WORLD BANK OFFICE TRACKING SYSTEM
Director General, Ops Evaluation
Routing and Action Transmittal Sheet

TO: OEDDR, (T-9025)

DATE: 4/13/95

SUBJECT DOCUMENT:

From: J.F. LANDEAU
To: FAS
Dated: 3/20/95

Reference No.: DG0950413003

Topic: AUDIT COMPLIANCE EAND FINANCIAL MANAGEMENT IN BANK ASSISTED
PROJECTS

ACTION INSTRUCTIONS:

DUE DATE:

HANDLE
XXX REVIEW AND RECOMMEND
FOR YOUR INFORMATION
DISCUSS WITH _____
AS WE DISCUSSED
PREPARE RESPONSE FOR _____ SIGNATURE
FOR YOUR FILES
RETURN TO _____
OTHER: _____

4/20/95

Remarks: WHAT IMPLICATIONS FOR OED'S WORK PROGRAM? SHOULD WE COLLABORATE
WITH CTR AND INVOLVE THEM IN ARPP PROCESS REVIEW? SHOULD WE
IDENTIFY SOME "PPAR" TARGETS TO DEAL W/THIS ISSUE IN THE FLESH?..

Was a response
given to RP?

FAS:

What implications for OED's work program?

Should we collaborate with controllers and involve them in the ARPP process review?

Should we identify some "PPAR" (audit) targets to deal with this issue in the flesh?

Should we go beyond compliance analysis and evaluate the relevance of what we are asking our borrowers to do in a free standing study?

RP

4/13

OFFICE MEMORANDUM

DATE: March 20, 1995

TO: Francisco Aguirre-Sacasa, Acting DGO

THROUGH: Alain Barbu, Acting Chief, OEDD3 *AB*

FROM: Jean-François Landeau *JFL* OEDD3

EXTENSION: 31692

SUBJECT: Audit Compliance and Financial Management in Bank Assisted Projects

RECEIVED

95 MAR 27 PM 4:43 work program?

DGO

What implications for OEDD's work program? Should we collaborate w/ Controller's and involve them in the ARPP process review?

1. This refers to Memorandum from Jules Muis, Vice President and Controller, dated March 8, 1995, on the Audit Compliance and Financial Management (ACFM) in Bank Assisted Projects. As requested by Mr. Manuel Penalver last week, we have reviewed the memo and its accompanying report. Our findings and comments are presented below.

Should we identify some

2. The report's main conclusions are as follows:

"PPAR" targets to deal w/ this issue in my flesh?"

a) ACFM has not been widely adopted across the Bank in projects and the ARPP 1994 has very little mention of actions taken and does not indicate that ACFM is used as a tool for improving Quality at Entry and project management in general;

b) Country assessments of financial management, accounting and auditing capabilities have been introduced in a limited number of countries; however, the ARPP 1994 does not suggest any plans for a wide spread introduction of these reviews to reinforce institutional and professional contribution for subsequent project component design; and

c) In general, the Regions appear to see no serious skills shortage of financial and management accounts in the Bank.

Should we go beyond compliance analysis to evaluate the relevance of what we are asking our borrowers to do?

3. The report then notes that the Financial Accounting, Reporting and Auditing Handbook (FARAH, to be available by end-March 1995) presents the best practices. It further suggests increased training in the above areas and better recognition and commitment across the Bank "to weave financial management, including accounting and auditing, into the fabric of project design, implementation and management". The report finally recommends the adoption of some fundamental actions in: (i) clarifying that project (legal) documents include specific reference to the financial management (including accounting, auditing arrangements, financial reporting, etc); (ii) improving the supervision of audit function and other financial reporting of projects (including the issuance of specific TOR to this effect); (iii) enforcing, more strongly than in the past, financial covenants by the Bank; and (iv) strengthening the skills of Bank staff who will review the audit reports and improving the timeliness of Bank response.

4. In general, our findings from the PAR work support the above findings. We have found many situations of insolvency that were not flagged in Bank supervision reports. As the report argues, this is likely an indication of the lack of qualifications in accounting and finance among Bank staff (one notable exception is the Africa Region which has accountants in the Technical Department). External audits are tools that should be carefully reviewed and issues raised therein should be reported back to Borrowers. Regrettably however, we do not find evidence of this when reviewing project files as part of our audit work.

in a free study study?

4/13

5. Overall, the report provides a useful analysis of Bank practices. Yet, we have a problem with the discrepancy between the proportions of: (i) audits qualified by external auditors, and (ii) projects with "serious accountability issues" as reported by Bank staff (the latter being much lower than the former). Qualifying accounts is a serious matter and it cannot be discounted by the opinion of staff who (we are told in the report summary) generally lack the qualifications in accounting and finances.

6. We fully endorse the recommendations. Similar recommendations have been made earlier, but actions so far have unfortunately been limited. For tangible results, perhaps it would be better to focus, as a first step, on external audit issues, such as (i) delays in producing audit reports; (ii) specific aspects that each external audit should cover as a minimum; and (iii) actions that the Bank should take as feedback, followed by addressing broader issues of financial management.

cc: Messrs. Picciotto ✓ o/r, Guerrero (DGO)

WORLD BANK OFFICE TRACKING SYSTEM
Director General, Ops Evaluation
Routing and Action Transmittal Sheet

TO: OEDDR, (T-9025) DATE: 3/13/95

SUBJECT DOCUMENT:

From: J. MUIS
To: REGIONAL VPS (BY NAME)
Dated: 3/08/95 Reference No.: DGO950313003
Topic: AUDIT COMPLIANCE AND FINANCIAL LMANAGEMENT IN BANK ASSISTED
PROJECTS

ACTION INSTRUCTIONS: DUE DATE:

HANDLE
XXX REVIEW AND RECOMMEND 3/16/95
FOR YOUR INFORMATION
DISCUSS WITH
AS WE DISCUSSED
PREPARE RESPONSE FOR SIGNATURE
FOR YOUR FILES
RETURN TO
OTHER:

Remarks: MP (CC: PG) - PLEASE ARRANGE FOR A REVIEW OF THIS REPORT

OFFICE MEMORANDUM

DATE: March 8, 1995

TO: Messrs. Burki (LACVP), Jaycox (AFRVP), Cheetham (EAPVP),
Koch-Weser (MNAV), Thalwitz (ECAVP), Wood (SASVP) DGO

FROM: Jules Muis, Vice President and Controller

EXTENSION: 81674

SUBJECT: Audit Compliance and Financial Management in Bank Assisted Projects

RECEIVED

95 MAR 10 PM 4:38

cc: PG

ITP

These arrange
for a review
of this
report.

1. Attached for your information is the annual memorandum prepared by ACTCO which not only discusses Audit Compliance but also the role of Financial Management in Bank assisted projects.
2. While the report shows that we continue to make progress with our audit compliance covenants, I am sure you will agree that we cannot be satisfied with an 81% compliance with reports received some 12 to 15 months after the period in which funds are spent. This is well below what would be accepted practice in the banking sector, particularly where 16% of the reports received (representing \$3 billion of project expenditures) are qualified for one reason or another. On top of this, we have \$5-6 billion of FY 94 Bank disbursements subject to SOE procedures and post procurement reviews, with little or no examination by Bank staff.
3. The objectives to fulfil the Bank's fiduciary responsibility and at the same time to ensure adequate financial management and information are overarching objectives, and both are dependent upon good accounting and auditing. The shortfall in audit compliance means, to a large extent, that the underlying project accounting and auditing systems to produce timely, reliable financial information are deficient. It is important, beginning at *Project Entry*, to weave this into the culture and attitude of the institution if the Bank is to maximize its impact on development.
4. I would like to meet with your Regional management team to discuss the findings and recommendations in the report. I would also like to review with you any problems of skills-mix associated with the report and review some of the broader issues on borrower accountability raised in the FRAT report. In the meantime, if you have any particular questions with respect to the details of the report, please call Randolph Andersen (ext. 34472) or George Russell (ext. 32357).

Attachment

cc: Messrs./Mmes.: Frank, Kaji, Sandstrom (EXC); Shihata (LEGVP); Picciotto/Kopp (OED); Serageldin (ESDVP); Choksi (HROVP); Rischard (FPDVP); Joscelyne/Walden/Saunders (IADDR); Adams (OPRDR) Wijnand (OPRPG); Ruddy (ACTDR); Ayub (AFRVP); Kohli (EAPVP); Drysdale (SASVP); Bianchi (ECAVP); Husain (MNAV); Alexander (LACVP); Cleaver (AFTDR); Messenger (ASTDR); Sood (EMTDR); Aiyer (LATDR); Andersen, Russell, Morson (ACTCO)

OFFICE MEMORANDUM

DATE: March 8, 1995
 TO: Mr. Jules Muis, Vice President and Controller
 Through: Mr. Michael E. Ruddy, Director, ACT
 FROM: Randolph A. Andersen, Division Chief, ACTCO *mzr Andersen*
 EXTENSION: 34772
 SUBJECT: Audit Compliance and Financial Management in Bank Assisted Projects - Annual Review

1. This memorandum addresses the issue of borrowers' accountability in Bank assisted projects, and the role of financial management in project implementation and management. The review is based mainly on annual regional reports on the status of audit compliance for FY 94, and comments on issues of borrowers accountability included in the Annual Report on Portfolio Performance (ARPP). This has been supplemented by ACTCO analysis where regional reports have fallen short. Section A provides the overall summary and recommendations and Section B the detailed review of compliance with Audit Compliance. *Compliance*

Section A: Summary

2. Audited financial reports are an important part of the Bank's fiduciary responsibility to ensure that project funds are used for the purposes intended. This fiduciary responsibility is normally fulfilled through a three pronged approach, whereby the Bank (i) requires adherence to its procurement procedures; (ii) relies on supporting documentation as a basis for its disbursements; and (iii) requires an independent audit, which in addition to the physical examination of documentation, ensures that management and financial controls are sufficient to ensure the legitimacy and eligibility of procedures and expenditures reflected in the documentation. It is important to note that the audit is not merely a verification of documentation and, for example, the audit of SOE documentation requires the support of the overall audit of the project/project entity.
3. The audit has become increasingly important as limitations in the first two prongs mentioned above have emerged. Recent studies in the Bank concluded that field review by TMs of SOEs, which form an increasing percentage (40% in FY 94) of Bank disbursements, and procurement documentation subject to post review procedures (estimated at \$ 5 billion) are seldom carried out, and that most staff do not assign this aspect of supervision a high priority. While the Bank is currently looking at ways to mitigate this problem, including the possible help of third party verification other than audit, the entire scenario elevates the need for timely and efficient audits.
4. The general emphasis of the comments in the ARPP and in the regional reviews of the Audit Reporting Compliance System (ARCS) substantiate the general view that the driving force for the receipt of audit reports is mainly to fulfill what is frequently viewed as the Bank's bureaucratic requirement. It is interesting to note that the regional and sectoral contributions to the ARPP, in emphasizing the importance of Quality at Entry, made only limited reference to the role of financial management as an important requirement both for the borrower and the Bank. It is important to draw a linkage between portfolio performance and project financial management. The Portfolio Management Task Force (PMTF) included among other factors, poor management and poor implementation as contributing to declining portfolio performance. Financial accountability and reporting are

fundamental to good management and where there are weaknesses, management suffer. Since the PMTF, management has introduced several initiatives to improve portfolio performance with "Improving Quality at Entry" being one of the foremost. However, much more needs to be done to ensure that acceptable controls, accounting, reporting and auditing arrangements are in place from the very beginning of the project, if Quality at Entry is to be achieved. In the ARPP's discussion of Restructuring of projects, no reference is made to the role of on-going monitoring, both financially and physically, which allows the early identification of problems thereby providing the opportunity for remedial action, change of course, etc., thereby reducing the need for major restructuring. In general, very little attention is being given in the Bank to the wider role of financial management as an important tool for the borrower to manage and implement projects, and for the Bank (TM) to monitor project progress. Timely and complete financial reporting designed to meet the needs of individual projects should be a must for project implementation and management. Once this is available, one usually finds that the audit process falls automatically in to place.

5. Several Bank departments have introduced action plans to improve the timely receipt and quality of audit reports. The best practices are summarized in the Financial Accounting, Reporting and Auditing Handbook (FARAH) available for wide distribution by end-March 1995. However, while improved guidelines and increased training are vital, one of the most important factors for improved project implementation and management would be the recognition and commitment across the Bank to weave financial management including accounting and auditing into the fabric of project design, implementation and management. It may also be argued that this change in focus will not necessarily require additional resources but instead a repositioning of resources, and that good and timely information will ultimately save time and cost and improve the development impact, as well as reduce the need for project restructuring during implementation because of going off track.

6. Unfortunately, as the Financial Reporting and Auditing Task Force (FRAT) report concluded, the current status of project accounting and auditing requires much improvement, with lack of timeliness for the receipt of the reports and inadequate quality being the two main weaknesses. Most Bank staff have begun to address the issue of "timeliness", however, less has been done with respect to "quality" which is a more difficult problem and one that requires the involvement of skilled staff, with strong and consistent commitment across the Regions. Presently, there is a lot of skepticism about the quality and acceptability of the audit reports received as they suffer from inadequate clarification to the borrower and auditors by Bank staff as to what is required, and from inadequate review and follow up when received in the Bank. This is (a) because adequate arrangements for financial management, accounting and auditing is not sufficiently emphasized during the project preparation and appraisal stage; and (b) reports received are frequently not reviewed and where done, it is often by staff without the expertise and training to adequately carry out these reviews.

7. The guidelines to the Regions for the annual ARCS review requested an update of the status of Management's Action Plan forming a part of the FRAT report, on which we are required to report as a part of the Next Steps to the PMTF Report due end March 1995. The major aspects of the Action Plan and their status are summarized below.

- (a) "The development and utilization of financial management as a key aspect of project management by the borrower and for project monitoring by the Bank." While this approach has been adopted in some projects, there is no evidence that this has been adopted as a wide spread practice across the Bank. For example, the ARPP has very little to say about any actions taken and did not indicate any

strong commitment to the utilization of financial management in its discussion of Quality at Entry, and project implementation and management in general.

- (b) "The introduction of country assessments of financial management, accounting and auditing capabilities for those countries with problems beyond that of concerned projects." Country assessments have been introduced in a limited number of countries, however, neither the ARPP nor the ARCS indicated plans for a widespread introduction of these reviews. Identification of regulatory weaknesses and institutional/professional reinforcement needs for subsequent project component design are important contributions to sustaining improved accountability.
- (c) "To review skills needs with respect to the increased emphasis on the role of financial management in project implementation and the review of audit reports and other financial information." There appears to be "no" strong belief among the Regions that there is a serious skill shortage of financial and management accountants in the Bank. This is directly related to the need for an increased awareness of the role of financial management as a critical component in project management.

8. The results of the FRAT report and the review of actions subsequently taken indicate that in addition to the best practices summarized in the Bank's policy, guidelines and handbooks, some fundamental actions are required. The adoption of the following recommendations should have very positive impacts:

- (a) The legal covenants require accounting and auditing acceptable to the Bank. However, there is usually no linkage between this statement and what is specifically asked for. Projects are frequently processed and approved without either the borrower and the TM agreeing what is needed for the financial management and monitoring of the project. As an important aspect for improving Quality at Entry, it is recommended that project documents be mandated to include specific reference to the financial management including accounting and auditing arrangements in place, and the financial and other reporting formats required for the implementation, management and monitoring of the project. The relevant OMSs and OPNs (not yet in OPs) have required this for over a decade. The regional clearance for Board presentation should include procedures giving an assurance to the above, e.g. similar to procurement. Assurance that such arrangements are in place, as is required in OP12.0 should be given to the Loan department before the first disbursement.
- (b) All projects should require timely and appropriate "unaudited accounts" and other reporting to the borrower as necessary for project management, with periodic copy to the Bank as agreed. Subsequent audit will attest as to the reliability of these unaudited accounts. Terms of reference should be issued for each audit, which should include as necessary special requirements associated with covenant compliance and topics such as third party verifications (e.g. post review with respect to procurement).
- (c) The Bank should be stronger in enforcing financial covenants, with exceptions made where there is reasonable justification. In the longer term, disbursements will not suffer once borrowers believe that the Bank is serious about its covenants and requiring proper accountability.

- (d) All audit reports should be reviewed on receipt with qualified and/or experienced regional or departmental advisers available to provide assistance where necessary. Some regions may find it advantageous to create a small staff cluster for providing such support. It is important that this review be supported by periodic field reviews to ascertain the capability of the auditors and the quality of their work, and more particularly of the accounting which is often the weaker part.

9. Section B, which follows, summarizes the review of Compliance with Audit Covenants including the role of the ARCS and Central and Operational Accounting Division (ACTCO) as well as coverage on the special topic of hyperinflation.

Section B: Detailed Review

Compliance with Audit Covenants

10. The review of Compliance with Audit Covenants was carried out as at end December 1994 (using January 6, 1995 as the cut off date). Instead of the usual half year review at June 30, 1994, the Regions were asked to include as a part of their contribution to the Annual Report on Portfolio Performance (ARPP) a comprehensive discussion of financial management, accounting and auditing issues. This review was updated as at end December, 1994 to provide information for this report.

11. The discussion is supported by Tables I and II which summarize compliance status by Regions for Bank FY 94, with comparisons for FY 93 and FY 92; showing percentage of audit reports received, types of auditor (government or private), auditors opinion (unqualified or other), and note of serious accountability issues. As Table I shows, the Bank eventually receives 97 per cent of all reports due; the 3 percent balance relating mainly to projects closed without the audit reports ever being received. However, lack of timeliness for the submission of these reports continue to be a major problem, with only 81 percent of reports due for FY 94 being received at end December 1994. While this is a 3 percent improvement over the previous year (FY 93 review showed 78 percent received at the same time), it should be noted that end December 1994 is already 6 months after end FY 94, and reports are only shown as due after the normal grace period of six to 9 months. This means that these outstanding audit reports are already a total of 12 to 15 months after the end of the respective fiscal year of the project and/or project entity to which they relate. In fact, only about 45 percent of project audit reports are received on their due date.

12. Overall, the percentage of projects audited by government auditors and private auditors are about equal. However, there is quite a difference between Regions. The two Asia Regions have most of their audits carried out by government auditors (EAP 93 percent and SA 75 percent). On the other hand, AFR and LAC have most of their audits carried out by private audit firms (84 and 74 percent, respectively), while MNA has an equal division of government and private. The 3 latter Regions also have the highest number of qualified opinions. However, we need to look more closely at the independence of the Asia Regions' government auditors as to their independence and approach to the qualification of audit reports.

13. On average, 84 percent of audit reports received are unqualified, with 16 percent having either a qualified, adverse or disclaimer status in their audit opinion. About 8 percent of projects are considered by staff to have serious accountability issues, with AFR

having the highest at 13 percent. However, there is not necessarily a connect between both percentages as some projects with serious accountability issues may not have been qualified.

Comments on Compliance and Actions on a Regional Basis.

14. The review shows minimum difference in compliance between the Regions over the long term (after 3 years - FY92), however, there is a more marked difference in the shorter term, with the two Asian regions leading with over 90 percent compliance in FY 94 compared to lows of 68 percent in MNA and 77 percent in AFR. However, this comparison is tainted due to the different grace periods allowed for the submission of audit reports, with most Asian projects allowed 9 months after their fiscal year end compared to the normal 6 months allowed. In addition, the difference between the fiscal year of a project (e.g. whether March 31 or December 31) and the date of this review also affects the comparison. An analysis of regional responses follows in paras. 6 - 23.
15. *Africa Region (AFR)* accounts for 30 percent of all audit reports required by the Bank. While still being one of the poorer performing regions, it improved its timeliness by 2 percent over the previous year, received 4 percent more of unqualified reports, with 3 percent less projects having serious accountability issues. Some of the above problems are due to countries undergoing or recently emerging from political strife.
16. This Region has demonstrated a serious commitment for the strengthening of borrowers accountability in general. It is the only region with a Financial Management cluster in its Technical Department staffed by -- trained accountants, fully concerned with providing support to TMs in financial accountability and related activities. All country departments have audit coordinators with trained accountants in some of its larger resident missions (Nigeria and Tanzania). Actions taken include vigorous monitoring and follow up of audit reports becoming due, strong enforcement of project conditionalities and increased involvement of resident staff.
17. The quality of the reports received continue to improve, benefitting from capacity building projects to strengthen national accounting capabilities (e.g. Tanzania, Zambia, Uganda and Madagascar), and the routine discussion of accounting and audit issues in CPPRs. The Region has been quite active in introducing training programs for both staff and borrowers, and has initiated several studies in related areas. However, several countries still suffer from underlying accounting and auditing problems and government auditors, in particular, have limited qualifications and training.
18. Country assessments were carried out in 4 countries in 1994 (Kenya, Malawi, Senegal and Zimbabwe) and the results will be used to develop and recommend remedial programs. Other are planned for FYs 95/96. Three countries (Angola, Ghana and Zaire) fall into the range of hyper inflationary countries (100 percent inflation over a three year period), however only Ghana has introduced accounting standards to deal with this issue which requires restatement of financial statements. In addition, the CFA countries which recently made significant devaluations in their currency, are with the assistance of France still studying the situation.
19. *East Asia Pacific (EAP)*, accounts for 20 percent of audit reports required, with 81 percent compliance for FY 94. While 7 percent of audit reports are qualified, staff believes that only 1 percent have any serious accountability issues. In this region, 93 percent of audits are carried out by government auditors. About half the larger borrowers in

this region have professional accounting societies with linkages to IFAC. The government auditors in these countries are members of INTOSAI. The higher level of government auditors and lower level of audit reports would seem to beg the question of independence which should be thoroughly examined.

20. The issue of quality in this region mainly relates to inadequate guidance from TMs to auditors as to the Bank's requirements, particularly with respect to project accounts, SOEs and special accounts. With the assistance of written guidelines, which have been distributed widely to borrowers and auditors plus training to TMs, the region is beginning to see improvements. Initiatives include assistance to TMs to ensure adequate project accounting in new projects. The region shares an Accounting and Auditing Advisor (recently added an experienced professional accountant to the team) with SA. In addition, the region is reviewing its additional needs including the involvement of local professional accountants in resident missions.

21. Special initiatives include (i) a technical assistance project in China supporting the development of new accounting and auditing standards based upon international standards (although China is not yet a member of IFAC and IASC), and through specific investment loans, the modernization of enterprise accounting in the telecommunications and railways sectors; (ii) executing a UNDP - financed privatization program with a significant accounting component, to be followed by a possible IDF grant to improve the government's accounting system; (iii) in Mongolia, a program to support the country's accounting and auditing capabilities, including the provision of a market oriented accounting and financial management. Similar initiatives are planned for Laos and PDR; (iv) in the Philippines, there are plans to provide support to the Commission on Audit on project specific accounting and reporting systems; and (v) for Indonesia, a further accounting upgrading project was recently approved by the Bank.

22. *South Asia Region (SA)* accounts for 18 percent of audit reports required, and at 91percent has one of the two highest compliance rates. However, 18 percent of its reports are qualified with about half considered to have serious accountability issues. This region also has a high percentage of government auditors (75 percent). India, Pakistan, Bangladesh and Sri Lanka, who are the larger borrowers have professional accounting societies linked to IFAC and the government auditors are INTOSAI members.

23. The issue of quality in this region is similar to that in EAP, mainly relating to inadequate guidance from TMs to auditors as to the Bank's requirements, particularly with respect to project accounts, SOEs and special accounts. With the assistance of written guidelines, which have been distributed widely to borrowers and auditors, and training to TMs there is a beginning of improvements. Initiatives include assistance to TMs to ensure adequate project accounting in new projects. The region shares an Accounting and Auditing Advisor (recently added an experienced professional accountant to the team) with EAP. In addition, the region is reviewing its additional needs including the involvement of local professional accountants in resident missions.

24. Special initiatives include (i) an on-going technical assistance project in Pakistan under which has been developed an effective performance audit capability including the publication of a set of Performance Auditing Guidelines. Plans are in progress to develop a project for the modernization of the government's accounting system; (ii) in Nepal, the strengthening of the Office of the Auditor General; and (iii) discussing with the India Auditor General's office a program for supporting the development of an operational audit capability.

25. *Europe and Central Asia Region (ECA)*, which only accounts for 7 percent of audit reports required, includes several countries which only recently joined the Bank and represents a rapidly changing scene. In many of these countries, market oriented accounting and auditing is only in the development stage and most audits are currently carried out by international firms at high costs, particularly when compared to local costs. In spite of the above, the region, at 92 percent, has one of the better compliance rate for FY 94, an improvement of 13 percent over the same time last year. About 9 percent of reports were qualified with some of these qualifications only represented differences between local standards and international standards relating to issues which are likely to be soon resolved (asset valuation and treatment of depreciation) as local standards are revised. The use of public and private auditors were about equal. However, as more projects require audits and borrowers require the use of local auditors to mitigate the high costs, it may be difficult to maintain these percentages without corresponding development at the country level.
26. Special initiatives include assistance to Turkey in preparing a feasibility study for a proposed program for the Development of Accounting, Financial Reporting and Auditing Services which will support the local accounting profession. With the involvement of resident missions, training was given to local project staff in Bank's accounting and audit requirements. Initial country assessments on accounting and auditing capabilities are being carried out for several countries with other planned for FY 95/96.
27. To meet the wide challenges, particularly for accounting assessments and reforms towards market oriented accounting necessary in several of the countries in this region, the region appointed a Senior Advisor with respect to auditing matters and an advisor concerned with the reform process in the Former Soviet Union countries.
28. *Latin American and Caribbean Region (LAC)*, which accounts for 18 percent of audit reports required by the Bank only has a compliance of 73 percent for FY 94, but a 2 percent improvement over that of the previous year. In this region, 15 percent of reports were qualified and Bank staff believed that 11 percent of projects have serious accountability issues. Most audits are carried out by private auditors (74 percent of total). The issue of timeliness in this region suffered from the reorganization of divisions and change in TMs, and the need to carry out a complete examination of the ARCS in accordance with ACTCO's suggestion provided in the guidelines for this review. Plans are being put in progress for this exercise and for training staff who will be made responsible for maintaining and monitoring the system.
29. To ensure that the audit reports received meet acceptable quality, the region has introduced procedures to strengthen desk reviews of reports received, including increased support from qualified professional staff where necessary. It has developed with the Inter-American Development Bank (IDB) and selected donors a collaborative effort to ascertain the acceptability of audit agencies and firms and to introduce periodic quality control reviews. In addition, LAC is cooperating with the LAC Donor Consultative Group on Improving Government Financial Management (a group involving the Bank, USAID, IDB), which is involved in the development of financial management including auditing in the region.
30. The region recently employed an experienced professional accountant as its Regional Adviser, who has been supported almost full time by an accounting professional from ACTCO and recently added a long term consultant. This initiative has been supported by departmental working groups concerned with the inclusion of adequate financial management including accounting and auditing in projects. Country assessments are being introduced on a progressive basis, with the first major one planned for Peru. Projects with

financial management components are currently being implemented in Bolivia, El Salvador, Venezuela and Mexico.

31. *Middle East and North Africa (MN)*, only accounts for 7 percent of audit reports required. While it eventually receives 95 percent of audit reports due, it continues to have the worst record among the regions at 68 percent (no change from the previous year) with respect to FY 94 reports received. Some delays are due to governments' procedures for clearing the reports (Central Organization for Control and Audit in Yemen and Egypt - COCA) before they are submitted to the Bank, civil disturbance in Yemen which has a sizeable portfolio, and weaknesses in project financial management and accounting. About 27 percent of reports received were noted as qualified even though staff believed only 4 percent of projects have serious accountability issues, explaining that the qualifications were not serious. One explanation for the high number of qualified opinions are that they are first time audits in situations where no adequate accounting and information systems were in place at project entry.

32. To improve performance, the region has intensified its action plan introduced in 1993, focussing on regular follow up by TMs, with division and department regular overviews, and the conditioning of new loans on acceptable audit compliance. The region has no full time Accounting and Auditing Adviser on staff and rely on two departmental part time coordinators, and on assistance contracted from ACTCO or Internal Audit when considered necessary. CPPR discussions now routinely include accounting and auditing as a topic. Special initiatives included the assessment of audit capabilities on a country basis (e.g. Morocco, Tunisia and Iran) with audit action plans for strengthening audit capacity where necessary. A review is ongoing for Egypt, and the results of the Yemen review carried out in the previous year is under discussion.

Actions Taken

33. To varying degrees, the regions have introduced follow up procedures to improve compliance with audit covenants. However, many of the problems are associated with the lack of good accounting "at Entry" and the need for capacity building at the country level. Some important initiatives introduced by some departments are:

- (a) the creation of working groups to discuss and resolve auditing problems;
- (b) increasing the role of resident missions including the engagement of local professional accountants both as employees and as consultants;
- (c) stronger enforcement of covenants e.g. requiring compliance of on-going projects before Board presentation of new projects;
- (d) increased participation in training programs, with some regions promoting their own training of staff in accounting and auditing related matters; and
- (e) increased use of terms of references for audit engagements.

However, staffing continues to be a problem due to the limited number of accounting professionals involved with the development of financial management and accounting systems, and available to provide support in the review of audit reports received and the performance of auditors in general.

ARCS

34. The ARCS system has come in for criticism by some regions. However, the main problems relate to the management of the system on an on-going basis, lack of training of those responsible for inputs, need for greater participation by TMs with respect to the review and interpretation of reports received, and clearer guidelines and control at the departmental level with respect to input and adjustments to the system. There is the tendency in some departments to address the problems of the system to coincide with the periodic review of audit compliance rather than monitoring it on a regular basis. The guidelines dated July 27, 1994 for the review of audit compliance clearly suggested "before the review, we suggest that you examine current data in the ARCS as applicable to your Region". In addition, at the review date, there were several projects missing initial information in the ARCS (see Report 104 of the ARCS). It is suggested that Internal Audit carry out a review particularly of those regions reporting problems to comment on the reliability of the inputs into the system.

ACTCO

35. ACTCO continues its role to provide leadership and support with respect to matters of borrowers accountability. In addition to providing advice on request, and field support (particularly in LAC countries), the Financial Accounting, Reporting and Auditing Handbook (FARAH) was completed and will be available for distribution to all TMs and others before end March 1995. OP/BP 10.02 to replace OD 10.60 is now in draft, and the Guidelines - Financial Reporting and Auditing of Projects Financed by the World Bank (1983) is currently under revision. ACTCO introduced in collaboration with the Training Department, training courses - Project Accounts at Entry and Introduction to Auditing, designed to address real life Bank projects. In addition, ACTCO sponsored several other initiatives associated with the review, discussion and dissemination of international and other best practices and standards. In addition, ACTCO is very active internationally, representing the views and concerns of the Bank and our borrowers with those responsible for setting the rules, standards or ethics for the accounting and auditing profession.

36. ACTCO staff will set up a series of Regional and Departmental meetings to discuss the handbook (FARAH) which will be available for distribution by end-March 1995 along with several concerns, particularly to focus on (i) quality at entry, and (ii) how to improve and develop sustainable borrower accountability.

Special Topic

37. The review required comments with respect to those countries in a hyper-inflationary situation (as defined in International Accounting standard 29 as 100% compounded inflation during any three year period). No such countries were reported by the Asia, LAC and MNA regions. However, LAC has countries with a history of hyper inflation (e.g. Brazil and Argentina) which both have appropriate standards. AFR identified three such countries of which one (Ghana) has introduced appropriate practices, while Angola and Zaire have no appropriate standards. In addition, the CFA countries are examining their needs for standards (see para. 9 above). While the ECA region offered no comments, Russia and several of the Former Soviet Union countries suffer from hyper inflation. However, the issue for the adoption of international standards is being addressed by some countries, and will need to be monitored on a project basis for the time being. This issue is extremely important, especially where there is any intention to privatize public enterprises, to ensure that both assets and liabilities are properly valued

and/or restated. The absence of comment by some Regions also suggests the severe lack of understanding among many Bank staff and managers of issues and repercussions of hyperinflation on financial statements.

George Russell/mn

Table I

AUDIT COMPLIANCE
(As of December 31, 1994)

		AFR	EAP	SA	ECA	LAC	MNA	Combined
		-----Percentage-----						
Reports Received								
At December 31, 1994								
	FY94	77	81	91	92	73	68	81
	FY 93	95	94	99	99	94	89	94
	FY 92	97	98	100	98	98	95	97
	FY 95	36	55	39	81	39	38	46
Types of Auditors								
Government								
	FY 94	16	93	75	44	26	49	49
	FY 93	19	92	71	42	34	45	48
	FY 92	19	90	70	51	40	46	51
Private								
	FY 94	84	7	25	56	74	51	51
	FY 93	81	8	29	58	66	55	52
	FY 92	81	10	30	49	60	54	49
Auditors Opinion								
Unqualified								
	FY 94	80	93	82	91	85	73	84
	FY 93	76	89	90	87	77	78	83
	FY 92	78	91	86	91	74	71	81
Qualified/Adverse /Disclaimer								
	FY 94	20	7	18	9	15	27	16
	FY 93	24	11	10	13	23	22	17
	FY 92	22	9	14	9	26	29	19
Serious Accountability Issues (Bank Staff Opinion)								
No								
	FY 94	87	99	91	91	89	96	92
	FY 93	84	96	94	86	88	90	90
	FY 92	85	89	90	93	86	87	88
Yes/Unsure								
	FY 94	13	1	9	9	11	4	8
	FY 93	16	4	6	14	12	10	10
	FY 92	15	11	10	7	14	13	12

OFFICE MEMORANDUM

DATE: October 1, 1993

TO: Division Members, OEDD1

FROM: Graham Donaldson, Chief, OEDD1

EXTENSION: 31730

SUBJECT: Audit Ratio Analyzed

cc: MB ✓

YH ✓

What is the picture
in your areas?

EL 10/14

cc: GD

Attached is a summary of our audit ratio by sectors and Regions.

You will notice the bias against Africa and LAC Agriculture.

There is also a tendency to overlook smaller countries in the interest of "clusters".

Your usual responsible attention to these matters is much appreciated.

Attachment

cc: Mr. Köpp, OEDDR

OEDD1 - AUDIT RATIO FOR PCRS RECEIVED FOR PERIOD FY89 TO PRESENT
(minus 5 PC Notes)

SECTOR	COUNTRY	PCR TOTAL	OF WHICH AUDITED	PERCENT
EAST ASIA REGION				
Agric. Invest		81	36	44
Agric. Adjust		2	2	100
Education		18	10	56
PHN		4	3	75
Some major borrowers for the AGRICULTURE Sector:				
	Indonesia	20	14	70
	Philippines	13	3	23
	China	9	3	33
	Malaysia	9	2	22
	Thailand	9	6	67
	Total	60	28	47
Burma/Korea/Laos/ PNG/SIlands/Van	Remainder	21	8	38
SOUTH ASIA REGION				
Agric. Invest		74	33	45
Agric. Adjust		1	1	100
Education		7	3	43
PHN		5	2	40
All Borrowers for the AGRICULTURE SECTOR:				
	India	29	15	52
	Bangladsh	14	5	36
	Pakistan	10	4	40
	Nepal	10	5	50
	Sri Lanka	10	3	30
	Maldives/Bhutan	2	1	50
	Total	74	33	45

SECTOR	COUNTRY	PCR TOTAL	OF WHICH AUDITED	PERCENT
EC REGION				
Agric. Invest		23	3	13
Ag. Adjust		0	0	0
Education		1	0	0
PHN		0	0	
Some major Borrowers for the AGRICULTURE SECTOR:				
	Romania	7	3	43
	Yugoslavia	8	0	0
	Total	15	3	20
Cyprus/Hungary/ Portugal	Remainder	8	0	0
MNA REGION				
Agric. Invest		40	22	55
Ag. Adjust		2	2	100
Education		12	6	50
PHN		3	0	0
Some major Borrowers for the AGRICULTURE SECTOR:				
	Yemen	9	3	33
	Morocco	7	6	86
	Tunisia	7	3	43
	Turkey	7	5	71
	Total	30	17	57
Algeria/Egypt/Syria	Remainder	10	5	50
				??

SECTOR	COUNTRY	PCR TOTAL	OF WHICH AUDITED	PERCENT
AFRICA REGION				
Agric. Invest		137	51	37
Agric. Adjust.		8	8	100
Education		29	8	28
PHN		6	2	33
Some major Borrower for the AGRICULTRE SECTOR:				
	Kenya	10	5	50
	Zaire	9	0	0
	Sudan	8	5	63
	Madagascar	7	5	71
	Nigeria	7	7	100
	Niger	7	4	57
	Somalia	7	3	43
	Total	55	29	53
	Remainder*	82	22	27
LAC REGION				
Ag. Invest		50	18	36
Ag. Adjust		6	6	100
Education		16	7	44
PHN		3	0	0
Some major Borrowers for the AGRICULTURE SECTOR:				
	Brazil	12	6	50
	Mexico	9	5	56
	Total	21	11	52
Colombia/Dom.Rep/ Ecuador/Peru	Remainder	29	7	24

* Benin/Burkina/Cameroon/Chad/Ethiopia/Guinea/IVC/Liberia/Senegal/Mali/Rwanda/Tanzania/Togo


September 23, 1993

THE WORLD BANK/IFC/MIGA

OFFICE MEMORANDUM

DATE: October 14, 1993

TO: Mr. H. Eberhard Köpp, OEDDR

FROM: Mark Baird, OEDD2 

EXTENSION: 31667

SUBJECT: Country Coverage of PCRs and PARs

1. As requested, we have reviewed the country coverage of PCRs received for the period FY89-93. We have also looked at the audit ratio for these PCRs. The results are summarized in the attached note from Thais Franco.
2. For each country, we have looked more closely at those sectors where: (a) we have received more than three PCRs; and (b) the audit ratio is less than 40% (see attached table). This applies to the finance sector in Indonesia, Colombia and Mexico, and the industry sector in Korea, India and Turkey. Our audit program in FY94 will improve the coverage of the finance sector in Mexico and the industry sector in India and Turkey.

Attachments

cc: Messrs. G. Donaldson, Y. Albouy, T. Franco, D2 HL Staff.

OFFICE MEMORANDUM

DATE: October 13, 1993

TO: Mr. Mark Baird

FROM: Thais Franco 

EXTENSION: 31660

SUBJECT: OEDD2 Audit Ratio Summary

Attached, please find the audit ratio summary breakdown by sectors, regions and countries for the period FY89-93, and a revised version of the October 7 summary which compiles only the sectors and the regions.

Attachment

COUNTRIES WITH MORE THAN 3 OPERATIONS OF WHICH LESS THAN 40% AUDITED

REGION/ SECTOR	COUNTRY	LOAN/ CREDIT NO.	TITLE OF OPERATION
EAST ASIA & PACIFIC			
FINANCE	Indonesia	C.0785	Small Enterprise Development Project
		L.2011	Second Small Enterprise Development Project
		L.2430	Third Small Enterprise Development Project
		L.2277	Fifth Bank Pembangunan Indonesia Project
INDUSTRY	Korea	L.2215	Small and Medium Machinery Industry
		L.1676	Electronics Technology Project
		L.2473	Second Technology Development Project
SOUTH ASIA			
INDUSTRY	India	L.2505	Maharashtra Petrochemical Project
		L.2415	Madhya Pradesh Fertilizer Project
		L.2441	South Bassein Offshore Gas Development Project
ECA			
INDUSTRY	Turkey	L.1985	First Fertilizer Rationalization and Energy Saving Pro
		L.2131	Second Fertilizer Rationalization and Energy Saving Pr
		L.1606	Erdemir Stage II Steel Project
LAC			
FINANCE	Colombia	L.1598	Seventh Development Finance Companies
		L.1857	Eighth Development Finance Companies
		L.2477	Development Banking Project
		L.2464	Fourth Small Scale Industry Project.
	Mexico	L.1552	Small and Medium Scale Industry Development
		L.1881	Second Small & Medium Scale Industry Development
		L.2325	Third Small and Medium Scale Industry Development
		L.1820	Small and Medium Scale Mining Development
		L.2142	Capital Goods Industries Development Project
		L.3085	Financial Sector Adjustment Loan
L.2154	Pollution Control Project		

October 13, 1993

OEDD2 - AUDIT RATIO FOR PCRS RECEIVED FOR PERIOD FY89 TO PRESENT*				
(minus 4 PC Notes)				
SECTOR	COUNTRY	PCR TOTAL	OF WHICH AUDITED	PERCENT
EAST ASIA REGION				
Finance		31	12	39
Industry		9	1	11
Non-Sector Specific Prog. & Policy SALs/SECALs		5	4	80
Technical Assistance		2	1	50
SOUTH ASIA REGION				
Finance		12	6	50
Industry		13	2	15
Non-Sector Specific Prog. & Policy SALs/SECALs		8	7	88
Technical Assistance		6	0	0
ECA REGION				
Finance		14	10	71
Industry		14	4	29
Non-Sector Specific Prog. & Policy SALs/SECALs		2	1	50
Technical Assistance		1	0	0
MNA REGION				
Finance		8	2	25
Industry		16	9	56
Non-Sector Specific Prog. & Policy SALs/SECALs		5	4	80
Technical Assistance		1	0	0
AFRICA REGION				
Finance		47	17	36
Industry		27	12	44
Non-Sector Specific Prog. & Policy SALs/SECALs		35	29	83
Technical Assistance		33	10	30

LCN REGION				
Finance		42	15	36
Industry		6	3	50
Non-Sector Specific Prog. & Policy SALs/SECALs		28	23	82
Technical Assistance		12	2	17

*FY89 through FY93 (June 1993)
October 7, 1993

FILE:D2EAPCS

OEDD2 - AUDIT RATIO FOR PCRS RECEIVED FOR PERIOD FY89 TO PRESENT

EAST ASIA & PACIFIC REGION				
Sector/ Sub-sector	Country	PCR Total	Of Which Audited	Percent
FINANCE				
DFCs/SMIs	China	4	3	75
	Fiji	1	0	0
	Indonesia	4	0	0
	Korea	7	3	43
	Myanmar	1	0	0
	Philippines	11	6	55
	Thailand	1	0	0
	Tonga	1	0	0
	W. Samoa	1	0	0
	TOTAL	31	12	39
INDUSTRY				
	China	1	0	0
	Indonesia	1	0	0
	Korea	4	1	25
	Myanmar	2	0	0
	Philippines	1	0	0
	TOTAL	9	1	11
NON-SECTOR SPECIFIC				
Program & Policy:				
SALs/SECALs	China	1	0	0
	Indonesia	2	2	100
	Philippines	2	2	100
	TOTAL	5	4	80
TECHNICAL ASSISTANCE				
	China	1	0	0
	Philippines	1	1	100
	TOTAL	2	1	50

FILE:D2SACS

OEDD2 - AUDIT RATIO FOR PCRS RECEIVED FOR PERIOD FY89 TO PRESENT
(minus 2 PCNs)

SOUTH ASIA				
Sector/ Sub-sector	Country	PCR Total	Of Which Audited	Percent
FINANCE				
DFCs/SMIs	Bangladesh	2	0	0
	India	3	2	67
	Nepal	1	0	0
	Pakistan	2	0	0
	Sri Lanka	4	3	75
	TOTAL	12	6	50
<hr/>				
INDUSTRY				
	Bangladesh	6	0	0
	Bhutan	1	0	0
	India	4	1	25
	Pakistan	1	0	0
	Pakistan	1	1	0
	TOTAL	13	2	15
<hr/>				
NON-SECTOR SPECIFIC				
Program & Policy:				
SALs/SECALs	Bangladesh*	5	5	100
	India	1	0	0
	Nepal	1	1	100
	Pakistan	1	1	100
		8	7	88
<hr/>				
TECHNICAL ASSISTANCE				
	Bangladesh	2	0	0
	Bhutan	1	0	0
	Nepal	1	0	0
	Pakistan	2	0	0
		6	0	0

*Minus 2 PCNs

FILE:D2ECASC

OEDD2 - AUDIT RATIO FOR PCRS RECEIVED FOR PERIOD FY89 TO PRESENT

ECA REGION				
Sector/ Sub-sector	Country	PCR Total	Of Which Audited	Percent
FINANCE				
DFCs/SMIs	Portugal	4	3	75
	Turkey	7	7	100
	Yugoslavia	3	0	0
	TOTAL	14	10	71
INDUSTRY				
	Hungary	3	2	67
	Portugal	3	1	33
	Spain	1	0	0
	Turkey	4	1	25
	TOTAL	14	4	29
NON-SECTOR SPECIFIC				
Program & Policy: SALs/SECALs	Hungary	2	1	50
	TOTAL	2	1	50
TECHNICAL ASSISTANCE				
	Turkey	1	0	0
	TOTAL	1	0	0

FILE:D2MNAcs

OEDD2 - AUDIT RATIO FOR PCRS RECEIVED FOR PERIOD FY89 TO PRESENT
(minus 2 PCNs)

		MNA REGION		
Sector/ Sub-sector	Country	PCR Total	Of Which Audited	Percent
FINANCE				
DFCs/SMIs	Egypt	2	0	0
	Jordan	1	0	0
	Morocco*	4	2	50
	Tunisia	1	0	0
	TOTAL	8	2	25
<hr/>				
INDUSTRY				
	Egypt	5	3	60
	Jordan	4	3	75
	Morocco	2	1	50
	Tunisia	5	2	40
	TOTAL	16	9	56
<hr/>				
NON-SECTOR SPECIFIC				
Program & Policy:				
SALs/SECALs	Morocco	3	3	100
	Tunisia	2	1	50
	TOTAL	5	4	80
<hr/>				
TECHNICAL ASSISTANCE				
	Tunisia	1	0	0
	TOTAL	1	0	0

*Morocco -L.0890 Finance

*Algeria LS016 - TA

FILE:D2ECASC

OEDD2 - AUDIT RATIO FOR PCRS RECEIVED FOR PERIOD FY89 TO PRESENT

Sector/ Sub-sector	AFRICA REGION			
	Country	PCR Total	Of Which Audited	Percent
FINANCE DFCs/SMIs	Benin	1	0	0
	Comoros	1	0	0
	Cote d'Ivoire	1	0	0
	E.African Community	1	0	0
	Ethiopia	1	0	0
	Ghana	1	0	0
	Guinea	1	0	0
	Kenya	8	4	50
	Lesotho	1	0	0
	Liberia	1	0	0
	Mali	1	0	0
	Mauritania	1	0	0
	Mauritius	2	0	0
	Mozambique	1	0	0
	Niger	1	0	0
	Nigeria	3	0	0
	Ruanda	2	0	0
	Senegal	2	2	100
	Tanzania	4	4	100
	Zaire	10	5	50
Zambia	3	2	67	
	TOTAL	47	17	36
<hr/>				
INDUSTRY	Burkina Faso	1	0	0
	Burundi	1	0	0
	Congo	1	0	0
	Ghana	2	1	50
	Guinea	1	0	0
	Kenya	3	2	67
	Madagascar	2	1	50
	Malawi	1	0	0
	Mauritania	4	2	50
	Mauritius	1	1	100
	Senegal	1	0	0
	Tanzania	4	4	100
	Uganda	1	0	0
	Zaire	3	1	33
	Zambia	1	0	0
	TOTAL	27	12	44

Sector/ Sub-sector	AFRICA REGION			
	Country	PCR Total	Of Which Audited	Percent
NON-SECTOR SPECIFIC				
Program & Policy:				
SALs/SECALs				
	Benin	1	0	0
	Burundi	2	2	100
	C.African Republic	2	2	100
	Congo	1	1	100
	cote d'Ivoire	2	2	100
	Eq. Guinea	1	1	100
	Gabon	1	1	100
	Gambia	1	1	100
	Ghana	5	5	100
	Guinea	1	1	100
	Guinea Bissau	3	3	100
	Malawi	1	1	100
	Mali	1	0	0
	Mauritania	1	1	100
	Mozambique	1	0	0
	Niger	2	0	0
	Senegal	1	1	100
	Tanzania	1	1	100
	Togo	2	2	100
	Uganda	2	1	50
	Zambia	2	2	100
	Zimbabwe	1	1	100
	TOTAL	35	29	83

TECHNICAL ASSISTANCE

Burundi	1	0	0
Cameroon	1	0	0
C.African Republic	2	0	0
Congo	2	0	0
Cote d'Ivoire	1	1	100
Djibuti	1	0	0
Ghana	1	1	100
Guinea	1	0	0
Kenya	1	0	0
Madagascar	1	1	100
Malawi	2	1	50
Mali	1	0	0
Mauritania	1	0	0
Niger	2	1	50
Rwanda	3	2	67
Senegal	3	2	67
Somalia	1	0	0

Sudan	2	0	0
Tanzania	1	0	0
Togo	1	0	0
Uganda	2	1	50
W.African Region	1	0	0
Zambia	1	0	0
TOTAL	<u>33</u>	<u>10</u>	<u>30</u>

FILE:D2LCNSC

OEED2 - AUDIT RATIO FOR PCRS RECEIVED FOR PERIOD FY89 TO PRESENT
(minus 2 PCNs)*

Sector/ Sub-sector	LAC REGION		PCR Total	Of Which Audited	Percent
	Country				
FINANCE DFCs/SMIs	Argentina		4	2	50
	Barbados		1	0	0
	Bolivia		1	0	0
	Brazil		2	2	100
	Caribbean Region		1	0	0
	Colombia		4	0	0
	Costa Rica		2	1	50
	Ecuador		5	4	80
	Haiti		1	0	0
	Jamaica		1	0	0
	Mexico		10	3	30
	Nicaragua		1	0	0
	Paraguay		1	0	0
	Peru		6	3	50
	Niger		1	0	0
	Uruguay		1	0	0
		TOTAL		42	15
<hr/>					
INDUSTRY	Brazil		2	1	50
	Colombia		1	0	0
	Mexico		2	2	100
	Peru		1	0	0
		TOTAL		6	3

Sector/ Sub-sector	LAC REGION			
	Country	PCR Total	Of Which Audited	Percent
NON-SECTOR SPECIFIC				
Program & Policy:				
SALs/SECALs				
	Brazil	1	1	100
	Chile	3	3	100
	Colombia	2	2	100
	Costa Rica	1	1	100
	Haiti	1	1	100
	Jamaica	8	7	88
	Mexico	6	5	83
	Panama	4	2	50
	Paraguay	2	1	50
	TOTAL	28	23	82
TECHNICAL ASSISTANCE				
	Argentina	2	0	0
	Chile	1	0	0
	Costa Rica	1	0	0
	Ecuador	1	0	0
	Haiti	1	0	0
	Jamaica	2	0	0
	Panama	2	1	50
	Paraguay**	1	1	100
	Peru	1	0	0
	TOTAL	12	2	17

*Dominican Republic LS006 - Technical Assistance

**Paraguay C0587 - Technical Assistance

OFFICE MEMORANDUM

DATE: June 15, 1993

TO: OEDD2 Higher-Level Staff

FROM: Mark Baird 

EXTENSION: 31667

SUBJECT: Issues to be Covered in Adjustment Audits

1. Over the past year we have discussed three sets of issues which warrant more coverage in our adjustment audits. These are summarized below. I would ask you to pursue these issues in your audits for FY94.

Projections and the External Environment

2. We should evaluate the transparency and realism of the projections on which the adjustment operation was based.^{1/} These may be presented in the President's Report or related ESW studies. We should also look at the sensitivity analysis and the assessment of risk.

3. More specifically, we have made a commitment to the JAC Subcommittee to focus on the following issues related to the external environment:^{2/}

- Does the President's Report provide a clear presentation on key external assumptions?
- How do the assumptions compare to actual experience?
- Is there a recurring bias toward over-optimism? Does it affect program success?

The Case for Adjustment Financing

4. Adjustment audits tend to focus on the policy reforms supported by the operation. Based on our discussions last year,^{3/} I would like to see more attention given to the following financing issues:

- What was the rationale for providing IBRD/IDA funds? Was it well articulated in the President's Report? Was it justified (ex ante and ex post)?

^{1/} See the BTO Report for my mission to Ghana and Zambia (March 5, 1993).

^{2/} See my statement on the "External Environment" (May 28, 1993).

^{3/} See my memoranda on "Financing Issues in Adjustment Audits" (August 26, 1992 and October 13, 1992).

- Were the projections of financing requirements realistic? Did the funding materialize as expected? Was the program underfunded or overfunded? What was the impact on policy reform?
- How were the funds used? What were the conditions on the use of the foreign exchange and counterpart funds? Did the government/market allocation mechanisms ensure effective use of the resources?

Adjustment and the Environment

5. Environmental issues are still not well covered in PCRs and we cannot do primary work for the audit.^{4/} However, as discussed last year and reiterated in my presentation to the Board seminar on development effectiveness,^{5/} we should at least try to answer the following basic questions:

- Did the operation have any environmental objectives?
- Did the operation have any components specifically addressed to environmental issues? If so, how have these been implemented?
- Was there any analysis (at appraisal or during supervision) of the environmental impact of adjustment policies?
- What evidence is there (from Bank or other sources) on the environmental impact of adjustment policies?

cc: Messrs. Picciotto, Köpp, Donaldson, Albouy, Guerrero.

^{4/} For a discussion of the issues, see the paper by Syed Mahmood on "The Environmental Impact of Adjustment Operations" (November 9, 1992).

^{5/} See my memorandum on "Adjustment and the Environment" (July 30, 1992) and my "Talking Points on Evaluating Adjustment Operations" (April 26, 1993).

EK
News from
the front.

The World Bank/IFC/MIGA
O F F I C E M E M O R A N D U M

DATE: April 22, 1993 09:50am

TO: See Distribution Below

FROM: Jose Olivares, OEDD1 (JOSE OLIVARES)

EXT.: 31729

SUBJECT: TANZANIA - Seminar on Adjustment Paper

On April 14 I attended a meeting to discuss a paper on experience with structural adjustment policies in Tanzania, prepared as part of a series of studies of adjustment in Africa (I was not invited as OED staff but as previous TM of the AgSECAL in Tanzania).

The paper was generally praised, even though participants were pretty candid on some of its deficiencies and gaps. Some of the many issues raised were similar to those we have been raising in our audits of adjustment operations, namely:

- + whether the increase in economic activity and incomes, evident to everyone, was a one-off increase, prompted by import liberalization and the sudden improvement in incentive structure, or was a change in longer-term trends (since I was in the later camp, I may be biased in reporting that a majority of those present seemed to agree on this interpretation).
- + a second issue of attribution was whether the hypothesis that growth was rather the result of increased aid than of reform had been tested.
- + what is the best sequence of reforms, and particularly, (i) whether it makes any sense to straighten the macro variables and make prices right if the micro foundations are not altered concomitantly, and the most important firms (all parastatals) continue taking production and investment decisions without consideration of market signals. The answer in the case of Tanzania: no SAL was attempted; all operations are SECALs, directed at both reforming the macro scene and addressing the main sectoral constraints; and (ii) whether reform of the financial sector - which allocates financial resources for investment and production processes - should precede that of the client sectors. The answer is that it is useless to reform the former if the latter will continue squandering the monies and running arrears.
- + while it is true that reforms moved from the simpler ones to the more complex ones, it is also true that this also

meant moving from capacity-relieving reforms to capacity-intensive reforms. This, rather than simplicity or complexity, was said to explain the increasing problems encountered as adjustment progressed.

- + pace of reform: one speaker thought that while the big-bang approach is not necessarily good, the depth of problems would have called for a faster pace; old hands disagreed (see reasons next).
- + the paper should have placed more emphasis on the overall context of the reform, and particularly on the initial conditions (heavily socialistic socio-political system) and the omnipresent role of the omniscient Party. At the outset, decision-making was firmly in the hands of the Party, which strongly opposed reform. As the initial steps of reform took hold, major decision-making authority moved progressively to, or was taken over by, the Cabinet. But initially, Party control made impossible faster reform.
- + issues of ownership and commitment: there were many different groups which supported particular parcels of reform, but little support for reform at large. As adjustment advanced and provided results, constituency for reform expanded. In the event, many of the reforms introduced were home-grown (eg, own-fund import, private banking, bureaux de change), devised and approved by the Government without major Bank input.
- + all agreed that the very significant role of other donors - most of which changed their own policies and procedures to join and support the adjustment effort - and the IMF should be highlighted.
- + a major effort at rehabilitating infrastructure (ports and roads, principally) accompanied the reform process and was important for materialization of change in production and exports; the complementarity between infrastructure and reform was not highlighted in the paper. In contrast to the emphasis given to infrastructure, perhaps a major weakness of the reform process in Tanzania was lack of attention to social reform earlier in the program.

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A L L - I N - 1 N O T E

DATE: 18-Feb-1993 05:47pm

TO: Pablo Guerrero

(PABLO GUERRERO)

FROM: Hans-Eberhard Kopp, OEDDR

(HANS-EBERHARD KOPP)

EXT.: 31700

SUBJECT: Request from Mr. Gerber

I suggest the following PARs:

Mexico Agriculture Credit or Industrial
Equipment Fund or Railways

Senegal Agriculture Credit

Indonesia Buhit Asam Coal Mining

Jamaica SAL

The World Bank/IFC/MIGA
O F F I C E M E M O R A N D U M

DATE: February 18, 1993 05:34pm

TO: Pablo Guerrero (PABLO GUERRERO)

FROM: Luis Landau, OEDD2 (LUIS LANDAU)

EXT.: 31662

SUBJECT: Re: Request from Mr. Gerber

I would suggest the following two OED PARs (covering a total of four projects) which meet all the requirements of the request. They are:

* Mexico - Third and Fourth Industrial Equipment Fund, Loans 1560-ME and 1712-Me. OED Report # 7859 dated June 13, 1989.

* Jamaica - SALs II & III, Loans 2315-JM and 2478-JM. OED Report # 8018 dated August 11, 1989.

CC: Yves Albouy (YVES ALBOUY)
CC: Graham Donaldson (GRAHAM DONALDSON)
CC: Hans-Eberhard Kopp (HANS-EBERHARD KOPP)

The World Bank/IFC/MIGA
OFFICE MEMORANDUM

DATE: February 18, 1993 05:26pm

TO: Hans-Eberhard Kopp (HANS-EBERHARD KOPP)

FROM: Pablo Guerrero, DGO (PABLO GUERRERO)

EXT.: 31717

SUBJECT: Re: Request from Mr. Gerber

Eberhard:

Mr. Gerber has asked Bob for a few examples of evaluations of bad projects (in fact, of very bad projects). Bob has asked that we identify, say three, cases of very good evaluations of very bad projects that he can send to Mr. Gerber. The request is urgent.

Thanks.

CC: Graham Donaldson (GRAHAM DONALDSON)
CC: Yves Albouy (YVES ALBOUY)
CC: Luis Landau (LUIS LANDAU)

Apr. Co. & Marine
(Apr. Co. - General)
Cool King - Albania
(Bridit Azam)
Malays - Brazil
Int. Equipment - El Salvador
SAL - Panama

OFFICE MEMORANDUM

DATE: February 5, 1993

TO: Mr. H. Eberhard Köpp, Director, OED

FROM: Graham Donaldson, Chief, OEDD1

EXTENSION: 31730

SUBJECT: OEDD1 - Audits for Studies

As requested, we have reviewed our work program to identify audits that feed into studies. The results are summarized in the table below:

FY	Total No. of Audits	No. Related to Studies	% Related to Studies
FY93	48	35	73
FY94	44	17	39
Total	92	52	57

OFFICE MEMORANDUM

JK

DATE: January 28, 1993
 TO: Mr. H.E. Köpp, OEDDR
 FROM: Mark Baird, OEDD2
 EXTENSION: 31667
 SUBJECT: OEDD2: Audits for Studies

1. As requested, we have reviewed our work program, to identify audits that feed into studies. We have looked at:

- studies in the FY93 program and the "core program" (as recently discussed by the Management Team) for FY94 to FY96;^{1/} and
- audits in the FY93 program and the tentative list for FY94 (from my memorandum of September 24, 1992).

Note that there are also many audits from earlier years which feed into our studies program. For example, two audits -- on Kenya (FY91) and Zambia (FY92) -- have already been completed for the study on Industrial Reorientation in East Africa.

2. The results are summarized in the attached table. Two studies -- Social Impact of Adjustment and Public Sector Management -- will draw on the full list of adjustment audits. Excluding these, the number of audits related to studies is as follows:

	Total No. of Audits	No. Related to Studies	% Related to Studies
<u>FY93</u>	<u>45</u>	<u>34</u>	<u>76</u>
Adjustment	25	22	88
Investment	20	12	60
<u>FY94</u>	<u>45</u>	<u>35</u>	<u>78</u>
Adjustment	25	16	64
Investment	20	19	95
<u>Total</u>	<u>90</u>	<u>69</u>	<u>77</u>
Adjustment	50	38	76
Investment	40	31	78

^{1/} With one change: Bangladesh has been substituted for Colombia in the FY95 program of country reviews. This ensures coverage of at least one country from each Region over the next three years. As agreed, five country reviews have been selected for FY96.

3. This shows that more than 75% of OEDD2's adjustment and investment audits in FY93 and FY94 are related to studies in our "core" program. Including the studies on Social Impact of Adjustment and Public Sector Management would increase the ratio to 100% for adjustment audits.

4. We also need to look at the relevance of audits across Divisions. In particular, we should try to schedule audits, on a timely basis, in the countries to be covered by country reviews. If we cannot put together a strong audit base (e.g., on Ghana), we may have to consider selecting other countries.^{2/}

Attachment

cc: Messrs. Donaldson, Albouy, Guerrero, Lowther, OEDD2 HL Staff.

^{2/} There may also be other reasons for changing the selection of country reviews (e.g., Regional demand and the potential impact). The DGO, for example, has suggested that we might want to include Argentina in the FY94 program.

OEDD2: AUDITS RELATED TO STUDIES

Study	FY	Related Audits	FY
Ind Reorient in E Africa	93	Malawi: Industry & Trade Adjust	93
		Tanzania: Industrial Rehab & Trade	93
Ind Technology Devel	93	Korea: Electronics Technology	93
Mexico Country Relations	94	Mexico: Interest Support Loan	93
		Mexico: Financial Sector Adjustment	93
Morocco Country Review	94	Morocco: PE Rationalization	93
		Morocco: Elect & Mech Industries	94
		Morocco: Jerada Coal	94
Ghana Country Review	94	Ghana: Industrial Sector Adjustment	93
Privatization /a	94	Hungary: Structural Adjustment	93
		Panama: Structural Adjustment 1	93
		Panama: Structural Adjustment 2	93
		Panama: Technical Assistance	93
		Indonesia: Private Sector Devel 1	93
		Indonesia: Private Sector Devel 2	93
		Ghana: Industrial Sector Adjust	93
		Madagascar: Industry & Trade Adjust	93
		Tanzania: Industrial Rehab & Trade	93
		Gabon: Structural Adjustment	93
		Togo: Structural Adjustment 3	93
		Zambia: Recovery Program	93
		Kenya: Financial Sector Adjust	93
		Zaire: Structural Adjustment	93
		Uganda: Economic Recovery Program	93
		Morocco: PE Rationalization	93
		Niger: Structural Adjustment	93
		Niger: PE Sector Adjustment	93
		Benin: Structural Adjustment	93
		Gambia: Structural Adjustment 2	94
		Cameroon: Structural Adjustment	94
		Mali: PE Sector Adjustment	94
		Sao Tome: Structural Adjustment	94
Senegal: Financial Sector Adjustment	94		
Philippines: Reform of Govt Corps	94		
Bangladesh: Industrial Sector Adjust	94		
Pakistan: Financial Sector Adjustment	94		
Poland: Structural Adjustment	94		
Mauritania: PE TA & Rehabilitation	94		
Costa Rica: Structural Adjustment	94		
Hungary Country Review	95	Hungary: Structural Adjustment	93
		Hungary: Industry Fine Chemicals	94
Kenya Country Review	95	Kenya: Financial Sector Adjustment	93

OEDD2: AUDITS RELATED TO STUDIES

Study	FY	Related Audits	FY
Tunisia Country Review	95	Tunisia: Structural Adjustment	93
		Tunisia: SMI Development	94
		Tunisia: Export Industries	94
Bangladesh Country Review	95	Bangladesh: Industrial Sector	94
		Bangladesh: Fertilizer Industry Rehab	94
		Bangladesh: Chittagong Urea Fertilizer	94
		Bangladesh: Textile Industry Rehab	94
		Bangladesh: Textile Industry Rehab 2	94
Social Impact of Adjustment	95	Most adjustment operations	
Public Sector Management	95	Most adjustment operations plus:	
		Chile: Public Sector Management	94
		Ecuador: Public Sector Management	94
		Jamaica: Public Admin Reform	94
		Peru: Public Sector Management	94
Industrial Restructuring /b	95	Madagascar: Industry & Trade Adjust	93
		Tanzania: Industrial Rehab & Trade	93
		Niger: Structural Adjustment	93
		Panama: Structural Adjustment 1	93
		Panama: Structural Adjustment 2	93
		Zambia: Fertilizer Restructuring	94
		Mexico: Industrial Sector Policy	94
		Bangladesh: Fertilizer Industry Rehab	94
		Bangladesh: Textile Industry Rehab 2	94
		Turkey Country Review	96
Turkey: Fertilizer Rational 2	93		
Turkey: Financial Sector Adjustment	94		
Zambia Country Review	96	Zambia: Recovery Program	93
		Zambia: Fertilizer Restructuring	94
Philippines Country Review	96	Philippines: Reform of Govt Corps	94
		Philippines: Debt Management Program	94
Argentina Country Review	96	Argentina: Trade Policy	94
		Argentina: Trade Policy 2	94
Poland Country Review	96	Poland: Structural Adjustment	94
Industry & the Environment	96	Based on 8 impact evaluations	
Financial Sector Devel	96	Kenya: Financial Sector Adjustment	93
		Mexico: Financial Sector Adjustment	93
		Pakistan: Industrial Investment	93
		Korea: Industrial Finance	93
		Korea: Industrial Finance 2	93

OEDD2: AUDITS RELATED TO STUDIES

Study	FY	Related Audits	FY
		Korea: CNB	93
		Korea: Small & Medium Industry	93
		Zaire: Development Finance 4	93
		Zaire: Development Finance 5	93
		Zaire: Development Finance 6	93
		Senegal: Financial Sector Adjustment	94
		Pakistan: Financial Sector Adjustment	94
		Turkey: Financial Sector Adjustment	94
		Nigeria: NIDB 3	94
		Nigeria: NIDB 4	94
		Nigeria: Small & Medium Industry	94
		Indonesia: Export Development	94
		Tunisia: SMI Development	94
		Tunisia: Export Industries	94
		Mexico: SMI Development III	94

/a Based on list of projects with divestiture components prepared by CECPS.
 /b Based on list of industrial restructuring projects prepared by OEDD2.

OFFICE MEMORANDUM

DATE: February 18, 1993

TO: Mr. H. Eberhard Köpp, Director, OED

FROM: Graham Donaldson, Chief, OEDD1

EXTENSION: 31730

SUBJECT: OEDD1 - Audits for Studies

As requested, we have reviewed our work program to identify audits that feed into studies. The results are summarized in the tables below:

Table 1:

FY	Total No. of Audits	No. Related to Studies	% Related to Studies
FY93	48	36	75%
FY94	44	19	43%
Total	92	55	57

Table 2:

<u>Name of Study</u>	<u>Related Audits</u>
Ag. SECAL Review	TUR - Ag. Sector Adjustment Loan (L2585) TUN - Ag. Sector Adjustment (L2754) JAM - Ag. Sector Adjustment (L3174) ARG - Ag. Sector Loan (L1885) ECU - Ag. Sector Loan (L2626) * ZAM - Agriculture Rehabilitation (C1545) * PAK - Sector Adjustment (L2986) * MAG - Ag. Sector Adjustment (C1691) * BRA - Credit and Marketing Reform (L2727) *
Irrigation Review	DOM - Nizao Irrigation (L1655) IND - Gujarat Irrigation 2 (C1011) * IND - Karnataka Tanks Irrigation (C1116) * IND - Kallada Irrigation & Treecrop (C1269) * IND - Narmada River Dam Water Delivery (C1553) * SUD - New Halfa Irrigation Rehab (C1022) * SUD - Blue Nile Pump Scheme (C1118) * SUD - White Nile Pump Scheme (C1119) * IND - Uttar Pradesh Tubewells 2 (C1332) * EGT - Irrigation Pumping Stations Rehab (L2270) *
Education Review	TAN - Education 6 (C0861) BUI - Education 1 (C0679) BUI - Education 2 (C0976) BUI - Education 3 (C1358) JOR - Education 4 (L2068) JOR - Education 5 (L2246) TUR - Industrial Tng (L2399) BRA - NE Basic Education (L1867) MYC - Education sector Reform (L2664) PHL - Elementary Education Sector Loan (L2030) PHL - Vocational Training (L2200) ZAM - Education 5 (C1251) * ZAM - Education 3 (L0900) * ZAM - Education 4 (L1356) *
Agricultural Cr/Fin	PHL - Agricultural Credit (L2570) CHA - Rural Credit (C1462) MYC - Agricultural Credit 5 (L2367) MYC - Agricultural Credit 6 (L2731) INS - Rural Credit (C0827) TUN - Agricultural Credit 3 (L1885) TUN - Agricultural Credit 4 (L2865) IND - Nabard Credit (L2653) *

Table 2 (contd.)

Plantation Crops	INS - Nucleus Est. & Smallholder 4 (L1835)
	INS - Nucleus Est & Smallholder 5 (L2007)
	INS - Nucleus Est & Smallholder (L2126)
	SRI - Smallholder Rubber Rehab (C1017)
	SRI - Tea Rehab and Diversification (C1240)
	IND - Kallada Irrig & Treecrop (C1269)
Transmigration	INS - Transmigration 2 (L1707)
	INS - Swamp Reclamation I (L1958)
	INS - Transmigration 3 (L2248)
	INS - Transmigration 4 (L2288)
Research and Extension	INS - National Ag. Extension 2 (C0996)
	INS - National Ag. Resch (C1014)
	SUD - Ag. Research (C0834) *
China Agric. Study	CHA - Red Soils Area Dev. (C1733)

* FY94 Audits

OFFICE MEMORANDUM

FEB 19 1993

DATE: February 19, 1993

TO: Mr. H. Eberhard Köpp, Director, OED

FROM: Yves Albouy, Chief, OEDD3 *YA*

EXTENSION: 31690

SUBJECT: Audits for Studies

1. As requested and discussed at Management Team meetings, we have reviewed OEDD3's work program to identify audits that feed into studies.
2. We have looked, on the one hand, at studies in the FY93 work program and the Business Plan proposals for FY94 to FY96 and, on the other hand, at audits in the FY93 and FY94 work program (Attachment 2). There are also audits from previous years which feed into our studies especially the Urban Development Overview and the Rural Electrification Overview in Asia.
3. The results can be found in Attachment 1. They are summarized in the table below.

	Total No. of Audits	No. Related to Studies	% Related to Studies
<u>FY93</u>	<u>45</u>	<u>40</u>	
Adjustment	1	1	100
Investment	44	39	89
<u>FY94</u>	<u>45</u>	<u>20</u>	
Adjustment	2	1	50
Investment	43	37	82
<u>Total</u>	<u>90</u>	<u>60</u>	
Adjustment	3	2	67
Investment	87	76	87

4. This shows that more than 80% of OEDD3's investment audits in FY93-94 are related to studies in the "core" program of the Business Plan.
5. We have tried to schedule audits, on a timely basis, in the countries to be covered by country reviews, particularly Mexico, Morocco, Ghana for FY94, Bangladesh, Colombia, Hungary and Kenya for FY95.
6. Finally, we have also tried to adjust our audit program to the needs of ECDP in important countries like China, Colombia, Morocco and, possibly, Indonesia.

Attachments

cc: Messrs. Baird, Donaldson, Guerrero, Lowther, OEDD3 HL Staff.

OEDD3: RELATIONSHIP BETWEEN AUDITS AND STUDIES

Study	FY	Related Audits	FY
<u>Sector Reviews</u>			
Natural Gas Lending	93	Pakistan (2)	93
Rural Electrification	94	Bangladesh (2), India	94
Urban Development	94	India, Korea (2), Mexico (2)	93
		Morocco (2), Senegal	93
		Indonesia (4)	94
Power Lending in Africa	94	Burundi, EAN, Rwanda, Zimbabwe	93
		Cote d'Ivoire (2), Ghana, Guinea	94
		Mali, Zaire	94
<u>Infrastructure & Energy Reviews</u>			
-Indonesia	95	Urban (4), Water, Highways (2)	94
		Power (3), Telecom	94
-Kenya	95	Water, Urban, Highways, Rail	94
Pub. Utilities Pricing (Quick study)	94	Water: Jordan (3), Mexico (3)	93
		Philippines (3), Colombia (2)	94
		Kenya, Morocco, Nigeria	94
		Power: Bangladesh SECAL, India (4)	93
		Turkey (5), Thailand (3)	93
		Bangladesh RE (2)	93
		Cote d'Ivoire (2), Indonesia (3)	94
		Telecom: Indonesia	94
Highway Sector Lending	96	Chile, Cote d'Ivoire, Kenya	94
		Colombia	95
<u>Country Studies</u>			
Mexico	94	Water (3), Urban (2)	93
Morocco	94	Urban (2)	93
		Water, Highways	94
Ghana	94	Power	94
Bangladesh	95	Power (3), Energy (2)	94
Colombia	95	Urban (2), Water (2), Highways	94
Hungary	95	Energy	94
Kenya	95	(See Infrastructure and Energy Review)	

AUDIT PROGRAM FOR OEDD3

FY93	Transport	Urban	Water	Power	Energy	SECAL	Total
Bangladesh				0	2	1	3
Burundi				1			1
Chile	0						0
China	0		0		0		0
East Africa				1			1
Hungary					1		1
India		1		4	0		5
Indonesia	0						0
Ivory Coast						0	0
Jordan			3		1		4
Korea		2	2				4
Mexico		2	3				5
Morocco		2					2
Pakistan					2		2
Papua NG	2						2
Paraguay	4						4
Rwanda				1			1
Senegal		1					1
Thailand				1	2		3
Turkey				5			5
Zimbabwe				1			1
Total	6	8	8	14	8	1	45
Study related	0	8	8	14	8	1	39

FY94	Transport	Urban	Water	Power/ Telecom	Energy	SECAL	Total
Bangladesh				2			2
Colombia		2	2				4
Chile	3						3
China			1		4		5
Ghana				1			1
Guinea				1			1
India						1	1
Indonesia	2	4	1	4			11
Ivory Coast	2			1		1	4
Kenya	2	1	1	0			4
Mali				1			1
Mexico							0
Morocco	1	1					2
Nigeria			1				1
Philippines			3				3
Zaire				2			2
Total	10	8	9	12	4	2	45
Study related	8	8	8	12	0	1	37

THE WORLD BANK
INTERNATIONAL FINANCE CORPORATION
MULTILATERAL INVESTMENT GUARANTEE AGENCY

R/R 213793

Audit Note

only when final goes
to RP

→ RP

THE WORLD BANK
INTERNATIONAL FINANCE CORPORATION
MULTILATERAL INVESTMENT GUARANTEE AGENCY

CPCR : This product for "evaluation"
Audits (or product for comment)

1) → Requir for comments.

→ DC to DC ratings

→ copy to RP
EK

2) → borrower
(incorporating RP comments, if any)

3) → RP

- with copy Note to Board

- with ^{stakeholder} confirmati (AKA) of rating?

with or comment — rating only if
disagreement?

(operati was rated before!)

FEB 1 1993

A L L - I N - 1 N O T E

DATE: 01-Feb-1993 01:32pm

TO: Hans-Eberhard Kopp (HANS-EBERHARD KOPP)

FROM: Robert Picciotto, DGO (ROBERT PICCIOTTO)

EXT.: 84569

SUBJECT: Audits

This is a reminder that all PARs sent to me in their final form ought to be accompanied by a covering note highlighting the major issues deserving of Board attention.

It would be best if these notes were sent to me in draft at the time of my first review of the draft PAR (prior to, or in parallel with, concerned Bank Units).

Please remind all concerned that, unlike PCR evaluative transmittal notes, it is not necessary to summarize the overall assessment in the PAR transmittal note since there is an OED summary attached.

Instead, the focus should be on triggering interest in particular aspects of the audit (as a contribution to our perennial struggle against the "black hole" syndrome).

OFFICE MEMORANDUM

DATE: December 28, 1992

TO: Mr. H. Eberhard Köpp, Director, OED

FROM: Yves Albouy, Chief, OEDD3 *UA*

EXTENSION: 31690

SUBJECT: Audit Coverage

1. We have looked at the country and sector coverage of recent investment audits. For this purpose, we have used the database on PCRs received from January 1988 to December 1993 and our projection of audit completion through FY93. The results are presented in detail in the attached tables.

2. The regional count indicates the Africa and LAC audit ratios are under 40%. Out of 78 countries for which PCR were received, 32 had no audits. About two-thirds of the non-audited countries and half of those fully audited belong to the group of 28 countries with only 1 to 2 PCRs each. Among the remaining 60 countries with at least 3 PCRs, 12 had no audits in the last 5 years. Most of these are in Africa (Ghana, Guinea-Bissau, Guinea, Mauritius) or in LAC (Bolivia, Dominican Republic, Haiti, Jamaica, Uruguay). Finally, five, among them some important borrowers, had an audit ratio of less than 20%: China, Colombia, Kenya, Peru and Tanzania.

3. The sectoral count shows that audit ratios are under 40% in Energy, Power and Telecommunications.

4. Recent trends. The overall ratio is 44% as of end of December 1992 but with the reception of new PCRs, it is projected to drop back to 42% by end FY93, the value it reached for the period January 1988-June 1992. The FY93 program has helped improve audit ratios in Water Supply, Energy/Power, and in South Asia.

5. Future Trends. Rebalancing the audit coverage across countries and sectors will continue in FY94. Audits are planned for China, Colombia, Kenya. The study on Power Lending in Africa should also help. Other studies and the presence of major borrowers (China, Indonesia) in East Asia will keep temporarily the audit ratio in this area at a relatively high level.

Attachments

cc: Messrs. Donaldson (OEDD1); Baird (OEDD2)

NUMBER OF PARs & PCRs AND AUDIT RATIO (Jan 88-June 93)

SECTORS REGIONS	Total			Last June	Power			Telecom			Transport			Urban			Water					
	PAR	PCR	Ratio		PAR	PCR	Ratio	PAR	PCR	Ratio	PAR	PCR	Ratio	PAR	PCR	Ratio	PAR	PCR	Ratio			
Africa	49	155	32%	34%	3	29	10%	10	27	37%\a	10	0%	22	47	47%	11	17	65%	3	25	12%	
East Asia	49	86	57%	61%	10	15	67%	8	17	47%	4	6	67%	16	22	73%	5	14	36%	6	12	50%
South Asia	28	50	56%	40%	8	16	50%\b	6	15	40%	3	0%	7	7	100%	3	4	75%	4	5	80%	
Europe & CA	16	28	57%	44%	7	9	78%	4	8	50%	2		4	6	67%		1	0%	1	2	50%	
MENA	26	42	62%	49%	3	4	75%	5	10	50%	3	0%	5	8	63%	5	5	100%	8	12	67%	
LAC	38	106	36%	36%	2	16	13%\c	4	20	20%	3	0%	12	24	50%	12	23	52%\d	8	20	40%	
All Regions	206	467	44%	----	33	89	37%	37	97	38%	4	27	15%	66	114	58%	36	64	56%	30	76	39%
Last June	161	382	-----	42%	24	73	33%	22	79	28%	4	25	16%	60	91	66%	30	56	54%	21	58	36%
Notes:																AUDIT RATIO DISTRIBUTION All countries : 1- 23 PCRs each						
a: includes Power & Water	2				Ratio range:											(1-2 PCRs/c)						
b: includes SECAL	2				0% 1-19% 20-39% 40-59% 60-99% 100% Total											0% 50% 100% Total						
c: includes TA	1				-----											-----						
d: includes Environment	1				Nb.of Countries: 32 5 9 18 15 9 88											20 3 5 28						

OEDD3 AUDIT CONTRACT FOR FY93
(As of December 23, 1992)

COUNTRY	TRANSPORT	URBAN	WATER	POWER	ENERGY	SECALs	TOTAL
Bangladesh				1	2	1	4
Burundi				1			1
East Africa				1			1
Hungary					1		1
India		1		4			5
Indonesia			1				1
Jordan			3		1		4
Korea		2	2				4
Mexico		2	3				5
Morocco		2					2
Pakistan					2		2
Papua-New Guinea	2						2
Paraguay	4						4
Rwanda				1			1
Senegal		1					1
Thailand					2		2
Turkey				4			4
Zimbabwe				1			1
TOTAL	6	8	9	13	8	1	45

OEDD3
PROJECTS AUDITED/TO BE AUDITED, BY COUNTRY AND SUBSECTOR
FROM JANUARY 1988 TO JUNE 1993

COUNTRY	ENERGY	POWER	SECAL	TELECOM	TRANSPORT	URBAN	WATER SUPPLY AND SANIT.	TOTAL
ALGERIA							1	1
ARGENTINA					4			4
BANGLADESH	2	1	1		2			6
BOTSWANA		1				2		3
BRAZIL	1	1			1	6	4	13
BURUNDI		1			1	1		3
CAMEROON					3	1		4
CENTRAL AFRICAN REP.					2			2
CHILE						1	1	2
CHINA					2			2
COLOMBIA						1		1
CONGO					1			1
COSTA RICA					2			2
COTE D'IVOIRE	1					1		2
CYPRUS	2							2
EASTERN AFRICA REGION		3						3
ECUADOR						2		2
EGYPT		5			1			6
GUATEMALA		2						2
HONDURAS		1						1
HUNGARY	1							1
INDIA	1	4			2	3	3	13
INDONESIA	3	3		2	1		2	11
JORDAN	1					1	3	5
KENYA					1	1		2
KOREA					6	3	3	12
LESOTHO						1		1

COUNTRY	ENERGY	POWER	SECAL	TELECOM	TRANSPORT	URBAN	WATER SUPPLY AND SANIT.	TOTAL
LIBERIA						1		1
MADAGASCAR							1	1
MALAWI					1			1
MALI						1		1
MALAYSIA		2			1			3
MEXICO					1	2	3	6
MOROCCO	1					4	1	6
NEPAL							1	1
NIGERIA		2				1		3
PAKISTAN	3	1	1		3			8
PAPUA-NEW GUINEA					2			2
PARAGUAY					4			4
PERU	1							1
PHILIPPINES	4	1			1	2		8
RWANDA		1			1			2
SENEGAL					2	1		3
SOMALIA	1						1	2
SUDAN					2			2
SWAZILAND		1						1
TANZANIA					1			1
THAILAND	3	2		2	3		1	11
TOGO					3			3
TUNISIA	1				1		1	3
TURKEY	4	4			2		1	11
YEMEN ARAB REPUBLIC					1		1	2
YEMEN DEMOCRATIC REPUBLIC					2		1	3
YUGOSLAVIA					2			2
ZAIRE					2		1	3
ZAMBIA	1				2			3
ZIMBABWE		1						1
TOTAL	31	37	2	4	66	36	30	206

OEDD3
PCRs REVIEWED/TO BE REVIEWED, BY COUNTRY AND SUBSECTOR
JANUARY 1988 TO JUNE 1993

COUNTRY	ENERGY	MULTI-SECTOR	NON-SECTOR SPECIFIC	POWER	SECAL	TELECOM	TRANSPORT	URBAN	WATER SUPPLY AND SANIT.	TOTAL
ALGERIA							1		1	2
ARGENTINA	3		1				4			8
BAHAMAS								1		1
BANGLADESH	5			3	1	1	2		1	13
BARBADOS				1						1
BENIN	2									2
BOLIVIA	2							1	1	4
BOTSWANA				1				2		3
BRAZIL	1			4			4	7	7	23
BURKINA FASO						1			1	2
BURUNDI				2		1	2	1		6
CAMEROON						1	5	1	1	8
CENTRAL AFRICAN REPUBLIC							2			2
CHAD							2			2
CHILE							1	1	1	3
CHINA	3						4		1	8
COLOMBIA	1			5		1		2	1	10
CONGO	1						2			3
COSTA RICA	1						2		1	4
COTE D'IVOIRE	1			1			2	1		5

COUNTRY	ENERGY	MULTI-SECTOR	NON-SECTOR SPECIFIC	POWER	SECAL	TELECOM	TRANSPORT	URBAN	WATER SUPPLY AND SANIT.	T O T A L
CYPRUS	2									2
DJIBOUTI	1									1
DOMINICAN REPUBLIC				1			1	1		3
ECUADOR								2		2
EGYPT				5		2	2			9
EL SALVADOR						1				1
EQUATORIAL GUINEA	1									1
EASTERN AFRICA REGION				3						3
ETHIOPIA	1							1		2
GAMBIA				1			1			2
GHANA	2			1			1		1	5
GUATEMALA				2						2
GUINEA-BISSAU	2						1			3
GUINEA	1			1			1	1		4
HAITI				1			1	1		3
HONDURAS	1			1						2
HUNGARY	2						1			3
INDIA	4			8			2	4	3	21
INDONESIA	3			7		3	3	4	3	23
JAMAICA	1			1			1			3
JORDAN	1			2				2	3	8
KENYA	2			3		3	3	3	2	16

COUNTRY	ENERGY	MULTI-SECTOR	NON-SECTOR SPECIFIC	POWER	SECAL	TELECOM	TRANSPORT	URBAN	WATER SUPPLY AND SANIT.	T O T A L
KOREA				2			6	7	4	19
LAO PEOPLE'S DR				1			1			2
LESOTHO								1		1
LIBERIA	2							1	1	4
MADAGASCAR		1		1			2		1	5
MALAWI							2		1	3
MALAYSIA				2			1			3
MALI	2	1				1		1		5
MAURITANIA	1									1
MAURITIUS				1				1	1	3
MEXICO			1				1	4	4	10
NIGER				1			1			2
NIGERIA										
MOROCCO	1							3	1	5
MYANMAR				1						1
NEPAL	1			1		2			1	5
NIGERIA				2				1	3	6
OMAN						1				1
PAKISTAN	4			1	1		3			9
PANAMA	1			2			1	1	1	6
PAPUA NEW GUINEA	1						2			3
PARAGUAY							4		1	5
PERU	4			1					2	7

COUNTRY	ENERGY	MULTI-SECTOR	NON-SECTOR SPECIFIC	POWER	SECAL	TELECOM	TRANSPORT	URBAN	WATER SUPPLY AND SANIT.	T O T A L
PHILIPPINES	4			1		1	1	3	3	13
PORTUGAL	1			1			1			3
ROMANIA							1			1
RWANDA				1		1	2		1	5
SENEGAL	1			1			2	2		6
SEYCHELLES							1			1
SOLOMON ISLANDS							1			1
SOMALIA	2								1	3
SRI LANKA				2						2
SUDAN				1			3			4
SYRIAN ARAB REP.									1	1
SWAZILAND				1			1			2
TANZANIA	3					1	2		3	9
THAILAND	4			3		2	3		1	13
TOGO							3			3
TUNISIA	1						1		3	5
TURKEY	4			4		2	1	1	1	13
UGANDA						1	1		4	6
URUGUAY				1		1	4	1	1	8
YEMEN ARAB REPUBLIC	1			1			2		1	5
YEMEN DEMOCRATIC REPUBLIC				2			2		2	6
YUGOSLAVIA				3			2		1	6

COUNTRY	ENERGY	MULTI-SECTOR	NON-SECTOR SPECIFIC	POWER	SECAL	TELECOM	TRANSPORT	URBAN	WATER SUPPLY AND SANIT.	T O T A L
ZAIRE	1			2			2		3	8
ZAMBIA	2						2		1	5
ZIMBABWE	1			1			1			3
TOTAL	86	2	2	95	2	27	114	63	76	467

The World Bank/IFC/MIGA
O F F I C E M E M O R A N D U M

DATE: January 14, 1993 06:53pm

TO: Hans-Eberhard Kopp (HANS-EBERHARD KOPP)

FROM: Robert Picciotto, DGO (ROBERT PICCIOTTO)

EXT.: 84569

SUBJECT: RE: Question

I would like to see the audit reports at the same time as the Department is releasing them to the Region so that the Department has my feedback together with (or before) that of the Region and can take it into account before going to the borrower.

The same approach should be followed for studies. I want to see them after release by the department but before comments from outside the Department have been received.

In this way, I will not be prejudiced by comments received from outside the Department in shaping my own position.

Where the Department wishes my input prior to finalizing for review outside the Department, I am also willing to do so.

CC: Pablo Guerrero (PABLO GUERRERO)
CC: Rosa Maria Wiemann (ROSA MARIA WIEMANN)

THE WORLD BANK/IFC/M.I.G.A.

cc: GJ
 ✓ A

ROUTING SLIP		DATE: November 18, 1992	
NAME		ROOM NO.	
Mr. H. Eberhard Köpp			
cc: Mr. L. Landau			
URGENT		PER YOUR REQUEST	
FOR COMMENT		PER OUR CONVERSATION	
FOR ACTION		SEE MY EMAIL	
FOR APPROVAL/CLEARANCE		x	FOR INFORMATION
FOR SIGNATURE		LET'S DISCUSS	
NOTE AND CIRCULATE		NOTE AND RETURN	
RE: <u>Black Holes</u>			
REMARKS:			
<p>Attached is Luis' reply to the points raised by the DGO. It might be useful to discuss this in a Management Meeting.</p> <p>Attachment</p>			
FROM: Mark Baird		ROOM NO.:	EXTENSION:

ELC

MT 4

Transmittal Memo
 21 Review (B.H.)

OFFICE MEMORANDUM

DATE: November 16, 1992

TO: Mr. Mark Baird

FROM: Luis Landau *Luis Landau*

EXTENSION: 31662

SUBJECT: Black Holes: Follow Up

The DGO invited us to think about possible actions that OED could adopt to avoid seeing important findings ignored. A number of possibilities might work:

1. highlight the problem in a Transmittal Note from the DGO, as suggested by him; ✓
2. review President's Reports and other communications sent from the Region to the EDs on the particular country in question, during a few months following distribution of our audit, to see whether our findings are accurately reflected in "lessons of experience"; ✓
3. monitor more systematically Board discussions, especially on projects related to recent audits, to see how effectively EDs use specific OED findings;
4. include specific references to major findings of recent audits in the next Annual Review, and discuss the issue of adequacy of follow-up in the DGO's Annual Report; ✓
5. carry out a special OED "process" study of tranche release decisions; ✓
6. organize a special seminar on OED's work for Executive Directors (targeting recently appointed EDs). In this seminar we would make several presentations, and include selected references to key findings, to alert the audience to the significance of our audits. A residential seminar (away from the office) might be more effective; and, ✓ *general*
7. occasionally invite a sympathetic ED (e.g., a ranking member of the JAC) to a Departmental staff meeting.

Incidentally, the Jamaica audit did flag the issue in question in its Evaluation Summary, "Issues and Lessons" section, under two separate headings: Supervision and Monitoring (para. 14) and Process of Tranche Release (para. 15). Admittedly, the language could have been more forceful. Before publication of the audit, I was informally asked by someone in the Region if it was really necessary to report this finding.

CC: GO
YA
JL

A L L - I N - 1 N O T E

DATE: 12-Nov-1992 10:11pm

EL

TO: Hans-Eberhard Kopp (HANS-EBERHARD KOPP)
TO: Mark Baird (MARK BAIRD)

FROM: Robert Picciotto, DGO (ROBERT PICCIOTTO)

EXT.: 84569

SUBJECT: The Black Hole Syndrome

I sympathize with Luis Landau's basic point. It must be very depressing to OED staff to bring to light important audit findings only to find that they are studiously ignored by all concerned.

What to do ?

In future, I would suggest that the evaluator concerned put forward specific recommendations to OED management as to the course of action which ought to be taken when compliance problems emerge from an audit, e.g. one or more of the following actions :

- * bring key findings of apparent slip ups or irregularities to the attention of the Office of the President, the Ethics Officer or the Internal Audit Department;

- * highlight the problem in the DGO transmittal note;

- * arrange for the audit to be put on the agenda of the JAC or the Subcommittee;

- * arrange for (or have the EDs request) a special study to find out the extent of the problem;

etc. etc.

By the way, it is surprising that, in this case, the Region did not challenge anything (did they notice ?). Equally surprising is the fact that the lessons learnt section did not highlight the issue. Is this because it was viewed as an ambiguous finding ? Whatever the reason, it is understandable that the matter should have gone by unnoticed. EDs have thousands of pages to read every day and they cannot be expected to pore through every audit in hot pursuit of issues.

Clearly, many OED staff feel that the generic issue needs follow up. Therefore, I suggest that you discuss this matter at one of your Monday management meetings and let me know how you come out taking the Jamaica example as a test case.

2

1

What, if anything, should have been done differently ? Is it too

late to follow up ? What does Luis really think we should have
done ? What does OED management recommend ? And, beyond Jamaica,
what guidelines should we issue to OED staff ?

CC: Pablo Guerrero

(PABLO GUERRERO)

OFFICE MEMORANDUM

D. G. O.

'92 NOV 12 PM 4 27

NOV 17 1992

DATE: November 12, 1992

TO: Mr. Robert Picciotto, DGO

THROUGH: Mr. H. Eberhard Köpp, OEDDR

FROM: Mark Baird, OEDD2

EXTENSION: 31666

SUBJECT: Issues Raised in Audits: Response from EDs

*see my
EM*
↙

[Handwritten signature]

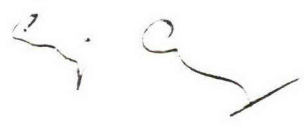
See attached note from Luis Landau, in response to an issue raised at yesterday's Department Meeting.

Attachment

OFFICE MEMORANDUM

DATE: November 11, 1992

TO: Mr. Mark Baird, Chief, OEDD2

FROM: Luis Landau, OEDD2 

EXTENSION: 31662

SUBJECT: Issues Raised in Audits: Response from EDs

We all enjoyed the frank and stimulating discussion at this morning's staff meeting.

One of the points raised by staff from our Division had to do with the limited attention that EDs seem to pay to our audits. In some cases the audits may bring to light significant findings, which one would expect EDs to care about, but there is no response at all from the Board. Such incidents tend to take the wind out of the staff's sails, and may lead to a feeling that nobody reads or cares about what our audits have to say.

The DGO commented that staff should do something, in similar circumstances, to attempt to alert the Board. In this connection, he may wish to read the section "Compliance with Conditionality" (paras. 3.9 - 3.15, pp. 11 - 14) of the attached PPAR, Jamaica: Public Enterprises Sector Adjustment Loan (OED Report No. 10836, dated June 30, 1992). The report found what would seem to be less than candid reporting by Management to the Board regarding compliance with conditionality for tranche release. The LAC Region did not raise any objections, when asked to comment on this report. So far nobody has reacted.

Do you think that we should bring these findings to the DGO's attention?

cc: MB
YA

ALL - I N - 1 N O T E

DATE: 27-Jan-1993 09:59pm

TO: Hans-Eberhard Kopp
TO: Graham Donaldson

(HANS-EBERHARD KOPP)
(GRAHAM DONALDSON)

FROM: Robert Picciotto, DGO

(ROBERT PICCIOTTO)

EXT.: 84569

SUBJECT: Nizao PAR

Please note the first three paragraphs of this E or from RP.

EK 1/28

EK

This is a good report. I would appreciate knowing the name of the author (in future cases as a note on the standard routing slip).

Another process point : you recall that following Luis Landau's "black hole" memorandum, we agreed to highlight key issues in the DGO transmittal note for PARs. In this case as well as in all future cases, I would appreciate such a note being drafted as a matter of course for PARs sent to me either in draft or in their final shape. No more than 3 issues or lessons learnt should be highlighted. Topics raised by the borrower, forward looking issues, broad procedural items and sector/country policy topics well illustrated in the audit would be especially welcome.

My main concern is about our apparent unresponsiveness to borrower's comments already in hand. It is simply not good enough to merely append the comments as annexes and not give them (and me) the courtesy of dealing with the issues they raise in the body of the report. Why, by the way, are we sending the report to the Government for a second round ?

In particular, should we not heed the comments made by the implementing agencies about the "conceptual hindsight" syndrome of the latter part of the document where new style approaches (sustainability; institutional capital, etc.) are retroactively applied to an old style project.

Is ONAPLAN correct in stating that this is very low cost irrigation ? Re: the IRR don't they have a valid point about the indirect benefits of irrigation (a general issue which I hope will be picked up in the Jones study) ? What about the issue of the storage capacity of the Valsevia dam ? What about INDHRI's valid question about the discrepancy between the PAR and the original PCR ?

May I see the original PIF and Note of Record ? Did we notice then that the PCR was "barely" satisfactory ? Did we challenge the ROR methodology ? Did we rate the project as unsatisfactory ? If not, should we not 'fess up to the deficiency of our own PCR review ?

If well established, the role of large farmers in preventing

water delivery to the minifundistas should probably be highlighted as a "lesson" and/or might be captured in the DGO note. Would you let me know whether this problem was established and documented by supervision and whether the Bank tried to intervene to rectify the problem in country dialogue, aide memoires, letters, etc. ?

All in all, a very sad story of missed development opportunities and a warning that we should remain vigilant in our own PCR reviews.

CC: Pablo Guerrero

(PABLO GUERRERO)

----- TOP -----

A L L - I N - 1 N O T E

DATE: 28-Jan-1993 11:06am

TO: Mark Baird

(MARK BAIRD)

TO: Yves Albouy

(YVES ALBOUY)

FROM: Hans-Eberhard Kopp, OEDDR

(HANS-EBERHARD KOPP)

EXT.: 31700

SUBJECT: Nizao PAR

Please note the first three paragraphs of this EM from RP.

----- ATTACHMENT -----

A L L - I N - 1 N O T E

DATE: 27-Jan-1993 09:59pm EST

TO: Hans-Eberhard Kopp

(HANS-EBERHARD KOPP)

Press RETURN to continue, GOLD MENU for options or EXIT to cancel

OFFICE MEMORANDUM

DATE: September 4, 1992

TO: Mr. H. Eberhard Köpp, Director, OEDDR

FROM: Paul Duane, Acting Chief, OEDD1

EXTENSION: 31730

SUBJECT: Audit Criteria and Ratios

1. We have examined the list of projects for which PCRs were reviewed between January 1, 1988 and June 30, 1992. There were 338 projects for which recommendations for audit are based on the seven selection criteria. The breakdown of the reasons for the recommendations is as follows:

(a)	Projects which are the first (in a given sector or subsector) in the country and project which are the last of a series	58
(b)	A series of project (usually two or three) which have been undertaken by the same borrower and which are suitable for packaging in a combined audit	162
(c)	Completed projects whose PCRs invite further inquiry because of the significance of the project experience	198
(d)	Large and complex projects, and projects with innovative or unusual features	49
(e)	Any projects which an Executive Director has proposed for performance audit	1
(f)	Projects with high lending priority	18
(g)	Necessary to contribute to Studies	36

2. Table 1 (attached) gives the audit ratios to 06/92 (40%) and to 06/93 (50% est.), and the "Recommended for Audit" ratio (72%). The difference between the numbers of projects in columns (3) and (4) is the FY93 program.

3. Table 2 (attached) gives the reasons for the audit recommendations in respect of column (5), Table 1, i.e., in respect of the 109 projects recommended for audit but not yet audited. An earlier version of this information was given to you on August 28, 1992.

cc: Messrs. Donaldson (o/r), Baird and Buky

Attachments

TABLE 1

**AUDIT RATIO FOR COMPLETED AND "RECOMMENDED FOR AUDIT" PROJECTS
(FOR PCR REVIEW PERIOD OF 01/01/88 TO 06/30/92)**

(1)	(2)	(3)	(4)	(5)	(6)
SECTOR	TOTAL PCRS REVIEWED	AUDITED (and %)		OTHER <u>a/</u>	AUDIT RATIO (PROPOSED) % (4) + (5) / (2)
		Up to 6/30/92 (Audit Ratio)	Up to 06/30/93 - est. (Audit Ratio)		
Agriculture	395	160 (41%)	211 (53%)	80	73%
Education	96	33 (34%)	42 (43%)	27	71%
PHN	17	5 (29%)	5 (29%)	2	41%
Total	508	198 (40%)	258 (51%)	109	72%

a/ Recommended for Audit, but not yet audited.

September 4, 1992

TABLE 2

**OEDDI - PCR REVIEWER ASSESSMENTS ON UNAUDITED PROJECTS
FOR PCRS PUBLISHED FOR PERIOD 01/01/88 - 07/01/92**

Total Number of Unaudited Projects for the period: 251

(of which)

Number of Projects not recommended for audit : 142

and

Number of Projects recommended for audit : 109
(Two audits in Somalia impossible to
carry out due to country conditions)

For the 109 projects recommended for audit, and not yet audited, the table below gives the breakdown of the reasons for the recommendations under the required categories.

(a)	Projects which are the first (in a given sector or subsector) in the country and project which are the last of a series	16
(b)	A series of project (usually two or three) which have been undertaken by the same borrower and which are suitable for packaging in a combined audit	50
(c)	Completed projects whose PCRs invite further inquiry because of the significance of the project experience	53
(d)	Large and complex projects, and projects with innovative or unusual features	21
(e)	Any projects which an Executive Director has proposed for performance audit	0
(f)	Projects with high lending priority	3
(g)	Necessary to contribute to Studies	9


September 4, 1992

OFFICE MEMORANDUM

CC: JK
EH

DATE: September 24, 1992

TO: Mr. H.E. Köpp, Director, OEDDR

FROM: Mark Baird, Chief, OEDD2 

EXTENSION: 31667

SUBJECT: Audit Coverage

1. As requested, we have looked at the regional and country coverage of recent investment audits. For this purpose, we have used the database on PCRs received from January 1988 to June 1992 (see my memorandum of September 8). The results are presented in the attached table. Three sectors are covered: industry, DFCs and other (basically technical assistance and emergency operations). Note that:

- audits include the FY93 program; and
- the proposed program includes audited projects.

2. The regional coverage of investment audits is as follows:

Region	Total PCRs	Audits		Audit Ratio (%)	
		----- Thru FY93	Proposed	----- Thru FY93	Proposed
Africa	66	30	35	45	53
East Asia	31	17	24	55	77
South Asia	20	4	11	20	55
Europe/C Asia	24	15	16	63	67
ME & N Africa	20	9	14	45	70
Latin America	45	19	31	42	69
Total	206	94	131	46	64

3. This shows that, by the end of FY93, we will have covered at least 40% of the PCRs in all regions except South Asia. In South Asia, the major shortfall is for Bangladesh, 1/ where we have eight PCRs on hand, of which four (for fertilizer and textile industries) have been proposed for audit. We propose to include these in the audit program for FY94, along with the audit of an industrial sector adjustment loan (for which the PCR is overdue).

1/ Note that we did audit five import program credits for Bangladesh in 1990. These fed into a country review of policy reforms.

4. We have also looked at the availability of audits for the proposed Country Strategy Reviews. The results are as follows:

Country	Ind.	DFC	Other	Total
Ghana			1	1
Indonesia				0
Hungary	1			1
Morocco	1	1		2
Cote d'Ivoire			1	1
Kenya		3		3
China		3		3
Bangladesh				0
Poland				0
Tunisia	3			3
Colombia				0
Jamaica			2	2
Nigeria			1	1
Malawi				0
Uganda			1	1
Zambia		1		1
Philippines		5	1	6
India		2		2
Turkey	4	7		11
Bulgaria				0
Romania				0
Argentina		2		2
Brazil	2	2		4
Venezuela				0
<u>Total</u>	<u>11</u>	<u>26</u>	<u>7</u>	<u>44</u>

5. While some countries are well covered (e.g., Turkey, Philippines), the overall picture is patchy. For eight countries, we have not audited any investment projects based on PCRs received since 1988.^{2/} To the extent possible, we have tried to fill some of the gaps through the proposed FY94 audit program. Sixteen of the proposed investment audits are in countries where Country Strategy Reviews are planned over the next three years. Of these, five are in countries (Bangladesh and Indonesia) where OEDD2 has not completed any recent investment audits.

Attachment

Messrs. Donaldson, Albouy.

^{2/} We have, however, audited a number of adjustment operations in these countries. We also need to look at the coverage of investment projects in other sectors.

Region/Country	Audited Thru FY93 /a				Proposed for Audit /b				Total PCRs			
	Ind.	DFC	Other	Total	Ind.	DFC	Other	Total	Ind.	DFC	Other	Total
India	0	2	0	2	0	2	1	3	0	2	1	3
Nepal	0	0	0	0	0	0	1	1	0	1	1	2
Pakistan	0	0	0	0	0	0	1	1	1	1	2	4
Sri Lanka	0	2	0	2	0	2	0	2	0	2	0	2
Europe & C. Asia	6	9	0	15	7	9	0	16	10	13	1	24
Hungary	1	0	0	1	1	0	0	1	1	0	0	1
Portugal	1	2	0	3	2	2	0	4	3	3	0	6
Romania	0	0	0	0	0	0	0	0	1	0	0	1
Spain	0	0	0	0	0	0	0	0	1	0	0	1
Turkey	4	7	0	11	4	7	0	11	4	7	1	12
Yugoslavia	0	0	0	0	0	0	0	0	0	3	0	3
M.E. & N. Africa	8	1	0	9	8	6	0	14	11	8	1	20
Egypt	3	0	0	3	3	4	0	7	5	4	0	9
Jordan	1	0	0	1	1	0	0	1	1	0	0	1
Morocco	1	1	0	2	1	1	0	2	1	2	0	3
Tunisia	3	0	0	3	3	1	0	4	4	1	1	6
Yemen	0	0	0	0	0	0	0	0	0	1	0	1
Latin America	3	13	3	19	3	22	6	31	9	27	9	45
Argentina	0	2	0	2	0	2	0	2	0	2	1	3
Barbados	0	0	0	0	0	2	0	2	0	2	0	2
Brazil	2	2	0	4	2	2	0	4	4	2	0	6
Bolivia	0	0	0	0	0	0	0	0	1	0	0	1
Caribbean Region	0	0	0	0	0	1	0	1	0	1	0	1
Chile	0	0	0	0	0	0	1	1	0	0	1	1
Colombia	0	0	0	0	0	2	0	2	1	4	0	5
Costa Rica	0	1	0	1	0	1	0	1	0	1	0	1
Ecuador	0	3	0	3	0	3	0	3	0	3	1	4
Haiti	0	0	0	0	0	0	0	0	0	1	0	1
Jamaica	0	0	2	2	0	0	3	3	0	0	3	3
Mexico	1	2	0	3	1	5	0	6	2	5	0	7
Nicaragua	0	0	0	0	0	0	0	0	0	1	0	1
Panama	0	0	1	1	0	0	1	1	0	0	1	1
Paraguay	0	0	0	0	0	1	0	1	0	1	0	1
Peru	0	3	0	3	0	3	1	4	1	3	2	6
Uruguay	0	0	0	0	0	0	0	0	0	1	0	1
Total	24	55	15	94	32	74	25	131	57	107	42	206


/a Based on current audit program for FY93.

/b Including audited projects.

OFFICE MEMORANDUM

DATE: September 8, 1992

TO: Mr. H.E. Köpp, Director, OEDDR

FROM: Mark Baird, Chief, OEDD2 

EXTENSION: 31667

SUBJECT: Audit Criteria and Ratios (Update)

1. As requested, we have reviewed the list of investment projects for which PCRs were reviewed between January 1, 1988 and June 30, 1992. The attached tables identify:

- projects which have already been audited and the criteria for selection (see attached list); and
- projects which are eligible for audit (but have not yet been audited) and the criteria for selection.

2. The results on audit ratios are summarized below:

	Total PCR Reviews	Already Audited	Proposed For Audit	Audit Ratio	
				----- To Date	Proposed
DFCs	107	49	25	46	69
Industry /a	57	19	13	33	56
Multisector /a	3	1	2	33	100
TA	39	12	9	31	54
<u>Total</u>	<u>206</u>	<u>81</u>	<u>49</u>	<u>39</u>	<u>63</u>

/a Excluding SECALs.

3. Of the 206 PCRs reviewed during this period, 81 have already been audited (as of June 30, 1992). This gives an audit ratio to date of 39%. Including the 49 additional audits selected according to the criteria would raise the proposed audit ratio to 63%.^{1/} By sector, the proposed audit ratio ranges from a low of 54% for technical assistance up to 100% for multisector operations.

^{1/} Note that 13 of the additional audits are included in our FY93 work program. By the end of FY93, therefore, the audit ratio will be up to 46%.

4. The criteria for selection are summarized below:

	(1)	(2)	(2)*	(3)	(4)	(5)	(6)	(7)
<u>DFCs</u>	<u>14</u>	<u>66</u>	<u>(34)</u>	<u>13</u>	<u>5</u>	<u>0</u>	<u>0</u>	<u>16</u>
Audited	10	45	(22)	10	4	0	0	6
Proposed	4	21	(12)	3	1	0	0	10
<u>Industry</u>	<u>25</u>	<u>20</u>	<u>(3)</u>	<u>12</u>	<u>6</u>	<u>0</u>	<u>0</u>	<u>10</u>
Audited	17	10	(0)	7	4	0	0	6
Proposed	8	10	(3)	5	2	0	0	4
<u>Multisector</u>	<u>3</u>	<u>1</u>	<u>(0)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Audited	1	1	(0)	0	0	0	0	0
Proposed	2	0	(0)	0	0	0	0	0
<u>TA</u>	<u>14</u>	<u>16</u>	<u>(6)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>9</u>
Audited	9	9	(1)	0	0	0	0	6
Proposed	5	7	(5)	0	0	0	0	3
<u>Total</u>	<u>56</u>	<u>103</u>	<u>(43)</u>	<u>25</u>	<u>11</u>	<u>0</u>	<u>0</u>	<u>35</u>
Audited	37	65	(23)	17	8	0	0	18
Proposed	19	38	(20)	8	3	0	0	17

Note: Each project can meet more than one criteria. Column (2)* shows the number of clustered projects which do not meet any other criteria.

5. Note that almost 80% of the projects audited or proposed for audit fit into clusters (Criterion 2). But, of these, more than half are also selected by other criteria. The most common are projects which are the first or last in a subsector in a country (Criterion 1) and projects which provide evidence for studies (Criterion 7). None of the audits are for projects proposed by an Executive Director (Criterion 5) or with a high lending priority (Criterion 6).

6. Most of the clusters that do not meet other audit criteria are in the DFC sector.^{2/} In some cases, this reflects a desire to provide adequate coverage of country experience (which should perhaps be added to the selection criteria for audits). Also note that there is now less lending for traditional DFC and industry projects (hence the absence of any projects with a high lending priority). Instead, we capture the more recent experience with financial and industrial sector loans through our adjustment audits.

cc: Messrs. Donaldson, Buky.

^{2/} In countries with a series of DFC operations, PCRs can be produced every five years for a cluster of projects. This then forms the basis for a cluster audit.

CRITERIA FOR AUDITING INVESTMENT PROJECTS

- (1) Projects which are the first (in a given sector or subsector) in the country and projects which are last in a series.
- (2) A series of projects (usually two or three) which have been undertaken by the same borrower and which are suitable for packaging in a combined audit.
- (3) Completed projects whose PCRs invite further inquiry because of the significance of the project experience.
- (4) Large and complex projects, and projects with innovative or unusual features.
- (5) Any projects which an Executive Director has proposed for performance audit.
- (6) Projects with a high lending priority.
- (7) Projects which provide evidence for a proposed study.

INVESTMENT PROJECTS AUDITED
(Based on PCRs Reviewed from 01/01/88 to 06/30/92)

OEDID	Country	Project	Criteria							Total Audits
			1	2	3	4	5	6	7	
DFC			10	45	10	4	0	0	6	49
L1172	Tanzania	Investment Bank II		1					1	1
L1498	Tanzania	Investment Bank III		1					1	1
L1745	Tanzania	TDFL	1	1					1	1
L1750	Tanzania	TIB		1					1	1
L1580	Mexico	FONEI III		1					1	1
L1712	Mexico	FONEI IV		1					1	1
L1748	Turkey	TSKB XIII		1						1
L1754	Turkey	Private Textile I		1						1
L1755	Turkey	Private Textile II		1						1
L1952	Turkey	Labor Int. Industry		1		1				1
L2093	Turkey	Export Industries		1		1				1
L1379	Turkey	Public Ind. Credit II		1						1
L1998	Turkey	State Ind. Ent. Finance		1						1
L1879	Ecuador	SSE		1						1
L2221	Ecuador	SSE II		1						1
L2096	Ecuador	Devel. Banking V	1							1
L1923	Zambia	Development Bank II	1							1
L2037	Morocco	BNDE IX	1							1
L1514	Philippines	Devel. Corp V		1						1
L1572	Philippines	Ind. Inv. Credit III		1						1
L1727	Philippines	SMI Devel. II		1						1
L1984	Philippines	Industrial Finance		1						1
L2189	Philippines	SMI Devel. III		1						1
L1338	Korea	Devel. Bank II		1						1
L1574	Korea	Devel. Bank III		1						1
L1933	Korea	Devel. Bank IV	1	1						1
L1843	India	ICIC XIII		1						1
L2051	India	ICIC XIV	1	1						1
C0750	Kenya	SSI		1						1
L1148	Kenya	Ind. Devel Bank II		1						1
L1438	Kenya	Ind. Devel Bank III		1						1
C1136	Senegal	Investment Promotion		1						1
L1332	Senegal	SFSDIT		1						1
L1942	Portugal	BFE II		1						1
L2903	Portugal	BFE III		1						1
C1182	Sri Lanka	SMI	1	1						1
C1401	Sri Lanka	Ind. Devel	1	1	1					1
C1313	China	CIB I		1	1					1
C1491	China	CIB II		1	1					1
C1663	China	CIB III		1	1					1
L1358	Peru	Ind. Credit I		1	1					1
L1968	Peru	Ind. Credit II		1	1					1
L2064	Peru	SSE	1	1	1					1
L1463	Argentina	Ind. Credit I		1	1					1
L2063	Argentina	Ind. Credit II		1	1					1
L1599	Costa Rica	Ind. Credit		1	1					1
L2225	Brazil	Devel. Banking II		1		1				1
L2488	Brazil	Devel. Banking III		1		1				1

INVESTMENT PROJECTS AUDITED
(Based on PCRs Reviewed from 01/01/88 to 06/30/92)

OEDID	Country	Project	Criteria							Total Audits
			1	2	3	4	5	6	7	
C1610	Mozambique	Rehab. Program	1							1
Industry			17	10	7	4	0	0	6	19
L1847	Turkey	Sumerbank Cotton Textile	1	1						1
L1608	Turkey	Erdemir Stage II Steel	1	1	1	1				1
C1328	West Africa	CIMAO Restructuring	1	1					1	1
L1295	West Africa	CIMAO Clinker	1	1						1
L2012	Tunisia	SOGITEX Textile Rehab.	1		1					1
L2301	Tunisia	Industry IV	1		1	1				1
L2113	Tunisia	Elect. & Mech. Inds	1							1
L2112	Korea	Tech. Devel.	1	1					1	1
C0833	Tanzania	Morogoro Textile	1						1	1
L1385	Tanzania	Morogoro Ind. Complex	1						1	1
L2109	Morocco	SS Mining Pilot	1							1
L2196	Brazil	Carajas Iron Ore	1		1	1				1
L2545	Brazil	NE Urban Flood Recon.	1							1
L2002	Egypt	Hadisob Rehab.	1	1	1					1
L2280	Egypt	El-Dikheila Rein. Bar		1	1	1				1
LS005	Egypt	Iron Ore Engineering		1	1					1
L1886	Mexico	Fertilizer II	1						1	1
L1747	Mauritania	Guelbs Iron Ore	1	1						1
L2397	Hungary	Ind. Export & Restructuring	1	1					1	1
Multisector			1	1	0	0	0	0	0	1
L1715	Jamaica	Export Development Fund	1	1						1
Technical Assistance			9	9	0	0	0	0	6	12
C0930	Togo	TA	1	1						1
C1270	Togo	TA II		1						1
C1077	Uganda	TA Credit	1							1
L2059	Cote d'Ivoire	TA	1	1					1	1
C1436	Ghana	Export Rehab. TA	1	1						1
C1428	Malawi	TA II		1					1	1
C1155	Madagascar	Acc. & Audit Org. Training	1						1	1
C1493	Niger	Eco. & Fin. Mgmt Improvement	1						1	1
L2106	Jamaica	TA	1	1						1
C1061	Senegal	TA for Eco. & Fin. Planning	1	1					1	1
C1398	Senegal	Parapublic TA II		1					1	1
L2788	Philippines	Economic Recovery TA	1	1						1
Total			37	65	17	8	0	0	18	81

INVESTMENT PROJECTS PROPOSED FOR AUDIT
(Based on PCRs Reviewed from 01/01/88 to 06/30/92)

OEDID	Country	Project	Criteria							Total Audits	FY93 WP?
			1	2	3	4	5	6	7		
DFC			4	21	3	1	0	0	10	25	6
L2004	Korea	SMI Bank IV		1						1	
L2144	Korea	Citizens National Bank II		1	1				1	1	1
L2215	Korea	SM Machinery Industry	1	1		1				1	
L2515	Korea	SMI		1	1				1	1	1
L2309	Korea	Industrial Finance	1	1	1				1	1	1
C0710	Zaire	DFC IV		1						1	1
C0998	Zaire	DFC V		1						1	1
C1273	Zaire	DFC VI		1						1	1
L1533	Egypt	DFC III		1						1	
L1804	Egypt	DFC		1						1	
L1842	Egypt	Misr Iran Devel. Bank		1						1	
L2074	Egypt	DIB V		1						1	
L1552	Mexico	SMI Development		1					1	1	
L1881	Mexico	SMI Development II		1					1	1	
L2142	Mexico	Capital Goods Ind. Devel.		1					1	1	
C1115	Solomon Is	Devel. Bank of SI							1	1	
C0980	Caribbean	Caribbean Devel. Bank II							1	1	
L1813	Barbados	Ind. Devel. & Export Prom.		1					1	1	
L2280	Barbados	Industrial Credit		1					1	1	
L1598	Colombia	DFC VII		1						1	
L1857	Colombia	DFC VIII		1						1	
C0785	Indonesia	Small Enterprise Devel.		1						1	
L2011	Indonesia	Small Enterprise Devel. II		1						1	
L1969	Tunisia	Small-scale Ind. Devel.	1							1	
L1866	Paraguay	Ind. Credit & Reg. Devel.	1							1	
Industry			8	10	5	2	0	0	4	13	5
L1617	Jordan	Arab Potash	1	1	1					1	1
L1649	Portugal	Fertilizer Modernization	1							1	
L1874	Portugal	Mechanical Industries	1	1	1					1	1
L2127	Philippines	Textile Restructuring	1						1	1	
L2486	Malawi	Wood Ind. Restructuring	1						1	1	
C1023	Bangladesh	Fertilizer Ind. Rehab.	1	1						1	
C1204	Bangladesh	Chittagong Urea Fertilizer		1						1	
C1205	Bangladesh	Textile Ind. Rehab.		1						1	
C1477	Bangladesh	Textile Ind. Rehab. II		1						1	
L1985	Turkey	Fert. Rat. & Energy Saving I	1	1	1					1	1
L2131	Turkey	Fert. Rat. & Energy Saving II		1	1					1	1
L2473	Korea	Technology Devel. II		1		1			1	1	
L1676	Korea	Electronics Technology	1	1	1	1			1	1	1

INVESTMENT PROJECTS PROPOSED FOR AUDIT
 (Based on PCRs Reviewed from 01/01/88 to 06/30/92)

OEDID	Country	Project	Criteria							Total Audits	FY93 WP?
			1	2	3	4	5	6	7		
Multisector			2	0	0	0	0	0	0	2	0
C1852	India	Drought Assistance	1							1	
L3012	Jamaica	Emergency Recon. Import	1							1	
Technical Assistance			5	7	0	0	0	0	3	9	2
C1060	Tanzania	TA II		1						1	
C1168	Cameroon	Technical Coop. II		1						1	
C1150	CAR	TA I	1	1						1	
C1581	CAR	TA II		1						1	
C1379	Nepal	TA II		1						1	
C1480	Pakistan	TA II		1						1	
L2504	Chile	Public Sector Mgmt.	1						1	1	
L2204	Peru	Public Sector Mgmt.	1						1	1	
C1217	Rwanda	TA I	1						1		1
L2358	Panama	TA I	1	1						1	1
Total			19	38	8	3	0	0	17	49	13

OFFICE MEMORANDUM

DATE: September 18, 1992

TO: Mr. Hans-Eberhard Köpp, Director OED

FROM: *Jozsef B. Büky*
Jozsef B. Büky

EXTENSION: 31684

SUBJECT: Selection of Projects for Audit

Following my memos of September 11 and 14, 1992 and in accordance with your request I now attach the following with respect to Division 3 work:

Table A - Projects Audited and Reasons for Selection - by Country

Table B - Projects Audited and Reasons for Selection - by Sector

Table C - Projects Recommended for Audit and Reasons for Selection - by Country

Table D - Projects Recommended for Audit and Reasons for Selection - by Sector

If further details are required in my absence on mission, Aracely has the material and details.

cc: Messrs. Donaldson, Baird, Albouy, Lowther

DIVISION III

PROJECTS AUDITED (BY COUNTRY) AND REASONS FOR SELECTION

9/17/92

JANUARY 1, 1988 - JUNE 30, 1992

Country	Count of A	Count of B	Count of C	Count of D	Count of E	Count of F	Count of G
Algeria	1	0	0	0	0	0	0
Argentina	0	4	0	0	0	0	0
Bangladesh	0	0	0	0	0	0	0
Botswana	1	2	0	1	0	0	0
Brazil	0	6	2	3	0	0	1
Burundi	0	1	0	0	0	0	0
Cameroon	1	0	0	0	0	0	2
Central African Republic	0	2	0	0	0	0	2
Chile	1	0	0	0	0	0	0
China	0	0	0	0	0	0	0
Colombia	0	0	0	0	0	0	0
Congo	0	0	0	0	0	0	0
Costa Rica	0	2	0	0	0	0	0
Cote d'Ivoire	0	0	1	1	0	0	0
Cyprus	0	1	0	1	0	0	1
Ecuador	1	2	0	0	0	0	1
Egypt	0	2	2	0	0	0	0
Guatemala	0	0	2	2	0	0	0
Honduras	0	1	0	0	0	0	0
India	1	2	2	2	0	0	2
Indonesia	0	0	0	0	0	0	0
Jordan	0	0	0	0	0	0	0
Kenya	0	0	1	0	0	0	0
Korea	0	6	1	0	0	0	2
Lesotho	1	0	0	0	0	0	0
Liberia	0	0	0	0	0	0	0
Madagascar	1	0	0	1	0	0	0
Malawi	0	0	0	0	0	0	0
Malaysia	0	2	0	0	0	0	0
Mali	0	0	0	0	0	0	0

DIVISION III

PROJECTS AUDITED (BY COUNTRY) AND REASONS FOR SELECTION

Page 2

JANUARY 1, 1988 - JUNE 30, 1992

Country	Count of A	Count of B	Count of C	Count of D	Count of E	Count of F	Count of G
Morocco	1	3	2	0	0	0	0
Nepal	0	0	1	1	0	0	0
Nigeria	0	2	0	0	0	0	0
Pakistan	0	1	1	1	0	0	0
Peru	0	0	0	0	0	0	0
Philippines	0	0	3	1	0	0	5
Rwanda	0	0	0	0	0	0	1
Senegal	0	0	0	0	0	0	0
Somalia	1	0	1	1	0	0	1
Sudan	0	2	0	0	0	0	0
Swaziland	0	0	0	0	0	0	0
Tanzania	0	0	0	0	0	0	1
Thailand	1	2	1	1	0	0	2
Togo	0	3	0	0	0	0	2
Tunisia	0	0	0	0	0	0	0
Turkey	0	1	1	2	0	0	3
Yemen AR	0	0	0	0	0	0	0
Yemen PDR	0	0	0	0	0	0	0
Yugoslavia	0	3	0	0	0	0	0
Zaire	0	0	2	0	0	0	0
Zambia	0	0	0	0	0	0	1
Zimbabwe	0	0	0	0	0	0	0

PROJECTS AUDITED (COUNTRY) AND REASONS FOR SELECTION

JANUARY 1, 1999 - JUNE 30, 1992

Country	Report	OED ID	Pub	Title	A	B	C	D	E	F	G
Algeria	08772	L1545	6/21/90	Algiers sewerage project	X						
Argentina	10254	L0734	12/03/91	Third highway project		X					
Argentina	10254	L1384	12/03/91	Fourth highway project		X					
Argentina	10255	L0733	12/31/91	First railway project		X					
Argentina	10255	L1677	12/31/91	Second railway project		X					
Bangladesh	07954	C0053	6/30/89	Highways project							
Bangladesh	07954	C0964	6/30/89	Second highway project							
Botswana	08821	L2209	6/29/90	Power project							
Botswana	08829	C0471	6/25/90	Francistown urban development project	X	X		X			
Botswana	08829	L1584	6/25/90	Second urban project		X					
Brazil	07088	L1823	1/14/88	Southern states water supply and sewerage project							
Brazil	07581	L1654	12/31/88	Sites and services and low cost housing project							
Brazil	07720	L1822	4/10/89	Sao Paulo industrial pollution control project							
Brazil	08302	L1720	12/29/89	Medium-sized cities project							
Brazil	08461	L1557	3/23/90	Sixth highway project							
Brazil	08887	L1989	6/29/90	Alcohol and biomass energy development project							
Brazil	09267	L2720	12/31/90	Power sector loan							
Brazil	09367	L1730	2/15/91	Second feeder roads project		X	X	X			X
Brazil	10781	L1656	6/23/92	Northeast water supply and sewerage project		X					
Brazil	10781	L1850	6/23/92	Third Minas Gerais water supply and sewerage project		X					
Brazil	10832	L1965	6/26/92	Third urban transport project		X					
Brazil	10832	L2170	6/26/92	Recife metropolitan region development project		X	X	X			
Brazil	10832	L2343	6/26/92	Parana market towns improvement project		X		X			
Burundi	07898	C1049	6/30/89	Urban development project							
Burundi	09734	C1132	6/24/91	Third highway project		X					
Cameroon	07828	C0749	6/12/89	Feeder roads project							X
Cameroon	07828	C0926	6/12/89	Fourth highway project							X
Cameroon	07828	C0936	6/12/89	Fourth railway project							
Cameroon	08831	L2244	6/25/90	Urban development project	X						
Central African Republic	08539	C0847	4/18/90	Third highway project		X					X

PROJECTS AUDITED (COUNTRY) AND REASONS FOR SELECTION

JANUARY 1, 1999 - JUNE 30, 1992

Country	Report	OED ID	Pub	Title	A	B	C	D	E	F	G
Central African Republic	08539	C1258	4/18/90	Fourth highway project		X					X
Chile	10448	L2482	3/27/92	Public sector housing project	X						
Chile	10464	L1832	3/19/92	Water supply project							
China	09695	L2207	6/10/91	Three ports project							
China	09735	L2394	6/24/91	First railway project							
Colombia	07452	L1694	10/05/88	Second (Cartagena) urban development project							
Congo	08898	C1047	6/29/90	Second railway project (supplement)							
Costa Rica	09416	L1187	3/01/91	Fourth highway project		X					
Costa Rica	09416	L1845	3/01/91	Fifth highway project		X					
Cote d'Ivoire	08757	L2048	6/08/90	Second urban development project							
Cote d'Ivoire	09589	L2189	5/22/91	Petroleum exploration and development project			X	X			
Cyprus	09911	L2286	9/27/91	Energy planning and conservation project		X		X			X
Ecuador	10238	L1776	12/31/91	Guayaquil urban development project	X	X					
Ecuador	10238	L2135	12/31/91	National low-income housing project		X					X
Egypt	07301	L1239	6/22/88	Port of Alexandria project							
Egypt	09725	C0935	6/28/91	Shoubrah El Kheima thermal power project		X	X				
Egypt	09725	C1052	6/28/91	Third power project		X	X				
Guatemala	10830	L1426	6/30/92	Agucapa power project			X	X			
Guatemala	10830	L1605	6/30/92	Chixoy power project			X	X			
Honduras	07901	C0989	6/30/89	El Cajon power project		X					
India	07202	C0899	4/13/88	Maharashtra water supply and sewerage project							
India	07912	C1033	6/29/89	Calcutta urban transport project							
India	07915	C1112	6/30/89	Eighth telecommunications project							
India	07915	L1592	6/30/89	Seventh telecommunications project							
India	09265	C0842	12/31/90	Second Bombay water supply and sewerage project			X	X			X

PROJECTS AUDITED (COUNTRY) AND REASONS FOR SELECTION

JANUARY 1, 1999 - JUNE 30, 1992

Country	Report	OED ID	Pub	Title	A	B	C	D	E	F	G
India	09266	C1046	12/31/90	Rajasthan water supply and sewerage project			X				X
India	09742	L2123	6/28/91	Refineries rationalization and energy conservation project							
India	09910	C1072	9/23/91	Bihar rural roads project	X						
India	10579	C1082	4/22/92	Madras second urban development project		X		X			
India	10579	C1185	4/22/92	Kanpur urban development project		X					
India	10839	L2241	6/29/92	South Bassein offshore gas development project							
Indonesia	07743	L1696	5/05/89	Fifth highway project							
Indonesia	07902	L1708	6/26/89	Eighth power project							
Indonesia	07902	L1872	6/26/89	Ninth power project							
Indonesia	07902	L1950	6/26/89	Tenth power project							
Indonesia	08622	L1709	4/30/90	Second water supply (seven cities) project							
Jordan	07225	L1826	4/27/88	Cities and villages development bank project							
Kenya	09560	L1305	5/10/91	Rural access roads project							
Kenya	09730	C0791	6/28/91	Second urban project			X				
Kenya	10734	L2065	6/17/92	Petroleum exploration promotion project							
Korea	08174	L2072	11/06/89	Water supply project							
Korea	09587	L1640	5/20/91	Fourth highway project		X					
Korea	09587	L2228	5/20/91	Provincial and county roads project		X	X				X
Korea	09587	L2392	5/20/91	Highway sector project		X					X
Korea	09610	L1758	5/31/91	Second Gwangju regional project		X					
Korea	09723	L1980	6/28/91	National urban land development and housing project		X					
Korea	09723	L2216	6/28/91	Second national urban land development and housing project		X					
Lesotho	09146	C1036	11/30/90	Urban development project	X						
Liberia	07865	C1223	6/23/89	Monrovia urban development project							
Madagascar	08879	C1002	6/29/90	Antananarivo water and sanitation project	X			X			
Malawi	07568	C1099	12/31/88	Fourth highway project							
Malaysia	07303	L1376	6/22/88	Third highway project							
Malaysia	10831	L2146	6/30/92	Rural electrification project		X					

PROJECTS AUDITED (COUNTRY) AND REASONS FOR SELECTION

JANUARY 1, 1999 - JUNE 30, 1992

Country	Report	OED ID	Pub	Title	A	B	C	D	E	F	G
Malaysia	10831	L2438	6/30/92	Eleventh power project		X					
Mali	07880	C0943	6/23/89	Urban development project							
Morocco	08640	L2271	5/04/90	Petroleum exploration and Essaouira appraisal project							
Morocco	08725	L1724	6/08/90	Second water supply project		X	X				
Morocco	09729	L1528	6/28/91	Rabat urban development project	X	X	X				
Morocco	09729	L1944	6/28/91	Second urban development project		X					
Nepal	09158	C1059	11/30/90	Third water supply and sewerage project			X	X			
Nigeria	08758	L1767	6/08/90	Urban development project							
Nigeria	08822	L1766	6/29/90	Lagos power distribution project		X					
Nigeria	08822	L2085	6/29/90	Sixth power (transmission and distribution) project		X					
Pakistan	07741	C0974	4/28/89	Third highway project							
Pakistan	07942	C0968	6/30/89	Third Water and Power Development Authority (WAPDA) power project							
Pakistan	08463	L2374	3/15/90	Second Toot oil and gas development project			X	X			
Pakistan	08726	L2552	6/12/90	Energy sector loan project							
Pakistan	10015	C1278	10/18/91	Eleventh railway project							
Pakistan	10015	L1372	10/18/91	Tenth railway project		X					
Peru	07944	L1806	6/30/89	Petroleum production rehabilitation project							
Philippines	07092	L1272	1/19/88	Manila urban development project							
Philippines	07092	L1647	1/19/88	Second urban development project							
Philippines	07316	L1353	6/30/88	Third highway project							X
Philippines	08574	L1460	4/20/90	Seventh power project							
Philippines	09667	L2181	6/21/91	Coal exploration project							X
Philippines	09667	L2201	6/21/91	Petroleum exploration promotion project			X				X
Philippines	09667	L2202	6/21/91	Petroleum exploration promotion project			X				X
Philippines	09667	L2203	6/21/91	Geothermal exploration project			X	X			X
Rwanda	09503	C0769	4/19/91	Fourth highway project							X
Senegal	09644	C0993	6/10/91	Fourth highway project							
Senegal	09644	C1448	6/10/91	Fifth highway project							

PROJECTS AUDITED (COUNTRY) AND REASONS FOR SELECTION

JANUARY 1, 1999 - JUNE 30, 1992

Country	Report	OED ID	Pub	Title	A	B	C	D	E	F	G
Somalia	09727	C1236	6/28/91	Second Mogadishu water supply project	X		X	X			
Somalia	09728	C1043	6/28/91	Petroleum exploration promotion project							X
Sudan	09586	C0331	5/20/91	Highway project		X					
Sudan	09586	C0882	5/20/91	Second highway project		X					
Swaziland	08823	L2009	6/29/90	Third power project							
Tanzania	07571	C0743	12/31/88	Trucking industry rehabilitation and improvement project							X
Thailand	07201	L2184	4/13/88	Liquified petroleum gas project							
Thailand	07761	L1918	5/15/89	Bangkok and Sattahip ports project							
Thailand	07943	L1620	6/30/89	Third telecommunications project							
Thailand	07943	L2143	6/30/89	Fourth telecommunications project							
Thailand	08447	L2035	3/16/90	Provincial roads project							
Thailand	10855	L1863	6/30/92	Provincial water supply project	X		X	X			
Thailand	10856	L1871	6/30/92	Second accelerated rural electrification project		X					X
Thailand	10856	L2312	6/30/92	Provincial power distribution project		X					X
Togo	08858	C0693	6/29/90	Third highway project		X					
Togo	08858	C0810	6/29/90	Feeder roads project		X					X
Togo	08858	C1139	6/29/90	Fourth highway project		X					X
Tunisia	07182	L1601	4/11/88	Rural roads project							
Tunisia	07917	L1675	6/30/89	Second urban sewerage project							
Tunisia	08754	L1864	6/13/90	Second natural gas pipeline project							
Turkey	09366	L1741	2/15/91	Ports rehabilitation project							
Turkey	09366	L2137	2/15/91	Highway rehabilitation project				X			
Turkey	09748	L1916	6/25/91	Petroleum exploration project							X
Turkey	09748	L1917	6/25/91	Bati Raman enhanced oil recovery project		X	X	X			
Turkey	09748	L2327	6/25/91	Thrace gas exploration project							X
Turkey	09748	LS013	6/25/91	Bati Raman enhanced oil recovery engineering project							X
Yemen AR	07312	C0794	6/24/88	Third highway project							
Yemen AR	07553	C0670	12/27/88	Second Sana'a water supply and sewerage project							

PROJECTS AUDITED (COUNTRY) AND REASONS FOR SELECTION

JANUARY 1, 1999 - JUNE 30, 1992

Country	Report	OED ID	Pub	Title	A	B	C	D	E	F	G
Yemen PDR	07311	C1144	6/24/88	Third highway project							
Yemen PDR	07311	C1295	6/24/88	"A"Roads flood reconstruction project							
Yemen PDR	07582	C1038	12/31/88	Greater Aden water supply project							
Yugoslavia	08894	L1026	6/29/90	Fourth railway project		X					
Yugoslavia	08894	L1534	6/29/90	Fifth railway project		X					
Yugoslavia	08894	L1977	6/29/90	Kosovo railway project		X					
Zaire	07914	C1241	6/30/89	Second water supply project							
Zaire	09736	C0916	6/24/91	Fourth highway project			X				
Zaire	09736	C1290	6/24/91	Fifth highway project			X				
Zambia	07957	C0973	6/30/89	Third railway project							
Zambia	09590	L2152	5/22/91	Petroleum exploration promotion project							X
Zimbabwe	08619	L1994	5/04/90	Transport rehabilitation imports program							

9/17/92

PROJECTS AUDITED BY SECTOR/SUBSECTOR AND REASONS FOR SELECTION
JANUARY 1, 1988 - JUNE 30, 1992

SECTOR	SUBSECTOR	A	B	C	D	E	F	G
ENERGY & PUBLIC UTILITIES	ENERGY		2	6	5			10
ENERGY & PUBLIC UTILITIES	POWER		9	4	2			2
ENERGY & PUBLIC UTILITIES	TELECOMMUNICATIONS							
ENERGY & PUBLIC UTILITIES	WATER SUPPLY	4	3	6	5			2
TRANSPORT & TOURISM	HIGHWAYS	1	16	4	2			12
TRANSPORT & TOURISM	PORTS							
TRANSPORT & TOURISM	RAILWAYS		6					
URBAN		6	14	3	4			1
TOTAL ALL SECTORS/ SUBSECTORS		11	50	23	18			27

PROJECTS AUDITED (BY SECTOR/SUBSECTOR) AND REASONS FOR SELECTION

Sector :Energy & Public Utilities

JANUARY 1, 1988 - JUNE 30, 1992

Subsector :Power

Report	OED ID	Pub	Country	Title	Criteria for Recommendation							
					A	B	C	D	E	F	G	
07901	C0989	6/30/89	Honduras	El Cajon power project		X						
07902	L1708	6/26/89	Indonesia	Eighth power project								
07902	L1872	6/26/89	Indonesia	Ninth power project								
07902	L1950	6/26/89	Indonesia	Tenth power project								
07942	C0968	6/30/89	Pakistan	Third Water and Power Development Authority (WAPDA) power project								
08574	L1460	4/20/90	Philippines	Seventh power project								
08821	L2209	6/29/90	Botswana	Power project								
08822	L1766	6/29/90	Nigeria	Lagos power distribution project		X						
08822	L2085	6/29/90	Nigeria	Sixth power (transmission and distribution) project		X						
08823	L2009	6/29/90	Swaziland	Third power project								
09267	L2720	12/31/90	Brazil	Power sector loan								
09725	C0935	6/28/91	Egypt	Shoubrah El Kheima thermal power project		X	X					
09725	C1052	6/28/91	Egypt	Third power project		X	X					
10830	L1426	6/30/92	Guatemala	Agucapa power project			X	X				
10830	L1605	6/30/92	Guatemala	Chixoy power project			X	X				
10831	L2146	6/30/92	Malaysia	Rural electrification project		X						
10831	L2438	6/30/92	Malaysia	Eleventh power project		X						
10856	L1871	6/30/92	Thailand	Second accelerated rural electrification project		X						X
10856	L2312	6/30/92	Thailand	Provincial power distribution project		X						X

PROJECTS AUDITED (BY SECTOR/SUBSECTOR) AND REASONS FOR SELECTION

JANUARY 1, 1988 - JUNE 30, 1992

Sector :Energy & Public Utilities

Subsector :Telecommunications

Criteria for Recommendation

Report	OED ID	Pub	Country	Title	A	B	C	D	E	F	G
07915	C1112	6/30/89	India	Eighth telecommunications project							
07915	L1592	6/30/89	India	Seventh telecommunications project							
07943	L1620	6/30/89	Thailand	Third telecommunications project							
07943	L2143	6/30/89	Thailand	Fourth telecommunications project							

PROJECTS AUDITED (BY SECTOR/SUBSECTOR) AND REASONS FOR SELECTION

JANUARY 1, 1988 - JUNE 30, 1992

Sector :Energy & Public Utilities

Subsector :Water Supply

Report	OED ID	Pub	Country	Title	Criteria for Recommendation							
					A	B	C	D	E	F	G	
07088	L1823	1/14/88	Brazil	Southern states water supply and sewerage project								
07202	C0899	4/13/88	India	Maharashtra water supply and sewerage project								
07553	C0670	12/27/88	Yemen AR	Second Sana'a water supply and sewerage project								
07582	C1038	12/31/88	Yemen PDR	Greater Aden water supply project								
07720	L1822	4/10/89	Brazil	Sao Paulo industrial pollution control project								
07914	C1241	6/30/89	Zaire	Second water supply project								
07917	L1675	6/30/89	Tunisia	Second urban sewerage project								
08174	L2072	11/06/89	Korea	Water supply project								
08622	L1709	4/30/90	Indonesia	Second water supply (seven cities) project								
08725	L1724	6/08/90	Morocco	Second water supply project		X	X					
08772	L1545	6/21/90	Algeria	Algiers sewerage project	X							
08879	C1002	6/29/90	Madagascar	Antananarivo water and sanitation project	X			X				
09158	C1059	11/30/90	Nepal	Third water supply and sewerage project			X	X				
09265	C0842	12/31/90	India	Second Bombay water supply and sewerage project			X	X			X	
09266	C1046	12/31/90	India	Rajasthan water supply and sewerage project			X				X	
09727	C1236	6/28/91	Somalia	Second Mogadishu water supply project	X		X	X				
10464	L1832	3/19/92	Chile	Water supply project								
10781	L1656	6/23/92	Brazil	Northeast water supply and sewerage project		X						
10781	L1850	6/23/92	Brazil	Third Minas Gerais water supply and sewerage project		X						
10855	L1863	6/30/92	Thailand	Provincial water supply project	X		X	X				

PROJECTS AUDITED (BY SECTOR/SUBSECTOR) AND REASONS FOR SELECTION

Sector :Transport & Tourism

JANUARY 1, 1988 - JUNE 30, 1992

Subsector :Highways

Criteria for Recommendation

Report	OED ID	Pub	Country	Title	A	B	C	D	E	F	G
07182	L1601	4/11/88	Tunisia	Rural roads project							
07303	L1376	6/22/88	Malaysia	Third highway project							
07311	C1144	6/24/88	Yemen PDR	Third highway project							
07311	C1295	6/24/88	Yemen PDR	"A"Roads flood reconstruction project							
07312	C0794	6/24/88	Yemen AR	Third highway project							
07316	L1353	6/30/88	Philippines	Third highway project							X
07568	C1099	12/31/88	Malawi	Fourth highway project							
07571	C0743	12/31/88	Tanzania	Trucking industry rehabilitation and improvement project							X
07741	C0974	4/28/89	Pakistan	Third highway project							
07743	L1696	5/05/89	Indonesia	Fifth highway project							
07828	C0749	6/12/89	Cameroon	Feeder roads project							X
07828	C0926	6/12/89	Cameroon	Fourth highway project							X
07912	C1033	6/29/89	India	Calcutta urban transport project							
07954	C0053	6/30/89	Bangladesh	Highways project							
07954	C0964	6/30/89	Bangladesh	Second highway project							
08447	L2035	3/16/90	Thailand	Provincial roads project							
08461	L1557	3/23/90	Brazil	Sixth highway project							
08539	C0847	4/18/90	Central African Republic	Third highway project		X					X
08539	C1258	4/18/90	Central African Republic	Fourth highway project		X					X
08858	C0693	6/29/90	Togo	Third highway project		X					
08858	C0810	6/29/90	Togo	Feeder roads project		X					X
08858	C1139	6/29/90	Togo	Fourth highway project		X					X
09366	L2137	2/15/91	Turkey	Highway rehabilitation project				X			
09367	L1730	2/15/91	Brazil	Second feeder roads project		X	X	X			X
09416	L1187	3/01/91	Costa Rica	Fourth highway project		X					
09416	L1845	3/01/91	Costa Rica	Fifth highway project		X					
09503	C0769	4/19/91	Rwanda	Fourth highway project							X
09560	L1305	5/10/91	Kenya	Rural access roads project							
09586	C0331	5/20/91	Sudan	Highway project		X					
09586	C0882	5/20/91	Sudan	Second highway project		X					
09587	L1640	5/20/91	Korea	Fourth highway project		X					
09587	L2228	5/20/91	Korea	Provincial and county roads project		X	X				X
09587	L2392	5/20/91	Korea	Highway sector project		X					X
09644	C0993	6/10/91	Senegal	Fourth highway project							
09644	C1448	6/10/91	Senegal	Fifth highway project							

PROJECTS AUDITED (BY SECTOR/SUBSECTOR) AND REASONS FOR SELECTION

Sector :Transport & Tourism

JANUARY 1, 1988 - JUNE 30, 1992

Subsector :Highways

Report	OED ID	Pub	Country	Title	Criteria for Recommendation							
					A	B	C	D	E	F	G	
09734	C1132	6/24/91	Burundi	Third highway project		X						
09736	C0916	6/24/91	Zaire	Fourth highway project			X					
09736	C1290	6/24/91	Zaire	Fifth highway project			X					
09910	C1072	9/23/91	India	Bihar rural roads project	X							
10254	L0734	12/03/91	Argentina	Third highway project		X						
10254	L1384	12/03/91	Argentina	Fourth highway project		X						

PROJECTS AUDITED (BY SECTOR/SUBSECTOR) AND REASONS FOR SELECTION

Sector :Transport & Tourism

JANUARY 1, 1988 - JUNE 30, 1992

Subsector :Ports

Criteria for Recommendation

Report	OED ID	Pub	Country	Title	A	B	C	D	E	F	G
07301	L1239	6/22/88	Egypt	Port of Alexandria project							
07761	L1918	5/15/89	Thailand	Bangkok and Sattahip ports project							
09366	L1741	2/15/91	Turkey	Ports rehabilitation project							
09695	L2207	6/10/91	China	Three ports project							

PROJECTS AUDITED (BY SECTOR/SUBSECTOR) AND REASONS FOR SELECTION

Sector :Transport & Tourism

JANUARY 1, 1988 - JUNE 30, 1992

Subsector :Railways

Report	OED ID	Pub	Country	Title	Criteria for Recommendation							
					A	B	C	D	E	F	G	
07828	C0936	6/12/89	Cameroon	Fourth railway project								
07957	C0973	6/30/89	Zambia	Third railway project								
08619	L1994	5/04/90	Zimbabwe	Transport rehabilitation imports program								
08894	L1026	6/29/90	Yugoslavia	Fourth railway project		X						
08894	L1534	6/29/90	Yugoslavia	Fifth railway project		X						
08894	L1977	6/29/90	Yugoslavia	Kosovo railway project		X						
08898	C1047	6/29/90	Congo	Second railway project (supplement)								
09735	L2394	6/24/91	China	First railway project								
10015	C1278	10/18/91	Pakistan	Eleventh railway project								
10015	L1372	10/18/91	Pakistan	Tenth railway project		X						
10255	L0733	12/31/91	Argentina	First railway project		X						
10255	L1677	12/31/91	Argentina	Second railway project		X						

PROJECTS AUDITED (BY SECTOR/SUBSECTOR) AND REASONS FOR SELECTION

JANUARY 1, 1988 - JUNE 30, 1992

Sector :Urban

Subsector :

Report	OED ID	Pub	Country	Title	Criteria for Recommendation							
					A	B	C	D	E	F	G	
07092	L1272	1/19/88	Philippines	Manila urban development project								
07092	L1647	1/19/88	Philippines	Second urban development project								
07225	L1826	4/27/88	Jordan	Cities and villages development bank project								
07452	L1694	10/05/88	Colombia	Second (Cartagena) urban development project								
07581	L1654	12/31/88	Brazil	Sites and services and low cost housing project								
07865	C1223	6/23/89	Liberia	Monrovia urban development project								
07880	C0943	6/23/89	Mali	Urban development project								
07898	C1049	6/30/89	Burundi	Urban development project								
08302	L1720	12/29/89	Brazil	Medium-sized cities project								
08757	L2048	6/08/90	Cote d'Ivoire	Second urban development project								
08758	L1767	6/08/90	Nigeria	Urban development project								
08829	C0471	6/25/90	Botswana	Francistown urban development project	X	X		X				
08829	L1584	6/25/90	Botswana	Second urban project		X						
08831	L2244	6/25/90	Cameroon	Urban development project	X							
09146	C1036	11/30/90	Lesotho	Urban development project	X							
09610	L1758	5/31/91	Korea	Second Gwangju regional project		X						
09723	L1980	6/28/91	Korea	National urban land development and housing project		X						
09723	L2216	6/28/91	Korea	Second national urban land development and housing project		X						
09729	L1528	6/28/91	Morocco	Rabat urban development project	X	X	X					
09729	L1944	6/28/91	Morocco	Second urban development project		X						
09730	C0791	6/28/91	Kenya	Second urban project			X					
10238	L1776	12/31/91	Ecuador	Guayaquil urban development project	X	X						
10238	L2135	12/31/91	Ecuador	National low-income housing project		X						X
10448	L2482	3/27/92	Chile	Public sector housing project	X							
10579	C1082	4/22/92	India	Madras second urban development project		X		X				
10579	C1185	4/22/92	India	Kanpur urban development project		X						
10832	L1965	6/26/92	Brazil	Third urban transport project		X						
10832	L2170	6/26/92	Brazil	Recife metropolitan region development project		X	X	X				
10832	L2343	6/26/92	Brazil	Parana market towns improvement project		X		X				

DIVISION 3 - PROJECTS RECOMMENDED FOR FUTURE AUDITING (BY COUNTRY) (PCRs received between January 1, 1988 and June 30, 1992)									
OED ID	Ctry.	Project	Criteria for Recommendation						
			a	b	c	d	e	f	g
L1892	ALG	FOURTH HIGHWAY		X					
		TOTAL		1					
				1					
L2031	ARG	OIL AND GAS				X			
L1880	ARG	OIL AND GAS ENGR.		X					
		TOTAL		1		1			
C1321	BAN	THIRD TELECOMM			X				
C0934	BAN	KHULNA POWER DIST	X						
C1096	BAN	FERTILIZER TRANS				X			
		TOTAL	1		1	1			
L1940	BA	POWER			X				
		TOTAL			1				
C1142	BE	FOURTH HIGHWAY							X
C1485	BE	THIRD FEEDER							X
		TOTAL							2
L2273	BE	ROAD MAIN AND REHAB	X						
		TOTAL	1						
L1490	BEL	URBAN		X					
		TOTAL		1					

DIVISION 3 - PROJECTS RECOMMENDED FOR FUTURE AUDITING (BY COUNTRY)
(PCRs received between January 1, 1988 and June 30, 1992)

OED ID	Ctry.	Project	Criteria for Recommendation						
			a	b	c	d	e	f	g
L1824	BRA	CEEE POWER DISTRIB.			X				
L1939	BRA	ELECTRIC POWER SYS			X				
L1970	BRA	WATER SUPP/SEWER		X					
L2026	BRA	NORTHWEST REGION		X					
L2941	BRA	PORTS T.A.				X			
L2193	BRA	METROPOLITAN DEV		X					
		TOTAL		3	2	1			
<hr/>									
C1245	BUA	POWER		X					
		TOTAL		1					
<hr/>									
C1230	BUI	LOCAL CONSTR. IND.		X					
		TOTAL		1					
<hr/>									
L1753	CAM	SECOND WATER		X					
		TOTAL		1					
<hr/>									
C1594	CHA	HIGHWAY	X						
L2231	CHA	DAQING-GAOTAIZI		X					
L2252	CHA	ZHONGYUAN-WENLIU		X					
L2426	CHA	KARAMAY PETROLEUM		X					
L2708	CHA	LIAODONG BAY PETROL		X					
		TOTAL	1	4					

DIVISION 3 - PROJECTS RECOMMENDED FOR FUTURE AUDITING (BY COUNTRY)
(PCRs received between January 1, 1988 and June 30, 1992)

OED ID	Ctry.	Project	Criteria for Recommendation						
			a	b	c	d	e	f	g
L1725	CLM	SAN CARLOS II HYDRO		X					
L1999	CLM	BOGOTA DISTRIB		X					
L1538	CLM	500 KV INTERCONNECT		X					
L2476	CLM	PETROLEUM				X			
L2379	CLM	EARTHQUAKE RECONST							
L1558	CLM	URBAN DEV		X					
L0741	CLM	II BOGOTA WATER			X				
L1697	CLM	III BOGOTA WATER			X				
L2121	CLM	HIGHWAY SECTOR					X		
L1825	CLM	FIFTH TELECOMM		X					
L1450	CLM	FOURTH TELECOMM		X					
		TOTAL		6	2	1	1		
<hr/>									
L2298	COB	OUESSO WOOD PROCESS			X				
		TOTAL			1				
<hr/>									
L2019	COS	PETROLEUM T.A.			X				
		TOTAL			1				
<hr/>									
L2128	CYP	THIRD HIGHWAY			X				
		TOTAL			1				
<hr/>									
12569	EGT	PORT SAID EXPANSION		X					
		TOTAL		1					
<hr/>									
C1676	ETH	PORT ENGINEERING	X						
C1366	ETH	URBAN DEV	X						
		TOTAL	2						

DIVISION 3 - PROJECTS RECOMMENDED FOR FUTURE AUDITING (BY COUNTRY)
(PCRs received between January 1, 1988 and June 30, 1992)

OED ID	Ctry.	Project	Criteria for Recommendation						
			a	b	c	d	e	f	g
C1628	GHA	POWER SYS REHAB			X				
C1342	GHA	WATER SUPPLY TA		X					
		TOTAL		1	1				
<hr/>									
L1846	GUA	HIGHWAY MAIN	X						
		TOTAL	1						
<hr/>									
C1392	GUB	BISSAU PORT				X			
		TOTAL				1			
<hr/>									
C1595	GUI	SECOND POWER ENGRG		X					
C1085	GUI	POWER		X					
		TOTAL		2					
<hr/>									
C1281	HAI	THIRD POWER		X					
C1220	HAI	SIXTH HIGHWAY		X					
		TOTAL		2					
<hr/>									
L1861	HON	PETROL EXPLORATION		X					
		TOTAL		1					
<hr/>									
L2205	IND	KRISHNA-GODAVARI PE			X				
L2165	IND	THIRD RURAL ELECT	X						
C0377	IND	THIRD POWER TRANS.		X					
C0604	IND	FOURTH POWER TRANS.		X					
		TOTAL	1	2	1				

DIVISION 3 - PROJECTS RECOMMENDED FOR FUTURE AUDITING (BY COUNTRY)
(PCRs received between January 1, 1988 and June 30, 1992)

OED ID	Ctry.	Project	Criteria for Recommendation						
			a	b	c	d	e	f	g
L2300	INS	THIRTEENTH POWER		X					
L2443	INS	FOURTEENTH POWER		X					
L2717	INS	HIGHWAY MAIN/BETTER		X					
L2404	INS	HIGHWAY BETTERMENT		X					
L2816	INS	URBAN		X					
L1653	INS	THIRD URBAN		X					
L1972	INS	FOURTH URBAN		X					
L2236	INS	JAKARTA SEWER							X
L2757	INS	TELECOMM T.A.		X					
		TOTAL		8					1
<hr/>									
L1896	IVC	FIRST POWER	X						
L2581	IVC	SECOND HIGHWAY		X					
L1914	IVC	HIGHWAY SECTOR		X					
		TOTAL	1	2					
<hr/>									
L2188	JAM	THIRD POWER		X					
		TOTAL		1					
<hr/>									
L2162	JOR	FIFTH POWER		X					
		TOTAL		1					

DIVISION 3 - PROJECTS RECOMMENDED FOR FUTURE AUDITING (BY COUNTRY)
(PCRs received between January 1, 1988 and June 30, 1992)

OED ID	Ctry.	Project	Criteria for Recommendation						
			a	b	c	d	e	f	g
L2155	KEN	SECOND TELECOMM		X					
L2574	KEN	THIRD TELECOMM		X					
L1799	KEN	OLKARIA GEOTHERMAL		X					
L2237	KEN	OLKARIA GEOTHERMAL		X					
LS012	KEN	OLKARIA GEOTHERMAL		X					
L1684	KEN	HIGHWAY SECTOR		X					
L1976	KEN	RAILWAY I			X				
C1390	KEN	SECONDARY TOWNS			X				
L1520	KEN	NAIROBI WATER II		X					
		TOTAL		7	2				
<hr/>									
L2388	KOR	JEONJU REGIONAL DEV		X					
L2801	KOR	HOUSING FINANCE		X					
L1666	KOR	CHUNGJU MULTIPURPOS			X				
		TOTAL		2	1				
<hr/>									
C1481	LES	FOURTH HIGHWAY		X					
		TOTAL		1					
<hr/>									
L1907	LES	PETROL EXPLORATION		X					
		TOTAL		1					
<hr/>									
C1526	MAG	CYCLONE REHAB.		X					
C0938	MAG	FIFTH HIGHWAY		X					
C1391	MAG	SIXTH HIGHWAY		X					
		TOTAL		3					
<hr/>									
C1423	MAG	FIFTH HIGHWAY		X					
		TOTAL		1					

DIVISION 3 - PROJECTS RECOMMENDED FOR FUTURE AUDITING (BY COUNTRY)
(PCRs received between January 1, 1988 and June 30, 1992)

OED ID	Ctry.	Project	Criteria for Recommendation						
			a	b	c	d	e	f	g
C1282	MLI	POWER/WATER				X			
		TOTAL				1			
L2337	MTS	FIRST HIGHWAY	X						
L1926	MTS	URBAN REHAB		X					
L2229	MTS	WATER SUPPLY			X				
		TOTAL	1	1	1				
L2154	MXC	POLLUTION CONTROL			X				
L2525	MXC	CHIAPAS RURAL ROADS		X					
L2616	MXC	LOW-INCOME HOUSING		X					
L2665	MXC	EARTHQUAKE REHAB							X
		TOTAL		2	1				1
CO397	NEP	SECOND TELECOMM		X					
C0799	NEP	THIRD TELECOMM		X					
		TOTAL		2					
L2122	PAK	FOURTH TELECOMM		X					
L2351	PAK	PETROLEUM EXPLORA				X			
L2374	PAK	SECOND TOOT OIL DEV			X				
L2553	PAK	PETROL RESOURCES			X				
		TOTAL		1	2	1			
L2182	PAN	SECOND PORT			X				
L1470	PAN	FOURTH POWER							X
		TOTAL			1				1

DIVISION 3 - PROJECTS RECOMMENDED FOR FUTURE AUDITING (BY COUNTRY)
(PCRs received between January 1, 1988 and June 30, 1992)

OED ID	Ctry.	Project	Criteria for Recommendation						
			a	b	c	d	e	f	g
L2014	PAR	SECOND RURAL WS				X			
		TOTAL				1			
L1855	PHL	THIRD PORTS				X			
L1661	PHL	FOURTH HIGHWAY		X					
L1821	PHL	THIRD URBAN DEV		X					
C0920	PHL	II PROV CITIES		X					
L1814	PHL	MANILA SEWER/SANIT.			X				
L2206	PHL	RURAL WATER		X					
		TOTAL		4	1				
C1345	RWA	FIRST WATER SUPPLY		X					
C1057	RWA	FIRST TELECOMM		X					
		TOTAL		2					
CS026	SEN	POWER ENGRG. T.A.		X					
		TOTAL		1					
C1129	SIL	SECOND HIGHWAY				X			
		TOTAL				1			
C1542	SLI	GUADALCANAL ROAD				X			
		TOTAL				1			
C1210	SRI	SEVENTH POWER		X					
C1048	SRI	SIXTH POWER		X					
		TOTAL		2					

DIVISION 3 - PROJECTS RECOMMENDED FOR FUTURE AUDITING (BY COUNTRY)
(PCRs received between January 1, 1988 and June 30, 1992)

OED ID	Ctry.	Project	Criteria for Recommendation						
			a	b	c	d	e	f	g
CS024	TAN	DAR-ES-SALAAM PORT		X					
		TOTAL		1					
L2639	THL	SIRIKIT PETROL			X				
L2000	THL	POWER SUBSECTOR		X					
		TOTAL		1	1				
L2003	TUN	THIRD POWER		X					
		TOTAL		1					
L2033	URU	FIRST TELECOMM			X				
L1798	URU	MONTEVIDEO PORT		X					
		TOTAL		1	1				
C1216	YAR	PETROL & GEOTHERMAL		X					
C1726	YAR	MARIB-SAFIR ROAD				X			
		TOTAL		1		1			
C0829	YDR	WADI HADRAMAWT		X					
		TOTAL		1					
L1561	YUG	MIDDLE NERETVA HYDR		X					
L2527	YUG	VISEGRAD HYDRO		X					
L2233	YUG	TUZLA REGION WS				X			
		TOTAL		2		1			
L2282	ZIM	FIRST HIGHWAY		X					
L2342	ZIM	RAILWAY DEVELOPMENT		X					
		TOTAL		2					

DIVISION 3 - PROJECTS RECOMMENDED FOR FUTURE AUDITING (BY SECTOR) (PCRs received between January 1, 1988 and June 30, 1992)									
OED ID	Ctry.	Project	Criteria for Recommendation						
			a	b	c	d	e	f	g
		TELECOMM							
C1321	BAN	THIRD TELECOMM			X				
L1825	CLM	FIFTH TELECOMM		X					
L1450	CLM	FOURTH TELECOMM		X					
L2757	INS	TELECOMM T.A.		X					
L1680	KEN	FIRST TELCOMM		X					
L2155	KEN	SECOND TELECOMM		X					
L2574	KEN	THIRD TELECOMM		X					
CO397	NEP	SECOND TELECOMM		X					
C0799	NEP	THIRD TELECOMM		X					
L2122	PAK	FOURTH TELECOMM		X					
C1057	RWA	FIRST TELECOMM		X					
L2033	URU	FIRST TELECOM			X				
		TOTAL		10	2				

ENERGY									
L2031	ARG	OIL AND GAS				X			
L1880	ARG	OIL & GAS ENGINEER.		X					
L2231	CHA	DAQING-GAOTAIZI		X					
L2252	CHA	ZHONGYUAN-WENLIU		X					
L2426	CHA	KARAMAY PETROLEUM		X					
L2708	CHA	LIAODONG BAY PETROL		X					
L2476	CLM	PETROLEUM				X			
L2019	COS	PETROLEUM T.A.			X				
C1446	GHA	PETROL REFINERY		X					
L1861	HON	PETROL EXPLORATION		X					
L2205	IND	KRISHNA-GODAVARI PE			X				
L1907	LIB	PETROL EXPLORATION		X					
L2351	PAK	PETROLEUM EXPLORA				X			
L2374	PAK	SECOND TOOT OIL DEV			X				
L2553	PAK	PETROL RESOURCES			X				
C1279	PAP	PETROL EXPLORATION		X					
L2639	THL	SIRIKIT PETROL			X				
C1216	YAR	PETROL & GEOTHERMAL		X					
TOTAL			10	5	3				

MULTI-SECTOR									
C1230	BUI	LOCAL CONSTR. IND.		X					
L2298	COB	OUESSO WOOD PROCESS			X				
C1526	MAG	CYCLONE REHAB.		X					
C1282	MLI	POWER/WATER				X			
TOTAL				2	1	1			

		NON-SECTOR SPECIFIC							
L2154	MXC	POLLUTION CONTROL			X				
		TOTAL			1				

		POWER							
C0934	BAN	KHULNA POWER DIST	X						
L1940	BAR	POWER			X				
L1824	BRA	CEEE POWER DISTRIB.			X				
L1538	BRA	SOUTH S.E. POWER DISTRIBUTION			X				
L1939	BRA	ELECTRIC POWER SYS			X				
C1245	BUA	POWER		X					
L1538	CLM	500 KV INTERCONNECT		X					
L1999	CLM	BOGOTA DISTRIB		X					
L1582	CLM	SAN CARLOS I HYDRO		X					
L1725	CLM	SAN CARLOS II HYDRO		X					
C1628	GHA	POWER SYS REHAB			X				
C1595	GUI	SECOND POWER ENGRG		X					
C1085	GUI	POWER		X					
C1281	HAI	THIRD POWER		X					
L2165	IND	THIRD RURAL ELECT	X						
C0377	IND	THIRD POWER TRANS.		X					
C0604	IND	FOURTH POWER TRANS.		X					
L2214	INS	TWELFTH POWER		X					
L2300	INS	THIRTEENTH POWER		X					
L2443	INS	FOURTEENTH POWER		X					
L1896	IVC	FIRST POWER	X						
L2188	JAM	THIRD POWER		X					
L1986	JOR	FOURTH POWER		X					
L2162	JOR	FIFTH POWER		X					
L1799	KEN	OLKARIA GEOTHERMAL		X					
L2237	KEN	OLKARIA GEOTHERMAL		X					
LSO12	KEN	OLKARIA GEOTHERMAL		X					
L1666	KOR	CHUNGJU MULTIPURPOS			X				
L1818	MAY	NINTH POWER		X					

POWER (Cont.)									
L1470	PAN	FOURTH POWER							X
CSO26	SEN	POWER ENGRG. T.A.		X					
C1048	SRI	SIXTH POWER		X					
C1210	SRI	SEVENTH POWER		X					
C1006	SUD	THIRD POWER		X					
L2000	THL	POWER SUBSECTOR		X					
L2003	TUN	THIRD POWER		X					
C0829	YDR	WADI HADRAMAWT		X					
L1561	YUG	MIDDLE NERETVA HYDR		X					
L2527	YUG	VISEGRAD HYDRO		X					
		TOTAL	3	29	6				1

TRANSPORT									
L1892	ALG	FOURTH HIGHWAY		X					
C1096	BAN	FERTILIZER TRANS				X			
C1142	BEN	FOURTH HIGHWAY							X
C1485	BEN	THIRD FEEDER							X
L2273	BEZ	ROAD MAIN AND REHAB	X						
L2026	BRA	NORTHWEST REGION		X					
L2941	BRA	PORTS T.A.				X			
C1594	CHA	HIGHWAY	X						
C1179	COB	RIVER TRANSPORT		X					
L2121	CLM	HIGHWAY SECTOR					X		
L2128	CYP	THIRD HIGHWAY			X				
L2569	EGT	PORT SAID EXPANSION		X					
C1676	ETH	PORT ENGINEERING	X						
L1846	GUA	HIGHWAY MAIN	X						
C1392	GUB	BISSAU PORT				X			
C1220	HAI	SIXTH HIGHWAY		X					
L2717	INS	HIGHWAY MAIN/BETTER		X					
L2404	INS	HIGHWAY BETTERMENT		X					
L2581	IVC	SECOND HIGHWAY		X					
L1914	IVC	HIGHWAY SECTOR		X					
L1684	KEN	HIGHWAY SECTOR		X					
L1976	KEN	RAILWAY I			X				
C1481	LES	FOURTH HIGHWAY		X					
C0938	MAG	FIFTH HIGHWAY		X					
C1391	MAG	SIXTH HIGHWAY		X					
C1423	MAL	FIFTH HIGHWAY		X					
L2337	MTS	FIRST HIGHWAY	X						
L2525	MXC	CHIAPAS RURAL ROADS		X					
L2182	PAN	SECOND PORT			X				

TRANSPORT (Cont.)									
L1855	PHL	THIRD PORTS				X			
L1661	PHL	FOURTH HIGHWAY		X					
C1129	SIL	SECOND HIGHWAY				X			
C1542	SLI	GUADALCANAL ROAD				X			
CSO24	TAN	DAR-ES-SALAAM PORT		X					
L1798	URU	MONTEVIDEO PORT		X					
C1726	YAR	MARIB-SAFIR ROAD				X			
L2282	ZIM	FIRST HIGHWAY		X					
L2342	ZIM	RAILWAY DEVELOPMENT		X					
TOTAL			5	20	3	7	1		2

		URBAN							
L1490	BOL	URBAN		X					
L2193	BRA	METROPOLITAN DEV		X					
L2379	CLM	EARTHQUAKE RECONST							X
L1558	CLM	URBAN DEV		X					
C1366	ETH	URBAN DEV	X						
L2816	INS	URBAN		X					
L1653	INS	THIRD URBAN		X					
L1972	INS	FOURTH URBAN		X					
C1390	KEN	SECONDARY TOWNS			X				
L2388	KOR	JEONJU REGIONAL DEV		X					
L2801	KOR	HOUSING FINANCE		X					
L1926	MTS	URBAN REHAB		X					
L2616	MXC	LOW-INCOME HOUSING		X					
L2665	MXC	EARTHQUAKE REHAB							X
L1821	PHL	THIRD URBAN DEV		X					
		TOTAL	1	11	1				2

		WATER SUPPLY & SEWERAGE/SANITATION							
L1970	BRA	WATER SUPPLY/SEWER	X						
L1753	CAM	SECOND WATER	X						
L0741	CLM	II BOGOTA WATER		X					
L1697	CLM	III BOGOTA WATER		X					
C1342	GHA	WATER SUPPLY TA	X						
L2236	INS	JAKARTA SEWER							X
L1520	KEN	NAIROBI WATER II	X						
L2229	MTS	WATER SUPPLY		X					
L2014	PAR	SECOND RURAL WS			X				
CO920	PHL	II PROV CITIES	X						
L1814	PHL	MANILA SEWER/SANI		X					
L2206	PHL	RURAL WATER	X						
C1345	RWA	FIRST WATER SUPPLY	X						
L2233	YUG	TUZLA REGION WS			X				
		TOTAL	7	4	2				1

OFFICE MEMORANDUM

DATE: September 11, 1992

TO: Mr. H. Eberhard Kopp, OEDDR

FROM: *Jozsef B. Büky*
Jozsef B. Büky, OEDD3

EXTENSION: 31684

SUBJECT: Selection of Projects for Audit - January 1, 1988 to June 30, 1992

1. As requested we have reviewed the criteria used for selecting the projects for auditing out of the 461 PCRs reviewed between January 1, 1988 and June 30, 1992. In the process I also reviewed the information forwarded to you in Mr. Landeau's memo of August 28, 1992 and found that some corrections are needed to the data presented therein, due to revised database abstractions. The corrected figures are given below.

2. The table attached shows the list of projects audited within the Division's sectors and the reasons projects have been selected for auditing, the criteria being those listed in Box 3. of the Annual Report plus "Required for Studies" as the seventh (list attached).

3. Summary Data

a	PCRs <u>Reviewed</u> (1/1/88 - 6/30/92)	461
b	PCRs/Projects Audited	151*
c	<u>PCRs/Projects Not Audited</u>	<u>310</u>

d	Not Audited PCRs <u>without Recommendation</u> (NOR missing)	35
e	PCRs/Projects <u>Recommended to be Audited</u>	141
f	PCRs/Projects <u>Recommended Not to be Audited</u>	<u>134</u>
		310

Ratios:Actual Audit Ratio = $b:a = 151:461 = 32.8\%$ Recommended Audit Ratio = $(b+e):a = 292:461 = 63.3\%^{**}$

* Note that 82 of the 151 projects audited have no NOR (mostly pre 1990) so the reasons for auditing could not be determined.

** This assumes that the recommendations of the missing NORs would have had the same proportion as given by e and f above.

46%

4. The number of projects audited or recommended for auditing on the basis of particular criterium is given in the following table:

CRITERIA	AUDITED	RECOMMENDED
A	5	9
B	44	89
C	2	23
D	6	13
E	0	1
F	0	0
G	12	6
TOTAL	69	141

messrs
see memo
17 Sept. 1992

cc: Messrs. Donaldson, Baird, Albouy, Lowther

CRITERIA FOR RECOMMENDATION

- A - Projects which are the first (in a given sector or subsector) in the country and projects which are the last of a series.
- B - A series of projects (usually two or three) which have been undertaken by the same borrower and which are suitable for packaging in a combined audit.
- C - Completed projects whose PCRs invite further inquiry because of the significance of the project experience.
- D - Large and complex projects, and projects with innovative or unusual features.
- E - Any projects which an Executive Director has proposed for performance audit.
- F - Projects with a high lending priority.
- G - Required for studies.

Sector :Energy & Public Utilities

Subsector :Energy

Criteria for Recommendation

Report	OED ID	Pub	Country	Title	A	B	C	D	E	F	G
07201	L2184	4/13/88	Thailand	Liquified petroleum gas project							
07944	L1806	6/30/89	Peru	Petroleum production rehabilitation project							
08463	L2374	3/15/90	Pakistan	Second Toot oil and gas development project				X			
08640	L2271	5/04/90	Morocco	Petroleum exploration and Essaouira appraisal project							
08726	L2552	6/12/90	Pakistan	Energy sector loan project							
08754	L1864	6/13/90	Tunisia	Second natural gas pipeline project							
08887	L1989	6/29/90	Brazil	Alcohol and biomass energy development project							
09589	L2189	5/22/91	Cote d'Ivoire	Petroleum exploration and development project				X			
09590	L2152	5/22/91	Zambia	Petroleum exploration promotion project							X
09667	L2181	6/21/91	Philippines	Coal exploration project							X
09667	L2201	6/21/91	Philippines	Petroleum exploration promotion project							X
09667	L2202	6/21/91	Philippines	Petroleum exploration promotion project							X
09667	L2203	6/21/91	Philippines	Geothermal exploration project							X
09728	C1043	6/28/91	Somalia	Petroleum exploration promotion project							X
09742	L2123	6/28/91	India	Refineries rationalization and energy conservation project							
09748	L1916	6/25/91	Turkey	Petroleum exploration project							X
09748	L1917	6/25/91	Turkey	Bati Raman enhanced oil recovery project		X					
09748	L2327	6/25/91	Turkey	Thrace gas exploration project							X
09748	LS013	6/25/91	Turkey	Bati Raman enhanced oil recovery engineering project							X
09911	L2286	9/27/91	Cyprus	Energy planning and conservation project		X					
10734	L2065	6/17/92	Kenya	Petroleum exploration promotion project							
10839	L2241	6/29/92	India	South Bassein offshore gas development project							

Sector :Energy & Public Utilities

Subsector :Power

Criteria for Recommendation

Report	OED ID	Pub	Country	Title	A	B	C	D	E	F	G
07901	C0989	6/30/89	Honduras	El Cajon power project		X					
07902	L1708	6/26/89	Indonesia	Eighth power project							
07902	L1872	6/26/89	Indonesia	Ninth power project							
07902	L1950	6/26/89	Indonesia	Tenth power project							
07942	C0968	6/30/89	Pakistan	Third Water and Power Development Authority (WAPDA) power project							
08574	L1460	4/20/90	Philippines	Seventh power project							
08821	L2209	6/29/90	Botswana	Power project							
08822	L1766	6/29/90	Nigeria	Lagos power distribution project		X					
08822	L2085	6/29/90	Nigeria	Sixth power (transmission and distribution) project		X					
08823	L2009	6/29/90	Swaziland	Third power project							
09267	L2720	12/31/90	Brazil	Power sector loan							
09725	C0935	6/28/91	Egypt	Shoubrah El Kheima thermal power project		X					
09725	C1052	6/28/91	Egypt	Third power project		X					
10830	L1426	6/30/92	Guatemala	Agucapa power project				X			
10830	L1605	6/30/92	Guatemala	Chixoy power project				X			
10831	L2146	6/30/92	Malaysia	Rural electrification project		X					
10831	L2438	6/30/92	Malaysia	Eleventh power project		X					
10856	L1871	6/30/92	Thailand	Second accelerated rural electrification project		X					
10856	L2312	6/30/92	Thailand	Provincial power distribution project							

Division III

Sector :Energy & Public Utilities

Subsector :Telecommunications

Criteria for Recommendation

Report	OED ID	Pub	Country	Title	A	B	C	D	E	F	G
07915	C1112	6/30/89	India	Eighth telecommunications project							
07915	L1592	6/30/89	India	Seventh telecommunications project							
07943	L1620	6/30/89	Thailand	Third telecommunications project							
07943	L2143	6/30/89	Thailand	Fourth telecommunications project							

Criteria for Recommendation

Report	OED ID	Pub	Country	Title	A	B	C	D	E	F	G
07088	L1823	1/14/88	Brazil	Southern states water supply and sewerage project							
07202	C0899	4/13/88	India	Maharashtra water supply and sewerage project							
07553	C0670	12/27/88	Yemen AR	Second Sana'a water supply and sewerage project							
07582	C1038	12/31/88	Yemen PDR	Greater Aden water supply project							
07720	L1822	4/10/89	Brazil	Sao Paulo industrial pollution control project							
07914	C1241	6/30/89	Zaire	Second water supply project							
07917	L1675	6/30/89	Tunisia	Second urban sewerage project							
08174	L2072	11/06/89	Korea	Water supply project							
08622	L1709	4/30/90	Indonesia	Second water supply (seven cities) project							
08725	L1724	6/08/90	Morocco	Second water supply project		X					
08772	L1545	6/21/90	Algeria	Algiers sewerage project	X						
08879	C1002	6/29/90	Madagascar	Antananarivo water and sanitation project	X						
09158	C1059	11/30/90	Nepal	Third water supply and sewerage project			X	X			
09265	C0842	12/31/90	India	Second Bombay water supply and sewerage project							X
09266	C1046	12/31/90	India	Rajasthan water supply and sewerage project							X
09727	C1236	6/28/91	Somalia	Second Mogadishu water supply project	X						
10464	L1832	3/19/92	Chile	Water supply project							
10781	L1656	6/23/92	Brazil	Northeast water supply and sewerage project		X					
10781	L1850	6/23/92	Brazil	Third Minas Gerais water supply and sewerage project		X					
10855	L1863	6/30/92	Thailand	Provincial water supply project			X	X			

Sector :Transport & Tourism

Subsector :Highways

Criteria for Recommendation

Report	OED ID	Pub	Country	Title	A	B	C	D	E	F	G
07182	L1601	4/11/88	Tunisia	Rural roads project							
07303	L1376	6/22/88	Malaysia	Third highway project							
07311	C1144	6/24/88	Yemen PDR	Third highway project							
07311	C1295	6/24/88	Yemen PDR	"A"Roads flood reconstruction project							
07312	C0794	6/24/88	Yemen AR	Third highway project							
07316	L1353	6/30/88	Philippines	Third highway project							
07568	C1099	12/31/88	Malawi	Fourth highway project							
07571	C0743	12/31/88	Tanzania	Trucking industry rehabilitation and improvement project							
07741	C0974	4/28/89	Pakistan	Third highway project							
07743	L1696	5/05/89	Indonesia	Fifth highway project							
07828	C0749	6/12/89	Cameroon	Feeder roads project							
07828	C0926	6/12/89	Cameroon	Fourth highway project							
07912	C1033	6/29/89	India	Calcutta urban transport project							
07954	C0053	6/30/89	Bangladesh	Highways project							
07954	C0964	6/30/89	Bangladesh	Second highway project							
08447	L2035	3/16/90	Thailand	Provincial roads project							
08461	L1557	3/23/90	Brazil	Sixth highway project							
08539	C0847	4/18/90	Central African Republic	Third highway project		X					
08539	C1258	4/18/90	Central African Republic	Fourth highway project							
08858	C0693	6/29/90	Togo	Third highway project		X					
08858	C0810	6/29/90	Togo	Feeder roads project		X					
08858	C1139	6/29/90	Togo	Fourth highway project							
09366	L2137	2/15/91	Turkey	Highway rehabilitation project				X			
09367	L1730	2/15/91	Brazil	Second feeder roads project		X					
09416	L1187	3/01/91	Costa Rica	Fourth highway project		X					
09416	L1845	3/01/91	Costa Rica	Fifth highway project		X					
09503	C0769	4/19/91	Rwanda	Fourth highway project							
09560	L1305	5/10/91	Kenya	Rural access roads project							
09586	C0331	5/20/91	Sudan	Highway project		X					
09586	C0882	5/20/91	Sudan	Second highway project		X					
09587	L1640	5/20/91	Korea	Fourth highway project		X					
09587	L2228	5/20/91	Korea	Provincial and county roads project		X					
09587	L2392	5/20/91	Korea	Highway sector project		X					
09644	C0993	6/10/91	Senegal	Fourth highway project							
09644	C1448	6/10/91	Senegal	Fifth highway project							

Sector :Transport & Tourism

Subsector :Highways

Criteria for Recommendation

Report	OED ID	Pub	Country	Title	A	B	C	D	E	F	G
09734	C1132	6/24/91	Burundi	Third highway project							
09736	C0916	6/24/91	Zaire	Fourth highway project							
09736	C1290	6/24/91	Zaire	Fifth highway project							
09910	C1072	9/23/91	India	Bihar rural roads project							
10254	L0734	12/03/91	Argentina	Third highway project		X					
10254	L1384	12/03/91	Argentina	Fourth highway project		X					

Sector :Transport & Tourism

Subsector :Ports

Criteria for Recommendation

Report	OED ID	Pub	Country	Title	A	B	C	D	E	F	G
07301	L1239	6/22/88	Egypt	Port of Alexandria project							
07761	L1918	5/15/89	Thailand	Bangkok and Sattahip ports project							
09366	L1741	2/15/91	Turkey	Ports rehabilitation project							
09695	L2207	6/10/91	China	Three ports project							

Sector :Transport & Tourism

Subsector :Railways

Criteria for Recommendation

Report	OED ID	Pub	Country	Title	A	B	C	D	E	F	G
07828	C0936	6/12/89	Cameroon	Fourth railway project							
07957	C0973	6/30/89	Zambia	Third railway project							
08619	L1994	5/04/90	Zimbabwe	Transport rehabilitation imports program							
08894	L1026	6/29/90	Yugoslavia	Fourth railway project		X					
08894	L1534	6/29/90	Yugoslavia	Fifth railway project		X					
08894	L1977	6/29/90	Yugoslavia	Kosovo railway project		X					
08898	C1047	6/29/90	Congo	Second railway project (supplement)							
09735	L2394	6/24/91	China	First railway project							
10015	C1278	10/18/91	Pakistan	Eleventh railway project							
10015	L1372	10/18/91	Pakistan	Tenth railway project		X					
10255	L0733	12/31/91	Argentina	First railway project		X					
10255	L1677	12/31/91	Argentina	Second railway project		X					

Criteria for Recommendation

Report	OED ID	Pub	Country	Title	A	B	C	D	E	F	G
07092	L1272	1/19/88	Philippines	Manila urban development project							
07092	L1647	1/19/88	Philippines	Second urban development project							
07225	L1826	4/27/88	Jordan	Cities and villages development bank project							
07452	L1694	10/05/88	Colombia	Second (Cartagena) urban development project							
07581	L1654	12/31/88	Brazil	Sites and services and low cost housing project							
07865	C1223	6/23/89	Liberia	Monrovia urban development project							
07880	C0943	6/23/89	Mali	Urban development project							
07898	C1049	6/30/89	Burundi	Urban development project							
08302	L1720	12/29/89	Brazil	Medium-sized cities project							
08757	L2048	6/08/90	Cote d'Ivoire	Second urban development project							
08758	L1767	6/08/90	Nigeria	Urban development project							
08829	C0471	6/25/90	Botswana	Francistown urban development project				X			
08829	L1584	6/25/90	Botswana	Second urban project		X					
08831	L2244	6/25/90	Cameroon	Urban development project							
09146	C1036	11/30/90	Lesotho	Urban development project	X						
09610	L1758	5/31/91	Korea	Second Gwangju regional project		X					
09723	L1980	6/28/91	Korea	National urban land development and housing project		X					
09723	L2216	6/28/91	Korea	Second national urban land development and housing project		X					
09729	L1528	6/28/91	Morocco	Rabat urban development project		X	X				
09729	L1944	6/28/91	Morocco	Second urban development project		X					
09730	C0791	6/28/91	Kenya	Second urban project							
10238	L1776	12/31/91	Ecuador	Guayaquil urban development project		X					
10238	L2135	12/31/91	Ecuador	National low-income housing project							X
10448	L2482	3/27/92	Chile	Public sector housing project	X						
10579	C1082	4/22/92	India	Madras second urban development project		X					
10579	C1185	4/22/92	India	Kanpur urban development project		X					
10832	L1965	6/26/92	Brazil	Third urban transport project		X					
10832	L2170	6/26/92	Brazil	Recife metropolitan region development project		X					
10832	L2343	6/26/92	Brazil	Parana market towns improvement project		X					

OFFICE MEMORANDUM

DATE: September 15, 1992

TO: Mr. Hans-Eberhard Köpp, Director, OED

FROM: *Jozsef B. Büky*
Jozsef B. Büky, OEDD3

EXTENSION: 31684

SUBJECT: Selection of Projects for Audit - January 1, 1988 to June 30, 1992

Further to my memo of September 11, 1992 I attach the following revised tables:

- 1) "Projects Recommended for Future Auditing"
- 2) "Projects Audited and Reasons for Selection"

Both tables are based on PCRs reviewed between January 1, 1988 and June 30, 1992 and now show all reasons given in the Note of Records for recommending audit of a particular project. The inclusion of multiple reasons for selection/recommendation necessitated changing the data given in the table on page 2. of my memo of September 11, 1992. A revised page 2. is hereby attached which should replace the original.

cc: Messrs. Donaldson, Baird, Albouy, Lowther

4. The number of projects audited or recommended for auditing on the basis of particular criterion is given in the following table:

CRITERIA	AUDITED	RECOMMENDED
A	11	13
B	50	93
C	23	50
D	18	23
E	0	1
F	0	0
G	27	22

This is revised version for Sept. 11 memo
~~insert~~

(see memo of Sept. 11)

cc: Messrs. Donaldson, Baird, Albouy, Lowther

PROJECTS AUDITED AND REASONS FOR SELECTION

JANUARY 1, 1988 - JUNE 30, 1992

Sector :Energy & Public Utilities

Subsector :Energy

Criteria for Recommendation

Report	OED ID	Pub	Country	Title	A	B	C	D	E	F	G
07201	L2184	4/13/88	Thailand	Liquified petroleum gas project							
07944	L1806	6/30/89	Peru	Petroleum production rehabilitation project							
08463	L2374	3/15/90	Pakistan	Second Toot oil and gas development project			X	X			
08640	L2271	5/04/90	Morocco	Petroleum exploration and Essaouira appraisal project							
08726	L2552	6/12/90	Pakistan	Energy sector loan project							
08754	L1864	6/13/90	Tunisia	Second natural gas pipeline project							
08887	L1989	6/29/90	Brazil	Alcohol and biomass energy development project							
09589	L2189	5/22/91	Cote d'Ivoire	Petroleum exploration and development project			X	X			
09590	L2152	5/22/91	Zambia	Petroleum exploration promotion project							X
09667	L2181	6/21/91	Philippines	Coal exploration project							X
09667	L2201	6/21/91	Philippines	Petroleum exploration promotion project			X				X
09667	L2202	6/21/91	Philippines	Petroleum exploration promotion project			X				X
09667	L2203	6/21/91	Philippines	Geothermal exploration project			X	X			X
09728	C1043	6/28/91	Somalia	Petroleum exploration promotion project							X
09742	L2123	6/28/91	India	Refineries rationalization and energy conservation project							
09748	L1916	6/25/91	Turkey	Petroleum exploration project							X
09748	L1917	6/25/91	Turkey	Bati Raman enhanced oil recovery project		X	X	X			
09748	L2327	6/25/91	Turkey	Thrace gas exploration project							X
09748	LS013	6/25/91	Turkey	Bati Raman enhanced oil recovery engineering project							X
09911	L2286	9/27/91	Cyprus	Energy planning and conservation project		X		X			X
10734	L2065	6/17/92	Kenya	Petroleum exploration promotion project							
10839	L2241	6/29/92	India	South Bassein offshore gas development project							

PROJECTS AUDITED AND REASONS FOR SELECTION

JANUARY 1, 1988 - JUNE 30, 1992

Sector :Energy & Public Utilities

Subsector :Power

Criteria for Recommendation

Report	OED ID	Pub	Country	Title	A	B	C	D	E	F	G
07901	C0989	6/30/89	Honduras	El Cajon power project		X					
07902	L1708	6/26/89	Indonesia	Eighth power project							
07902	L1872	6/26/89	Indonesia	Ninth power project							
07902	L1950	6/26/89	Indonesia	Tenth power project							
07942	C0968	6/30/89	Pakistan	Third Water and Power Development Authority (WAPDA) power project							
08574	L1460	4/20/90	Philippines	Seventh power project							
08821	L2209	6/29/90	Botswana	Power project							
08822	L1766	6/29/90	Nigeria	Lagos power distribution project		X					
08822	L2085	6/29/90	Nigeria	Sixth power (transmission and distribution) project		X					
08823	L2009	6/29/90	Swaziland	Third power project							
09267	L2720	12/31/90	Brazil	Power sector loan							
09725	C0935	6/28/91	Egypt	Shoubrah El Kheima thermal power project		X	X				
09725	C1052	6/28/91	Egypt	Third power project		X	X				
10830	L1426	6/30/92	Guatemala	Agucapa power project			X	X			
10830	L1605	6/30/92	Guatemala	Chixoy power project			X	X			
10831	L2146	6/30/92	Malaysia	Rural electrification project		X					
10831	L2438	6/30/92	Malaysia	Eleventh power project		X					
10856	L1871	6/30/92	Thailand	Second accelerated rural electrification project		X					X
10856	L2312	6/30/92	Thailand	Provincial power distribution project		X					X

Division III

PROJECTS AUDITED AND REASONS FOR SELECTION

JANUARY 1, 1988 - JUNE 30, 1992

Sector :Energy & Public Utilities

Subsector :Telecommunications

Criteria for Recommendation

Report	OED ID	Pub	Country	Title	A	B	C	D	E	F	G
07915	C1112	6/30/89	India	Eighth telecommunications project							
07915	L1592	6/30/89	India	Seventh telecommunications project							
07943	L1620	6/30/89	Thailand	Third telecommunications project							
07943	L2143	6/30/89	Thailand	Fourth telecommunications project							

PROJECTS AUDITED AND REASONS FOR SELECTION

JANUARY 1, 1988 - JUNE 30, 1992

Sector :Energy & Public Utilities

Subsector :Water Supply

Criteria for Recommendation

Report	OED ID	Pub	Country	Title	A	B	C	D	E	F	G
07088	L1823	1/14/88	Brazil	Southern states water supply and sewerage project							
07202	C0899	4/13/88	India	Maharashtra water supply and sewerage project							
07553	C0670	12/27/88	Yemen AR	Second Sana'a water supply and sewerage project							
07582	C1038	12/31/88	Yemen PDR	Greater Aden water supply project							
07720	L1822	4/10/89	Brazil	Sao Paulo industrial pollution control project							
07914	C1241	6/30/89	Zaire	Second water supply project							
07917	L1675	6/30/89	Tunisia	Second urban sewerage project							
08174	L2072	11/06/89	Korea	Water supply project							
08622	L1709	4/30/90	Indonesia	Second water supply (seven cities) project							
08725	L1724	6/08/90	Morocco	Second water supply project		X	X				
08772	L1545	6/21/90	Algeria	Algiers sewerage project	X						
08879	C1002	6/29/90	Madagascar	Antananarivo water and sanitation project	X			X			
09158	C1059	11/30/90	Nepal	Third water supply and sewerage project			X	X			
09265	C0842	12/31/90	India	Second Bombay water supply and sewerage project			X	X			X
09266	C1046	12/31/90	India	Rajasthan water supply and sewerage project			X				X
09727	C1236	6/28/91	Somalia	Second Mogadishu water supply project	X		X	X			
10464	L1832	3/19/92	Chile	Water supply project							
10781	L1656	6/23/92	Brazil	Northeast water supply and sewerage project		X					
10781	L1850	6/23/92	Brazil	Third Minas Gerais water supply and sewerage project		X					
10855	L1863	6/30/92	Thailand	Provincial water supply project	X		X	X			

PROJECTS AUDITED AND REASONS FOR SELECTION

JANUARY 1, 1988 - JUNE 30, 1992

Sector :Transport & Tourism

Subsector :Highways

Criteria for Recommendation

Report	OED ID	Pub	Country	Title	A	B	C	D	E	F	G
07182	L1601	4/11/88	Tunisia	Rural roads project							
07303	L1376	6/22/88	Malaysia	Third highway project							
07311	C1144	6/24/88	Yemen PDR	Third highway project							
07311	C1295	6/24/88	Yemen PDR	"A"Roads flood reconstruction project							
07312	C0794	6/24/88	Yemen AR	Third highway project							
07316	L1353	6/30/88	Philippines	Third highway project							X
07568	C1099	12/31/88	Malawi	Fourth highway project							
07571	C0743	12/31/88	Tanzania	Trucking industry rehabilitation and improvement project							X
07741	C0974	4/28/89	Pakistan	Third highway project							
07743	L1696	5/05/89	Indonesia	Fifth highway project							
07828	C0749	6/12/89	Cameroon	Feeder roads project							X
07828	C0926	6/12/89	Cameroon	Fourth highway project							X
07912	C1033	6/29/89	India	Calcutta urban transport project							
07954	C0053	6/30/89	Bangladesh	Highways project							
07954	C0964	6/30/89	Bangladesh	Second highway project							
08447	L2035	3/16/90	Thailand	Provincial roads project							
08461	L1557	3/23/90	Brazil	Sixth highway project							
08539	C0847	4/18/90	Central African Republic	Third highway project		X					X
08539	C1258	4/18/90	Central African Republic	Fourth highway project		X					X
08858	C0693	6/29/90	Togo	Third highway project		X					
08858	C0810	6/29/90	Togo	Feeder roads project		X					X
08858	C1139	6/29/90	Togo	Fourth highway project		X					X
09366	L2137	2/15/91	Turkey	Highway rehabilitation project				X			
09367	L1730	2/15/91	Brazil	Second feeder roads project		X	X	X			X
09416	L1187	3/01/91	Costa Rica	Fourth highway project		X					
09416	L1845	3/01/91	Costa Rica	Fifth highway project		X					
09503	C0769	4/19/91	Rwanda	Fourth highway project							X
09560	L1305	5/10/91	Kenya	Rural access roads project							
09586	C0331	5/20/91	Sudan	Highway project		X					
09586	C0882	5/20/91	Sudan	Second highway project		X					
09587	L1640	5/20/91	Korea	Fourth highway project		X					
09587	L2228	5/20/91	Korea	Provincial and county roads project		X	X				X
09587	L2392	5/20/91	Korea	Highway sector project		X					X
09644	C0993	6/10/91	Senegal	Fourth highway project							
09644	C1448	6/10/91	Senegal	Fifth highway project							

PROJECTS AUDITED AND REASONS FOR SELECTION

JANUARY 1, 1988 - JUNE 30, 1992

Sector :Transport & Tourism

Subsector :Highways

Criteria for Recommendation

Report	OED ID	Pub	Country	Title	A	B	C	D	E	F	G
09734	C1132	6/24/91	Burundi	Third highway project		X					
09736	C0916	6/24/91	Zaire	Fourth highway project			X				
09736	C1290	6/24/91	Zaire	Fifth highway project			X				
09910	C1072	9/23/91	India	Bihar rural roads project	X						
10254	L0734	12/03/91	Argentina	Third highway project		X					
10254	L1384	12/03/91	Argentina	Fourth highway project		X					

PROJECTS AUDITED AND REASONS FOR SELECTION

JANUARY 1, 1988 - JUNE 30, 1992

Sector :Transport & Tourism

Subsector :Ports

Criteria for Recommendation

Report	OED ID	Pub	Country	Title	A	B	C	D	E	F	G
07301	L1239	6/22/88	Egypt	Port of Alexandria project							
07761	L1918	5/15/89	Thailand	Bangkok and Sattahip ports project							
09366	L1741	2/15/91	Turkey	Ports rehabilitation project							
09695	L2207	6/10/91	China	Three ports project							

PROJECTS AUDITED AND REASONS FOR SELECTION

JANUARY 1, 1988 - JUNE 30, 1992

Sector :Transport & Tourism

Subsector :Railways

Criteria for Recommendation

Report	OED ID	Pub	Country	Title	A	B	C	D	E	F	G
07828	C0936	6/12/89	Cameroon	Fourth railway project							
07957	C0973	6/30/89	Zambia	Third railway project							
08619	L1994	5/04/90	Zimbabwe	Transport rehabilitation imports program							
08894	L1026	6/29/90	Yugoslavia	Fourth railway project		X					
08894	L1534	6/29/90	Yugoslavia	Fifth railway project		X					
08894	L1977	6/29/90	Yugoslavia	Kosovo railway project		X					
08898	C1047	6/29/90	Congo	Second railway project (supplement)							
09735	L2394	6/24/91	China	First railway project							
10015	C1278	10/18/91	Pakistan	Eleventh railway project							
10015	L1372	10/18/91	Pakistan	Tenth railway project		X					
10255	L0733	12/31/91	Argentina	First railway project		X					
10255	L1677	12/31/91	Argentina	Second railway project		X					

PROJECTS AUDITED AND REASONS FOR SELECTION

JANUARY 1, 1988 - JUNE 30, 1992

Sector: Urban

Subsector: 1

Criteria for Recommendation

Report	OED ID	Pub	Country	Title	A	B	C	D	E	F	G
07092	L1272	1/19/88	Philippines	Manila urban development project							
07092	L1647	1/19/88	Philippines	Second urban development project							
07225	L1826	4/27/88	Jordan	Cities and villages development bank project							
07452	L1694	10/05/88	Colombia	Second (Cartagena) urban development project							
07581	L1654	12/31/88	Brazil	Sites and services and low cost housing project							
07865	C1223	6/23/89	Liberia	Monrovia urban development project							
07880	C0943	6/23/89	Mali	Urban development project							
07898	C1049	6/30/89	Burundi	Urban development project							
08302	L1720	12/29/89	Brazil	Medium-sized cities project							
08757	L2048	6/08/90	Cote d'Ivoire	Second urban development project							
08758	L1767	6/08/90	Nigeria	Urban development project							
08829	C0471	6/25/90	Botswana	Francistown urban development project	X	X		X			
08829	L1584	6/25/90	Botswana	Second urban project		X					
08831	L2244	6/25/90	Cameroon	Urban development project	X						
09146	C1036	11/30/90	Lesotho	Urban development project	X						
09610	L1758	5/31/91	Korea	Second Gwangju regional project		X					
09723	L1980	6/28/91	Korea	National urban land development and housing project		X					
09723	L2216	6/28/91	Korea	Second national urban land development and housing project		X					
09729	L1528	6/28/91	Morocco	Rabat urban development project	X	X	X				
09729	L1944	6/28/91	Morocco	Second urban development project		X					
09730	C0791	6/28/91	Kenya	Second urban project			X				
10238	L1776	12/31/91	Ecuador	Guayaquil urban development project	X	X					
10238	L2135	12/31/91	Ecuador	National low-income housing project		X					X
10448	L2482	3/27/92	Chile	Public sector housing project	X						
10579	C1082	4/22/92	India	Madras second urban development project		X		X			
10579	C1185	4/22/92	India	Kanpur urban development project		X					
10832	L1965	6/26/92	Brazil	Third urban transport project		X					
10832	L2170	6/26/92	Brazil	Recife metropolitan region development project		X	X	X			
10832	L2343	6/26/92	Brazil	Parana market towns improvement project		X		X			

Audits, by Sector, Subsector and Year of Evaluation

Sector/Subsector	82	83	84	85	86	87	88	89	90	91	92/a	All Years
Agriculture	49	31	44	38	36	27	28	29	53	53	19	407
Research & Extension	0	0	0	0	0	0	5	0	5	3	2	15
Area Development	11	7	9	13	6	3	8	6	13	13	4	93
Livestock	10	5	4	0	10	5	0	0	2	3	0	39
Perennial Crops	3	4	3	4	1	2	1	3	5	2	0	28
Irrigation & Drainage	11	5	11	10	5	11	6	11	8	17	5	100
Credit	2	0	2	4	3	2	3	3	10	6	5	40
Forestry	2	3	1	0	0	1	2	2	2	1	0	14
Fisheries	2	1	0	2	0	0	0	2	1	2	0	10
Agro-Industry	4	2	7	1	1	3	1	1	1	2	1	24
Settlement	3	1	2	1	0	0	0	0	0	0	0	7
Program Loans & Credits	0	0	0	0	0	0	2	1	2	1	2	8
Other	1	3	5	3	10	0	0	0	4	3	0	29
Energy & Public Utilities	9	9	15	9	25	23	5	14	18	16	12	155
Power	5	3	10	6	9	7	0	5	6	2	6	59
Telecommunications	2	3	0	2	2	2	0	4	0	0	0	15
Water Supply	2	3	5	1	13	8	4	4	7	1	4	52
Air Pollution	0	0	0	0	0	0	0	0	0	0	0	0
Energy	0	0	0	0	1	6	1	1	5	13	2	29
Industry	3	0	2	3	5	0	4	1	4	7	8	37
Multisector	0	0	0	1	4	0	0	8	13	3	1	30
Non Sector-Specific	9	2	3	9	4	9	5	2	13	10	22	88
Pop., Health & Nutrition	2	0	1	5	2	0	2	0	2	1	0	15
Transport & Tourism	17	16	17	16	21	8	9	10	12	26	0	152
Highways	9	7	16	3	9	5	8	7	7	19	0	90
Railways	2	2	0	4	5	1	0	2	5	5	0	26
Ports	6	5	1	7	6	2	1	1	0	2	0	31
Tourism	0	2	0	1	1	0	0	0	0	0	0	4
Airports	0	0	0	1	0	0	0	0	0	0	0	1
Oil Pipeline	0	0	0	0	0	0	0	0	0	0	0	0
Aviation	0	0	0	0	0	0	0	0	0	0	0	0
Urban	1	2	0	3	12	5	5	4	6	8	6	52
DFC	7	6	5	7	17	5	0	15	17	17	3	99
Education	10	21	10	6	12	6	7	2	14	8	6	102
All Sectors	107	87	97	97	138	83	65	85	152	149	77	1137

/a Up to current ETB update, 6/31/92

PCRs without Audits, by Sector, Subsector and Year of Evaluation

	82	83	84	85	86	87	88	89	90	91	92	All Years
Sector/Subsector												
Agriculture	4	11	14	15	17	24	26	27	59	83	38	318
Research & Extension	0	0	0	0	0	0	0	1	6	0	2	9
Area Development	0	5	3	2	4	7	3	3	19	15	11	72
Livestock	2	2	0	3	0	2	1	2	1	7	0	20
Perennial Crops	1	2	2	2	0	2	3	2	5	7	2	28
Irrigation & Drainage	0	0	3	2	8	4	9	8	13	17	6	70
Credit	0	1	1	3	1	1	4	2	6	4	2	25
Forestry	0	0	0	1	1	0	2	4	1	9	4	22
Fisheries	0	0	1	0	0	0	0	1	0	4	1	7
Agro-Industry	1	0	1	1	1	5	4	1	5	6	3	28
Settlement	0	0	1	0	0	2	0	3	0	0	0	6
Program Loans & Credits	0	0	0	0	0	0	0	0	0	7	4	11
Other	0	1	2	1	2	1	0	0	3	7	3	20
Energy & Public Utilities	4	20	14	18	29	12	26	31	47	58	27	286
Power	4	7	11	9	11	5	6	9	20	16	8	106
Telecommunications	0	5	1	1	3	1	4	5	6	6	4	36
Water Supply	0	8	2	6	12	6	12	3	11	15	8	83
Air Pollution	0	0	0	1	0	0	0	0	0	0	0	1
Energy	0	0	0	1	3	0	4	14	10	21	7	60
Industry	1	4	8	10	8	5	8	11	8	4	7	74
Multisector	0	4	0	2	2	0	0	1	0	1	0	10
Non Sector-Specific	4	1	1	1	0	4	2	4	10	6	10	43
Pop., Health & Nutrition	0	0	0	2	0	0	2	2	7	1	0	14
Transport & Tourism	4	23	15	24	20	12	10	17	22	26	20	193
Highways	3	12	10	14	11	8	7	14	11	15	16	121
Railways	0	1	1	2	3	3	1	1	3	3	1	19
Ports	1	4	3	3	2	1	2	0	5	3	3	27
Tourism	0	3	1	3	2	0	0	2	3	3	0	17
Airports	0	1	0	0	0	0	0	0	0	0	0	1
Oil Pipeline	0	1	0	1	0	0	0	0	0	1	0	3
Aviation	0	1	0	1	2	0	0	0	0	1	0	5
Urban	0	2	2	0	3	7	2	4	7	7	6	40
DFC	0	9	8	9	16	9	6	6	24	15	7	109
Education	1	10	11	9	5	9	8	6	16	21	9	105
All Sectors	18	84	73	90	100	82	90	109	200	222	124	1192

PCRs without Audits by Sector, Year

Sector Name	82	83	84	85	86	87	88	89	90	91	Total
Agriculture	3	11	14	16	17	24	26	34	71	92	308
DFC	0	9	8	9	16	9	6	6	25	17	105
Education	1	12	11	9	5	9	8	6	19	22	102
Energy & Public Utilities	4	20	14	18	29	13	26	33	50	63	270
Industry	1	4	8	10	8	5	8	11	8	8	71
Multisector	0	4	0	2	2	0	0	1	0	1	10
Non Sector-Specific	4	1	1	1	0	4	3	4	10	8	36
Pop., Health & Nutrition	0	0	0	2	0	0	2	2	7	1	14
Transport & Tourism	4	23	15	24	20	12	10	17	22	26	173
Urban	0	2	2	0	3	7	2	4	11	9	40
Total :	17	86	73	91	100	83	91	118	223	247	1129

Jan 1, 88 - July 1, 92