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PSAS - Set-Up Information - Fiscal Year 2001

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Subject: PSI's submission to MDs: Private Sector and Infrastructure: FY02-04 World Program/Budget Formulation

The PSI submission to the MD's, titled Private Sector and Infrastructure: FY02-04 Work Program/Budget Formulation (with its attachments) can be accessed through a database titled FY02-04 Strategy and Budget. This database contains the submissions of all VPUs in the Bank.

The hotlink icon which will bring up the database is below. It will come up on your desktop. Once you bring up the data base, click on "MD/VP meetings", then "click here to view". Then select PSI.

Hotlink
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Private Sector and Infrastructure: FY 02-24 Work Program/Budget Formulation

Summary of PSI Submission

The Bank's new strategic directions call for PSI to play a leading role in one of the major global public goods (Information and Knowledge) and in two of the Bank's corporate advocacy areas (Investment Climate, and Water Resources). The PSI corporate agenda also includes building a new business model based on Bank-IFC global product groups in oil and gas, mining, SMEs, private sector advisory, and information and communications technology (ICT) – these groups have already had significant success in expanding their business lines, and feedback from clients is highly positive. PSI will also strengthen core competencies in urban development, energy, and transport, and will step up the guarantee program based on heightened demand from regions.

PSI sectors have been at the forefront of the changes that are driving the strategic shift in the Bank's work – a greater role for the private sector, increased demand for advisory products, and rapid technological innovations such as the internet and small scale infrastructure. PSI innovation can drive significant lending increases over the medium-term in programmatic lending supported by joint PSI-DEC work on the investment climate, and in output based aid for private sector delivery of infrastructure services to the poor.

Over the past 18 months, the PSI sector boards have revitalized infrastructure sector strategies, sharply improved portfolio quality, and selectively cut out lower priority programs and partnerships. Programs are now focused clearly on regional priorities. The staff has been reduced by 35%. PSI restructuring and redeployment is now complete.

We need a substantial budget increase over the medium term to invest in new product lines that will spearhead the transformation of our business and, we think, for the business of the entire Bank Group. Budget scenarios in the PSI submission follow:

	FY02	FY03	FY04
Scenario 1: Decapitalizing the business (% change)	0	0	0

A flat budget would severely limit our role in building a global methodology for assessing the investment climate, and country-specific investment climate assessments would be dropped. A joint unit with DEC in this area would not be feasible. In information and communications technology, we would continue lending and supervision support to regions but could not exert leadership in country dialogue at the request of country directors. Most initiatives in the Water Sector would be dropped. The global product groups in oil and gas and mining would not be viable at this level of funding, and would have to be phased out – a loss of this new business model. PSI's business would be decapitalized, with remaining focus on minimal sector board maintenance.

Scenario 2: Radically narrowing the agenda (% change)	FY02	FY03	FY04
	-5	0	0

Work on the investment climate and water would be negligible, and the viability of the information and communications technology global product group would also come into question. This scenario would require an immediate closure of the global product groups in mining and oil and gas. The attempted integration with IFC would thus show few practical results. No innovative work in programmatic lending or output based aid would be possible. This scenario would once again give a "sunset" signal to private sector and infrastructure.

Scenario 3: Growth for innovation and leadership (% change)	FY02	FY03	FY04
	13	5	4

Growth would be concentrated in information and communications technology, the investment climate (joint unit with DEC), and the water sector. Examples of support to regions: engagement with clients on telecom reform and "e readiness", country-specific investment climate assessments, and pilots in private sector management of water supply for the poor. The global product groups in oil and gas, and mining would be modestly funded yet viable as SMUs for the regions. This scenario's growth path exceeds the guidelines but would be fully justified based on corporate priorities and the potential for a new agenda for the Bank as a whole.

PSI submission in the standardized template format begins on the next page

PSI Submission

Alignment with Emerging Strategic Directions. *To what extent do the proposed work programs align with the key themes emerging from the draft Strategic Framework Paper?*

(a) Promote Information and Knowledge (Global Public Goods)

PSI, working in tandem with IFC, will engage over the medium term in a wide-ranging effort to bridge the digital divide which is widening and threatening to marginalize many of the Bank Group's poorest client countries. The Board Strategy Paper in Information and Communications Technology, under preparation, will outline the Bank Group's new directions: broadening and deepening telecom sector reform, extending information and communications technology infrastructure, promoting universal access in rural and poor urban areas, supporting sector-wide applications in education, health, and public financial management, and promoting "e readiness" to enable poor countries to expand internet use.

This strategy will be carried out using a broad array of assistance instruments, including technical assistance, IFC transactions, building a knowledge base, and targeted lending where special efforts are needed to increase participation of the poor. Above all, successful strategy implementation must be fast and relevant, in order to be effective in this rapidly changing, multi-layered field.

PSI's Information and Communications Technology Group (ICT) serves as the Sector Management Unit for regions in expanding assistance to the Bank's client countries in this sector. To meet rapidly growing client demand, the Group will expand its capacity to assess country situations in relation to telecom, broadcasting, postal reform, and "e readiness". The "convergence" of these subsectors within our client countries has strong potential to spur equitable economic growth. The ICT global product group will stand ready to expand AAA, lending, grant technical assistance and IFC transactions in a coordinated approach to country problems. The group will work closely with country directors in elaborating country strategies and assistance programs.

The ICT Group will also play a lead role in the Bank's external relationships in information and communications technology – for example, representing the Bank Group in the G7-organized "Dot Force" to expand internet use for development. The ICT Group provides leadership and policy guidance, and technical inputs to the implementation of the Global Gateway.

This is one of the Bank Group's main global public goods challenges of the decade. Though many parts of the Bank are involved, a strong ICT Group will serve as its policy and country assistance "hub".

(b) Build the Climate for Investment and Growth

Promoting an enabling environment for the development of the private sector, and building an appropriate climate for growth are at the heart of PSI's business strategy – closely aligned with the main themes coming out of the Strategic Forum. A strong climate for investment, jobs, and sustainable growth will empower poor people to participate more fully in development.

Building a base for knowledge and dialogue on the investment climate. The Bank's current analytical work on the investment climate has been neglected and is not well focussed. PSI and DEC plan to combine forces – through a new joint unit -- to create a practical, country focussed knowledge base to support change in the Bank's client countries: developing common diagnostic tools, evaluating the role of Small-Medium Enterprises, creating consistent and systematic information on best practices, defining global norms and benchmarking country performance, and developing tailored approaches to improve the investment climate in country by country.

Support to programmatic lending. PSI sees programmatic lending as one of the major Bank instruments for positively influencing the investment climate. Over the medium term, we plan to put into place a full program of operational support to regions, including support to innovative APLs and sector investment loans.

Small-Medium Enterprise development. SMEs are the engine of broad based growth in developing countries. PSI is working jointly with IFC on ways to enhance the business environment for SMEs, including development of specific projects and utilizing IFC's capacity building facilities more effectively across the Bank Group.

Rapid response. PSI will roll out a rapid response system to convey knowledge about the investment climate to task managers, external partners and client countries. This facility will offer 24-hour turnaround, be web-enabled, and incorporate a fee for service mechanism for some external clients. A similar facility – global powermarkets.com – will inform clients on regulatory issues in the power sector, and will be carried out in cooperation with the private sector. Over the medium term we expect PSI's knowledge outreach to move increasingly into this fast, action-oriented mode in all sectors.

Technical assistance. PSI through its regular programs and external partnerships will provide a rich array of policy oriented technical assistance to clients to encourage reform and improve the investment climate in:

Privatization policy: technical assistance will be expanded through FIAS, PSI's privatization policy and transactions group using a fee based service model, the Private-Public Infrastructure Assistance Facility (PPIAF) and other trust funded efforts, and through Bank funded policy work in telecommunications, mining, oil and gas, and the water, transport and power sectors.

Utility regulation – through formal training programs, and partnerships such as ESMAP

Corporate governance: through the multi-donor Global Corporate Governance Forum, joint work with the OECD and assistance to regions in country specific corporate governance assessments.

Information infrastructure: through Infodev, to enable clients to build a policy environment for convergence of voice, broadcasting, and internet solutions in providing a stronger platform for private sector growth.

Guarantees. PSI will help regions expand the use of the guarantee instrument to support an improved investment climate: to ensure success of projects in early stages of sector reform, to help mobilize private financing for large projects in a broad range of sectors, to support industry-wide privatizations in client countries, and to expand the range of growth instruments for IDA countries.

(c) Invest in People to Ensure that the Poor Benefit from Growth

The Bank can best empower the poor by supporting innovative, efficient service delivery through catalytic lending operations as well as technical assistance aimed at policy change. Without access to such basic services, the poor will not be in a position to respond to economic opportunities.

Infrastructure assistance over the medium term will be the main vehicle for the Bank to improve the lives of the poor. PSI's sectors continue to make up one third of the Bank's operations, and we expect this to continue. Moreover, the poor want infrastructure. The Voices of the Poor analysis shows that infrastructure is the highest perceived need of poor people – slightly above health and education -- and PSI's sector boards will work intensively with professional staff throughout the regions to increase the poverty orientation of infrastructure assistance.

The Bank's assistance in infrastructure – and in the social sectors as well -- can reduce poverty faster and more effectively if the delivery of services moves increasingly from public to private sector channels. Output based aid utilizing private companies to deliver services to the poor is a major innovation which PSI will help regions to experiment with over the medium term. The basic idea is contracting with private companies through concession arrangements to produce results in electricity connection, water and sanitation, urban slum upgrading – as well literacy, health care coverage, and other non infrastructure services.

Water sector development is a major corporate priority of the Bank – a key challenge for developing countries and one in which the Bank has a comparative advantage as an assistance provider. The sector is key for meeting the international development goals for infant mortality. Over the next three years we see expanded lending and non lending services emphasizing water concessions for the poor (private sector management of water supply), small-medium enterprise initiatives in water and sanitation (urban, small town, rural), and community based approaches. The global trust funded Water and Sanitation program is a vital partnership and has broad Bank regional participation. It is closely aligned with corporate goals in the water sector.

Extending information infrastructure to the poor will include: web based social sector applications, E business opportunities related to micro and SME finance, increasing rural access to basic telephony through special funds and subsidies for infrastructure, promoting universal access to the internet through small entrepreneurs and telecenter programs. The Bank, IFC, and MIGA provide an integrated menu of assistance instruments to implement these efforts.

In urban development, there is strong regional support for an expanded lending program. The Cities Alliance is now well established and funded by the donors, providing an effective facility for pilot work, knowledge dissemination, and technical assistance around the two programmatic themes of city development strategies and slum upgrading.

The transport sector makes up 15% of Bank lending – rapidly scaling up in client countries is vital to ensuring that the poor have access to the benefits of economic growth.

The energy sector renewal strategy of the last year will result in a newly revitalized energy business for the Bank, in which poverty, governance and environmental concerns will take precedence over investment operations. The power sector will become a major focus of output based aid using private sector solutions.

In mining, the relationship of the industry to its environmental impacts, and its role in local mining communities will be an increasing focus of Bank Group assistance.

In oil and gas, there will be concentration on environmental issues as well as low cost energy for the poor – for example, in Africa combining measures to end gas flaring with private investment in low cost LPG for the poor.

(d) How will your answers to (b) and (c) change the mix of instruments you use?

PSI's strategy will concentrate on four major instruments over the medium-term: a) advisory services with a new look, b) programmatic lending – helping get it right, c) assisting regions in innovating with output-based aid, and d) joint IFC-World Bank approaches to clients in all sectors.

Advisory services will be multi-resourced – decreasingly from the regular budget, increasingly through trust funds underscoring the importance of the $60m of annual disbursements from PSI's global programs, and increasingly from fee based services. Fee based technical assistance will increase among middle income country clients, though, for some clients, fees blended with trust fund resources will be more appropriate. PSI will share its experience with fee based services broadly throughout the Bank for possible replication. The Private Sector Advisory Service (integrated Bank/IFC) department will be the focus of effort.

PSI will help design the sectoral content of programmatic lending, in support of more flexible lending methodologies proposed for client countries. Programmatic lending we believe will be one of the main mechanisms for improving the investment climate.

Pilot work on output based aid will represent another area of lending innovation. Effective, long-term results in poverty reduction will not be obtained without the efficiency and transparency that the private sector can bring.

PSI has 5 joint departments with IFC: Small-Medium Enterprise Development, Oil, Gas and Chemicals, Information and Communications Technology, Mining, and Private Sector Advisory Services. The synergies are good, clients like the joint approach, and corporate culture within the new departments is highly positive. Joint products – policy advice linked with support to regions in operations and IFC transactions – are emerging. This combination of approaches and instruments will increasingly be the way the Bank Group interacts with clients in areas where the private sector plays an important role.

Overall breakdowns of budgets. *Please complete the attached EXCEL workbook detailing the expected breakdown of the OVP work programs and service cut breakdowns. Also comment below on any major changes expected over the next 3 years in the make-up of the unit budget. Separate cost and deliverables worksheets have been provided for each of the three planning scenarios:*

- ***Scenario 1: FY02-04 regular program budgets will be at the same level as the FY01 base as provided by CRM:***

Scenario 1: Decapitalizing the business

Summary: PSI cannot advance its revitalized agenda without an immediate budget increase. At a flat level, PSI would not be in a position to engage as a serious partner with DEC in advancing the corporate goal of improving the investment climate. A joint unit could not be created. We would have to drop much of our work in developing investment climate assessment methodology. and piloting country specific assessment work on the investment climate would develop too slowly to have much impact in the medium term. Water sector corporate advocacy goals would be seriously compromised, and we would be reduced to basic sector board maintenance without planned increases in upstream support to regional operations and AAA. We would be unable to help country directors experiment with output based aid and other product innovation seeking private sector solutions in the sector. The global product groups in mining and oil and gas would not be viable at this level of funding, and would have to be phased out – a major corporate loss of a promising Bank-IFC business model. The Information and Communications Technology global product group could not exert leadership in country assessment and dialogue at the request of regions.

Background:

PSI has been, and will continue to be over the medium term, highly selective in its strategy, work program, budget, and staffing:

1) Strategic revitalization of all areas of PSI's work (see part one of this submission)

2) Development of a negative list identifying areas of Bank non-involvement. These represent clear and tough choices to shape the Bank's PSI business lines to fit the development agenda of the future.

3) Selectivity in budget and staffing. PSI has downsized by 35% over the past 18 months. From FY 00 to FY01 our expenses will decline by over $11 million (17%) from all sources of funds -- mostly reflecting reductions in fixed costs. The vice presidency has five major sector boards to manage (a larger number than any other network vice presidency), and we have just recently reorganized to reduce the budget burden in that area. One unique activity – the Business Partners Outreach Group – was taken on by PSI management 18 months ago, and we are running it at 30% less cost to the Bank than when it arrived.

To sum up -- the vice presidency has taken tough management decisions, has been highly selective, and the Bank's new priorities feature PSI front and center. The Bank needs to expand its resource allocation for PSI.

- ***Scenario 2: FY02-04 regular program budgets will be 5% lower than the FY01 base as provided by CRM***

Scenario 2: Radically narrowing the PSI agenda

This disastrous scenario for PSI would severely limit activity in the investment climate and water – we would have virtually no ability to mount regional pilots or develop these business lines beyond where they are now. It would in fact would force us to close down quickly the global product groups for mining and oil and gas. This would end our joint work with IFC in those areas, and would leave regions without a sector management unit for either of those sectors. Those sectors, while declining, are still of major importance to a significant number of country programs. The demise of these joint departments would mean a major setback to the Bank Group's private sector development strategy and our commitment to the Board to better integrate the Bank, IFC, and MIGA. Our ability to assist regions in upstream support to ESW would be severely impaired – especially in urban, a growing lending sector.

In all sectors, PSI would have to abandon innovation in programmatic lending and output based aid, and concentrate on narrowly managing 5 demoralized sector boards.

- ***Scenario 3: FY02-04 regular program budgets can increase by 10% over the FY01 base as provided by CRM***

Scenario 3: Growth for innovation and leadership

Since the strategic compact (1997) the regular budget for PSI has declined by 2% in nominal terms, while other networks have risen on average by 25%. PSI's strategic agenda, supported strongly by the PSI network council and the Strategic Forum results, will require over the medium term a budget increase in the 20-25% range. Our growth scenario shows a 13% increase in FY02 and smaller annual increases after that. We recognize this is outside the CRM terms of reference, but we want to emphasize our current condition of underfunding relative to the Bank's priorities – and to show the benefits of a substantial budget increase.

PSI's FY02-04 growth scenario shows the following regular budget funding requirements for PSI's contribution to global public goods (Information and Knowledge) and corporate priorities (investment climate and the water sector), as well as the budget requirements for the programs discussed in this submission which do not fall into these areas.

	FY02	FY03	FY04
Global Goods, Corporate Advocacy			
Information and Knowledge	1.7	1.9	2.0
Investment climate	2.3	2.4	2.7
Water Sector	1.6	1.7	2.2
Total	**5.6**	**6.0**	**6.9**

PSI total request is as follows:			
Global goods, Corporate Advocacy	5.6	6.0	6.9
All other PSI programs	9.4	10.5	10.9
Non-program costs*	15.4	15.4	15.6
Total	**30.4**	**31.9**	**33.4**
% increase (FY01 = $26.9m)	13%	5%	4%

* Sustaining costs, indirects, training, etc.

The listing of products and tasks in the attachment tables provides a breakdown of funding under the flat, -5%, and growth scenarios.

We indicated that the Mining and Oil and Gas Global Product Groups are not sustainable with a flat budget or a budget decline (options 1 and 2). We cannot continue these units a minimum without a budget of $3.0m., costed bottom up. We were able to supply only $1.6m from the FY01 original distribution. Thus there is a deficit of $1.5m, which will be needed in FY02 to make these joint departments minimally viable.

Sustaining and indirect costs. *Specifically identify efforts that will be taken within the VPU to reduce the level of sustaining and indirect costs and ensure adequate resources are going to the delivery of core programs.*

(a) General comment

PSI reduced its sustaining costs from $9m in FY00 to $8.5m. (est.) in FY01 – a reduction of 6%. A further reduction of about 5% is targeted in FY02 due to reduced numbers of ACS staff and the elimination of the Infrastructure Department front office, which will be superseded by very lean departments for Energy and Water, and for Transport and Urban Development. However, we expect sustaining costs to be flat in FY03 and FY04 as PSI's staff size and composition stabilizes at its new level of about 295 HQ staff (of which 70 are fully or partially trust funded). The percent share of sustaining costs in the PSI resource envelope are shown below. PSI expects its cross support to remain strong next year under the new budget reform mechanism, and it is necessary to include regional cross support in the totals, for purposes of evaluating PSI's sustaining costs. Inclusion of trust funds and DGF applied to administrative costs also provides a useful view of the weight of sustaining costs in PSI totals. The table shows that sustaining costs as a % of total appear moderate when taking into account all sources of funds.

A comparison of sustaining costs from FY01 to FY02 (under Scenario 3) follows ($m):

	Regular budget	With cross support (regional)	With TF, DGF
FY01			
Envelope	26.9	38.4	47.9
Sustaining Costs	8.5	8.5	8.5
% share	32	22	18

	Regular budget	With cross support (regional)	With TF, DGF
FY02 (scenario 3)			
Envelope	30.4	44.4	50.1
Sustaining Costs	8.0	8.0	8.0
% share	26	22	16

(b) Actions to reduce sustaining & indirect costs

Actions on sustaining costs are noted above. Indirects declined 10% from FY00 to FY01 (est.), net of chargeback increases and expense decreases due to declining staff numbers. A further reduction of 8% is expected in FY02, as space and communications costs reflect the lagged effects of PSI's staff downsizing. This decline would be less if chargebacks increase.

(c) Actions proposed to ensure adequate resources are going to core programs

Selectivity in the selection of products and careful costing of those products is the key to adequately resourcing core programs, along with savings from sustaining and indirect cost reductions. PSI selectivity implies active management of work programs and budgets, especially in focusing resources on information and communications technology, the investment climate and the water sector. Our budget allocations over the medium term will be informed by priority-setting within all of our sectors, with priority given to growth sectors (information and communications technology, private sector development – especially investment climate, water, and urban. Energy and Transport sectors will remain relatively steady in terms of funding, reflecting their status as neither growing or declining sectors. Mining and Oil and Gas are expected to decline over the medium term; however, they will and remain as vital lines of Bank business in some client countries where they constitute significant shares of GDP, export and fiscal revenues.

Delivery of optimal programs to support regional operations: *Discuss the decisions taken to ensure that the activities defined support regional program priorities. Also, please discuss changes in the way programs will be delivered e.g. changes in the level of decentralization, changes in the mix of services being delivered. If expectations change depending on the scenario applied, please detail for each scenario. Please also include a discussion on how the MIC, the Cost of Doing Business and other recent task force recommendations have been built into your assumptions.*

(a) General comments

PSI has re-oriented its services to maximize support to regional AAA and operations and to de-emphasize knowledge products with less direct operational relevance. PSI's five sector boards determine resource management priorities in strategic staffing, sector strategy, knowledge, and quality. They are active in developing our external partnerships. The PSI Network council has a strong role in resource allocation, for example in vetting and approving PSI's DGF submissions.

(b) Efforts to optimize support of regional objectives (other than cross support)

Through close collaboration with the regions, PSI sector boards and staff are able to formulate work programs aimed at regional needs – support to PRSPs, providing input to operational planning in the area of lending innovations, e.g. programmatic lending, and organizing the infrastructure sectors for a strong and continuing contribution to middle income countries. The PSI Council has provided guidance on resource allocation and partnership selectivity to insure alignment with operational priorities.

The Global Product Groups serve as the Sector Management Units for the regions in information and communications technology, mining, and oil and gas. In this role, they work directly with the country director and the client to carry out lending operations, exercise quality control of the active portfolio, and to link Bank and IFC work within countries in pursuing CAS objectives on the ground.

PSI's global trust funded programs support regional work in important ways -- by funding regional staff to organize and manage country specific studies on infrastructure privatization (PPIAF trust funded program), on rural and renewable energy (ESMAP trust funded program), in pilot projects to deliver water and sanitation services to the poor (Water and Sanitation trust funded program), and in support to regional efforts in microfinance and SME development (CGAP and SME trust funded programs). This is consistent with the objectives of our donors, who wish to engage the entire Bank (not just a network anchor) in joint work on common development goals.

Strategy. In constructing our medium term, zero based budget, PSI guidelined departments to emphasize strategic work which met perceived regional needs:

PRSP toolkits in Transport and Mining

Upstream support to economic and sector work (country specific investment climate assessments, sector dialogue with clients in telecom, broadcasting, postal reform and internet readiness, and provision of local economic development guidelines in cities with strong regional interest)

Business development in close cooperation with regions, for example in piloting output based aid

Knowledge management. PSI took a disciplined approach to budgeting knowledge management over the medium term.

Help desk and advisory services have been carefully budgeted, and we are moving to a much broader vision of services encompassing both regional clients and external clients. Only in this way can the Bank obtain and deliver cutting edge knowledge, delivered in a "rapid response" mode.

Websites will be consolidated over the medium term.

Best practice notes have been limited to the highest priority as defined by the sector boards.

Thematic groups have been budgeted for task management time, but funding will come through the sector boards for specific tasks.

Budget plans for the medium term show a sharp increase in strategy as PSI concentrates on upstream support to regional economic and sector work and new strategy implementation in all sectors. There is a 25% decrease in knowledge management. We are expanding the engagement of regional staff in producing strategy and knowledge products. This is consistent with the results of the recent MD-sponsored review of network functions which specifies that network produced "public goods" should be fully funded but partially staffed.

Portfolio quality: PSI's sector boards have given top priority to improved quality of the PSI portfolio, which comprises 35% of the Bank's active projects. QAG has recently judged PSI the "best performer" among networks, with 96% satisfactory or better projects. The top three in sector performance in the Bank were Urban, Oil and Gas and Transport. In all three, a strong focus on development effectiveness was noted, as well as timely identification of problems projects and fast remedial action. Over the medium term sector boards will:

Review portfolio quality on a regular, highly cost effective basis – through sector board meetings, informal clinics, and brown bag lunches.

Conduct a special review of Bank infrastructure lending in emergency situations, with particular attention to risk management, information systems, and the role of the private sector.

Assist regions in conducting in depth country specific reviews, e.g. mining projects in Poland and Ecuador.

Partnership

Over the medium term, PSI will reduce the number of its partnerships, focusing increasingly on its large global trust funded programs: PPIAF, FIAS, ESMAP, Water and Sanitation, Cities Alliance, CGAP, Bank-IFC partnerships for SME development, and the Corporate Governance Global Forum. 38 existing partnerships, many of them small, were just reviewed. Exit strategies were identified for ten, four are under discussion with respect to exit, and three new partnerships are being considered. It is difficult to link partnership selectivity with expected savings. Fewer partnerships will reduce management "noise" and thus improve management focus. However, our partnership expenditures will decline in FY02 by about 10% based on product/task costing at this time.

PSI will expand regional involvement in planning of and direct participation in partnership activities. In many sectors, for example, in energy much of the upstream support to economic and sector work and knowledge management is now done through ESAMP. The Water and Sanitation program has a field based staffing running pilot projects in LAC, Africa, South Asia, and East Asia which directly support regional assistance in the water sector. Knowledge obtained through partnership dialogue in the Corporate Governance Global Forum feeds directly into country specific corporate governance assessment.

PSI's trust fund disbursements associated with partnerships totaled $63.9m in FY00 and will total about $45m in FY01. The decline is due to the phase out of InfoDev's Y2K program. InfoDev's contributions and disbursements will pick up next year. An estimated 20% of major partnership resources were directed to work in regions, performed by or managed by regional staff. We expect this share to increase over the medium term.

Overall regular budget resources applied to partnerships will decline over the medium term, along with the exits strategies discussed earlier. For the large global trust funded programs, many of these programs requires permanent secretariats to administer – with resource requirements generally beyond the ability of PSI to fulfill. Hence, we are increasingly relying on the donors themselves to contribute to the cost of running large and complex programs on behalf of the partnership.

Business Development will be entirely focused expanding development impact in regional assistance in PSI's sectors/themes.

New products: private finance guarantees for small decentralized energy systems, output based aid methodology, strategies for convergence in information and communications technology.

Regional pilots: clean coal in China and Indonesia, private sector participation in rural energy, and SME assessments (20 countries over FY02-03), disaster management prevention pilots, private finance and guarantee promotional activities.

Output based aid pilot projects, working closely with country directors, to deliver services to the poor.

Breakdown of Programs by Source and Funds and Potential Use of Consultant and other Trust Funds: *Complete the attached template detailing the breakdown of the regional program between regular Bank programs and reimbursable programs. In the box below, provide information concerning expectations for the delivery of fee earning advisory services to clients over the next three years. Also please identify the extent to which and areas where consultants and other trust funds could supplement Bank resources.*

(a) Expected Changes in the Level of Reimbursable Programs

On reimbursable fee income, PSI has three global trust funded programs which still require regular budget resources (ESMAP, Infodev, and the Water and Sanitation Program). These programs were set up with the expectation that the Bank would make contributions from the regular budget. By contrast, in our newer programs the donors pay for much of the cost of running programs. PSI's medium term goal is to move these three programs closer to the new model, but we are not assured of success in this effort. We expect no change in FY02, which would result in reimbursements from Trust Fund fees on the order of $1.2m. once again.

(b) Fee Earning Advisory Services

PSI has pioneered in the area of fee for service; however, the revenue from fees has rarely exceeded $50 thousand per year. The Bank's clients are often reluctant to pay for Bank services in most cases. Nonetheless, we are seeing some pick up in demand, e.g. from the Thai government on ICT policy and regulatory issues. We also see potential in charging clients for internet based services (e.g. the rapid response facility which will be up and running in FY02). Joint ventures with private partners, such as *Globalpowermarkets.com.*, will also generate fees from on-line services. In the next year, however, we do not expect revenues which would be sufficient to alter our regular budget requirements.

(c) Potential Use of Consultant Trust Funds

Consultant trust funds declining rapidly for PSI -- from $6.5m. of disbursements in FY99 to $2.5m. in FY01. In the past, PSI used to manage a large number of CTFs to do project work in the regions, in the major areas of PSI cross support. We have advised the regions that such transactions should be managed by the regions themselves. So we would expect only minor CTF disbursements in FY02 and beyond.

Joshua M. Gallo

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March 8, 2001 9:38 AM

WORLD BANK PROGRAMS AN GETS FOR FY02-04
PSIVP BUD
Scenario 1: FY01 base budget

Sector Task/Deliverable	Business Process	FY to be delivered	FY01 Plans: BB	FY01 Plans: BB Base (Excl Reim & Fee Inc.)	FY01 Plans: Consultant Trust Funds	FY01 Plans: Other Trust funds	FY02 REQUEST: BB	FY02 REQUEST: Consultant Trust Funds	FY02 REQUEST: Other Trust funds	FY03 REQUEST: BB	FY03 REQUEST: Consultant Trust Funds	FY03 REQUEST: Other Trust funds	FY04 REQUEST: BB	FY04 REQUEST: Consultant Trust Funds	FY04 REQUEST: Other Trust funds
Global Public Goods Programs															
Information and Knowledge			1,600	1,170			1,475			1,475			1,475		
- Social sector applications		onging					200			200			200		
- E-Readiness		ongoing					275			275			275		
- Broadening telecom sector reform							300			300			300		
- Increasing universal access in rural and urban poor areas		ongoing					175			175			175		
- Country assessments and assistance strategies		ongoing					325			325			325		
- External: Dot Force, Global Gateway		ongoing					200			200			200		
o/w Network Functions															
Knowledge Management	KM						*350*			*350*			*350*		
Learning & Staff Development	LSD						*75*			*75*			*75*		
Sector Strategy	ST						*400*			*400*			*400*		
External Partnership	PT						*225*			*225*			*225*		
Business Development	BD						*425*			*425*			*425*		
Corporate															
Investment Climate			1,000	700			1,350			1,350			1,350		
- IC assessment methodology and knowledge		ongoing					200			200			200		
- Country IC assessments		ongoing													
- Small-medium enterprise development and access to microfinancing		ongoing					75			75			75		
- Corporate governance assessments		ongoing					300			300			300		
- Global Corporate Governance Forum		ongoing					150			150			150		
- Policy-oriented technical assistance in privatization policy, utility regulation, corporate governance, and information infrastructure		ongoing					400			400			400		
- Guarantees: expansion to frontier sectors and countries		ongoing					100			100			100		
- Programmatic lending support		ongoing					125			125			125		
o/w Network Functions							200			200			200		
Knowledge Management	KM						*400*			*400*			*400*		
Sector Strategy	ST						*350*			*350*			*350*		
External Partnership	PT						*200*			*200*			*200*		
Business Development	BD						*350*			*350*			*350*		
Council and Sector Boards	SB						*50*			*50*			*50*		
Water Resources			1,500	1,300			1,300			1,300			1,300		
- Service delivery to the poor		ongoing					900			900			900		
+ Delivery through concessions (private sector management of water supply)		ongoing					300			300			300		
+ Small-medium enterprise initiatives in water and sanitation		ongoing					300			300			300		
+ Small town, urban and rural water		ongoing					300			300			300		

- Pilot [illegible]utput-based aid		ongoing					400			400			400		
o/w [illegible]unctions															
Knowledge Management	KM						*325*			*300*			*300*		
Learning & Staff Development	LSD						*75*			*75*			*75*		
Sector Strategy	ST						*325*			*325*			*325*		
External Partnership	PT						*325*			*300*			*300*		
Business Development	BD						*200*			*150*			*150*		
Council and Sector Boards	SB						*50*			*50*			*50*		
Sector & Global Services															
Knowledge Management Help Desk, website content, best practice notes, thematic groups, major case studies	KM		4925	4010			1225			1275			1275		
Learning & Staff Development Help Desk, website content, best practice notes, thematic groups, major case studies	LSD		1,722	1,410			1,950			1,950			1,950		
Sector Strategy Help Desk, website content, best practice notes, thematic groups, major case studies	ST		765	645			1,816			1,816			1,816		
Quality Assurance Quality enhancement reviews, portfolio monitoring, liaison with Regions/QAG.	QA		443	395			639			639			639		
External Partnership Donor coordination, smaller partnership management, coordination of large global programs.	PT		2,920	2,360			750			750			750		
Business Development New products R&D, Regional pilots.	bd		2,679	2,000			980			1,030			1,030		
Council & Sector Boards Strategic staffing, sector reviews and discussions.	SB		433	350			250			250			250		
Subtotal			13,887	11,170			11,735			11,735			11,735		
Training Received			907	801			900			900			900		
Total Direct Cost			14,794	11,971		8,400	12,635		9,000	12,635		9,000	12,635		9,000
CMPS: ACS - Program Administration			536	451			525			525			525		
Sustaining costs			8,500	6,399			8,050			8,050			8,050		
TF Program Direction costs						3,000			3,500			3,500			3,500
Indirects 1/			8,131	8,100		1,500	5,712		1,850	5,712		1,850	5,712		1,850
Additional indirect funding by Regional cross support							*1,786 (non-additive in request)*			*1,786 (non-additive in request)*			*1,786 (non-additive in request)*		
TOTAL PROGRAM COSTS INDIRECTS & DIRECTS 2/			31,961	26,921	3,000	12,900	26,922	3,000	14,350	26,922	3,000	14,350	26,922	3,000	14,350

1. Indirects in FY02-04 show only amounts funded by PSI's base budget and exclude 1,786 assumed to be funded from cross support activity (based on calendar year 2000's 3,105.8 SW of cross support).
2. Total program costs for BB exclude FIAS but include 2,240 (1,700 fee income charged to Partnership function and 500 misc. reimbursement charged primarily to Knowledge Management function). Also, learning and staff development costs include BB-funded training activities as well as P&T activities -- P&T funding is treated as static at 1,935 across all years. Trust funding is treated as stable across all years and, as in the Dashboard definition, includes funds used only for staff and indirect costs of secretariats.

FY02 Service Cut Analysis of Retrench Scenario (-5%)

Service	Info. & Knowledge	Investment Climate	Water Resources	Totals	% of Total
Global Public Goods/ Corporate					
Knowledge Mgt.	300	275	300	875	
Learning & Staff Dev.	75	310	75	460	
Strategy	400	175	325	900	
External Partnership	225		325	550	
Business Development	325	315	175	815	
Sector Boards			50	50	
	1,325	1,075	1,250	3,650	35%
Sector and Global Services					
Knowledge Mgt.	1,075				
Learning & Staff Dev.	1,950				
Strategy	1,248				
Quality Assurance	639				
External Partnership	750				
Business Development	900				
Sector Boards	250				
	6,812			6,812	65%
Totals					
Global Public Goods/ Corporate					
Knowledge Mgt.	1,950				
Learning & Staff Dev.	2,410				
Strategy	2,148				
Quality Assurance	639				
External Partnership	1,300				
Business Development	1,715				
Sector Boards	300			11,262	
	10,462			10,462	100%
Sustaining, Indirect and other overheads					
Training Received				853	
ACS Program Administration				500	
Sustaining Costs				8,050	
Indirect Costs				5,712	1/
Grand Total				25,577	

1/ 1,786 additional funding for indirects expected from Regional cross support.

PSI - FY02-04 WORK PROGRAM/BUDGET FORMULATION: TASKS/PRODUCTS PROPOSED BY PSI DEPARTMENTS FOR FY02

Major Activities and Tasks	Request	PSI Submission
Strategy	**7,729**	**4,280**
Board Paper	*600*	
PSD-WBG Strategy Paper	600	
Strategy Implementation	*3,489*	
PSIVP strategy coordination	500	
Urban Transport Strategy-Review Paper	100	
-implementation	150	
Private Sector-Privatization Policy	250	
Coal Options Paper	30	
PRSP Toolkit-Transport	235	
-Mining	14	
Water-Strategy Review Paper	250	
Sector-wide events-Water	40	
-Oil & Gas Forum	100	
-Disaster Mgmt guidance/tech support	30	
-Mine Ministers Forum	88	
-Finance/Mining & Sustainability Conference	122	
-Mining BPD	25	
-Mining: Extractive Industries Review	84	
-Africa Mining Assessment	100	
-Roadshows to promote ICTSSP	50	
Corporate events-Water		
-Disaster Risk Mgmt	50	
-Info & Communications Tech: new OP 4.50	50	
Publications-Pamphlets/ext relations with private sector	50	
-Disaster Mgmt: Tools/learning prog (3)	40	
-Project Finance & Guarantees: IFR & PFI	6	
Training-sector staff retreat for Energy family	50	
-Water	15	
-Urban workshops/country exercises (5)	120	
-Disaster Mgmt: training disaster risk mgmt (6)	30	
-Project Finance & Guarantees retreat	10	
-Oil and Gas analytical training	60	
-Info & Communications Tech: familiarize Op staff on ICT	50	
Board seminars-Disaster Mgmt	4	
Sector Board-Private Sector	200	
Fuel for Thought progress report	50	
Inputs to CAS(and PRSP)-review & roadshow with country team on energy strategy	90	
-Water	35	
-Urban	25	
-Disaster Management Facility	17	
-Small & Medium Enterprises (18 PDF/CAS)	80	
-Oil and Gas	25	
-Private Sector: CAS development	100	
-Information & Communications Tech input and reviews	100	
Global monitoring-Water	5	
-Implementing energy business renewal strategy	10	

-Urban	25	
-Oil and Gas	25	
Upstream Support to ESW	*2,280*	
Energy	200	
Water	30	
Water-PRSP support	40	
Private Participation in Transport	110	
Urban-Local Economic Development Guidelines/Case Studies	75	
-Private CDS/City PRSP	60	
-Financing Municipal Services	35	
Disaster vulnerability	10	
Disaster management	20	
Oil and Gas-analytical/development	100	
Private Sector-Casebook on output-based aid	100	
-assessments - country specific (3)	200	
-country assessments (corporate governance)	400	
-regional governance roundtables	150	
-assessment methodology	400	
Information & Communications Tech-assessment of countries	350	
Strategic Staffing - Sector Boards, Skills Assessment, Skills Development/Management	*1,360*	
Mining	30	
Sector Board-Private Sector	200	
Energy-Sector Board functions	200	
-Sector Board Secretariat	150	
-assessment, management, monitoring, inc. mentoring program	125	
Water-(130 staff in family; assessment started May-00)	35	
-Sector Board support: information technology and other subcommittees	150	
Transport (160 staff in family)	55	
Transport Mentoring Program	65	
Urban (120 staff in family)	105	
Project Finance & Guarantees	8	
Business Partnership Group-managing external consultants	37	
Information and Communications Technology-staff skills upgrade	200	
Knowledge Management	**5,116**	**3,420**
Help desk/advisory services	*638*	
Energy-1 desk with 1-1/2 dedicated staff	130	
Water-1 desk with 2 field branches	157	
Transport	25	
Urban	80	
Business Partnership Group	46	
Mining-knowledge sharing	100	
Information and Communications Technology	100	
Website maintenance	*818*	
Energy-Env Mgmt for Power Dev website	50	
Water	35	
Transport	100	
Urban	120	
Project Finance & Guarantees	3	

Business Partnership Group	60
Oil and Gas	100
Mining	50
Private Sector-rapid response platform	250
Information and Communications Technology	50
Best practice notes	*814*
Energy-Potential for Distributed Energy; Opportunities for Optimizing Delivery of Water & Energy Services and follow-up; Implication of IPCC for Energy Inf	130
Water-6 note series: PSP, water and poor, water reg, PSP case studies (3)	60
Transport-6 major notes:	
-Pvt Participation in Highways	20
-HIV/AIDS and Transport	20
-Regional Trade Development	20
-PRSP Guidance Sheets (3)	80
Urban-tbd	100
Project Finance & Guarantees-3-5 notes, 1 research paper	50
Business Partnership Group-4 briefing notes	14
Oil and Gas-8 practice notes	70
Private Sector-lessons on WBG work on investment climate	150
Information and Communications Technology-viewpoint notes	100
Thematic Groups	*472*
Energy	120
Water (rural and urban)	60
Transport (4)	100
Urban (4)	120
Disaster Management (natural disaster TG)	16
Oil and Gas	26
Mining	30
Major KM products (pls. Identify below)	*2,374*
PSIVP knowledge coordination	400
Energy-Energy Dev Report (annual); Energy Savings in Transportation; Review of Metering; Impact of Reform on the Poor; Impact on LDCs of new hydro-carbon prices	100
Water-Watsan and poverty	65
-Wastewater project econ handbk	35
-Benchmarking W&S utilities toolkit	90
-Newsletters: Deal Flow, W&S Economic Review	60
-W&S lecture series (technology/business)	50
-Watsan regulation case studies	40
-Small town WS in poor areas	20
-Handwashing intervention handbook	90
Transport-Knowledge CD	25
-Road Financing Mgmt Trg Material	45
-Needs and Demands Assessment	30
-Social Assess in Rural Trans K-base	20
Urban-Financial Intermediaries in Capital Markets	75
-Public/Private Partnerships in Slum Upgrading & Low-Income Housing	150
Project Finance & Guarantees-brochures	10
Business Partnership Group-clinics and requested support	34

-HQ training for business associations	20	
Mining-Sustainability Work	60	
-Tax Seminar II	30	
Private Sector-International conference on output-based aid	200	
-new training delivery mechanisms	100	
-quality of regulation-global standards	200	
-bidding process transparency-global standards	200	
-Privatization Policy	125	
Information and Communications Technology forums	100	
Quality Assurance	**1,491**	**858**
SB quality enhancement reviews	*820*	
PSIVP coordination on quality	300	
Energy (76 projects)	50	
Water (91 projects)	80	
Transport (163 projects-$19.0 b)	70	
Urban (87 projects-$6.3 b)	100	
Disaster Management ($3.5 b)	20	
Private Sector	200	
Portfolio monitoring	*320*	
Energy (16 projects at risk)	25	
Energy-Country portfolio reviews (4/year)	50	
Water (14 projects at risk)	40	
Transport (23 projects at risk)	50	
Urban (10 projects at risk)	80	
Oil and Gas	25	
Information and Communications Technology	50	
Liaison with regions/QAG	*147*	
Energy (practivity rating: 75%)	25	
Water (proactivity rating: 77%)	10	
Oil and Gas	10	
Mining-quality assurance (Poland & Ecuador)	52	
Information and Communications Technology	50	
Informal clinics and brown bags	*204*	
Water-3 per year	30	
Transport-25 events	60	
Urban-25 events	78	
INFDM-Emergency Lending, Risk Mgmt, Information Systems, Role of the Private Sec	6	
Oil and Gas-2 series	30	
External Partnership	**1,959**	**2,200**
Donor Coordination	*453*	
Energy Development Costs: Village Power Partnerships; Transport, Energy, Environment; Extractive Industry (same as GPGs)	100	
Water-WSP	300	
Business Partnership Group-DGF process management	13	
Oil and Gas-consolidate social impact mitigation	40	
Manage Smaller Partnerships	*941*	

Water-BPD	40	
-Watsan professional associations-maintaining dialogue	25	
Business Partnership Group-staff training for partnership strategy	28	
Mining, metals & sustainable development	47	
Mining-Consultative Group on Artisanal and Small Scale Mining Development	68	
-external partnerships	68	
Private Sector-Global Corporate Governance Forum	150	
Transport-external partnerships	120	
Urban-external partnerships	160	
Disaster Management-external relations	46	
Small and Medium Enterprises-Enabling Environment Partnerships (5)	40	
Information & Comm. Technology-UPU, ITU, APT, REGULTEL, GIIC, DOT Force, etc.	150	
Coordination of Large Global Programs	*565*	
ESMAP	400	
Business Partnership Group-oversight of PSI global programs	10	
-approval WBG PS partnerships	57	
-proactive support to 3/4 priority programs	98	
Business Development	**3,463**	**2,162**
New Products Research & Development	*1,208*	
Energy-Lines of Guarantees for Small Decentralized Energy Systems	75	
Disaster Management-Poverty & Catastrophic Risk, Vulnerability of Critical Infrastructure	8	
	200	
Mining	130	
-Coal Initiative (China & Indonesia)	65	
-Global initiative to support artisanal and small-scale miners (SAMI)	130	
Private Sector-design of output-based aid projects	300	
Information and Communications Technology	300	
Regional Pilots	*2,255*	
Energy-Africa: Priv Sector Participation for Rural Energy	85	
-LAC:Multisector Infrastructure Development	90	
Disaster-Risk Management in Central America	8	
-prevention projects: SA, CA, LAC, EA, Africa	10	
-Information for Risk Management (Africa)	8	
Private Sector-Business Enabling Pilot (20)	100	
-Country Mapping (10)	290	
-Regional Program Reports (28)	80	
Business Partnership Group-HQ business briefings (5)	64	
-Regional business briefings (2)	61	
-promoting WBG PS strategy internally	24	
-promoting WBG PS strategy externally	74	
Mining-conferences/workshops	65	
-HIV AIDS Toolkit for mining firms	50	
Water-Poverty responsive lending	40	
Urban-PRSPs/CDS	300	
Project & Finance Guarantees-regional activities (including travel)	581	
Information and Communications Technology	200	
Private Sector-Privatization Policy	125	
Learning and Staff Development	**1,865**	**2,100**

Energy Week (3 days-Apr 02)	250	
Water-Professional Association membership	80	
-Rural & urban staff networking	150	
-Sector basics course for new staff	150	
International Project Finance & World Bank Guarantees	35	
Annual Road Management Seminar	50	
Poverty and Transport	50	
Transport Week	200	
City Development Strategies	50	
Informal seminars and brown bag lunches	50	
Urban Week	200	
Geographic Information for Disaster and Risk Management	50	
Protecting Investments and Opportunities: Role of the Private Sector		
Lending Instruments for Disaster Risk Management		
Project finance clinics	20	
Petroleum Price Reform Strategy	20	
Revenue Management Principles	20	
Issues in Downstream Petroleum Products Regulations	20	
Mining-Distance Learning Initiatives	70	
Private Sector	400	
TOTAL	**19,758**	**15,020**

Maria Pilar Z. Bowyer
04/10/2000 12:23 PM

Extn: 38608 PSDDR
Subject: Estimated Cross Support for Global Units

		Actual February				Projected FY00 (Act Feb times 1.5)			
Global Units	OUI	Sws	$ 000 Sal/Ben+ $500 Ind	$ 000 VP Sus $1300/ sw	$ 000 Total	Sws	$ 000 Sal/Ben+ $500 Ind	$ 000 VP Sus $1300/ sw	$ 000 Total
Oil &Gas	1870	203.9	825.9	265.1	1,091	305.9	1,238.9	397.7	1,636.5
Mining	594	227.4	977.7	295.6	1,273.3	341.1	1,466.6	443.4	1,910
Telecom	1871	417.0	1,396.6	625.5	2,022.1	625.5	2,094.9	813.2	2,908.1
Infodev	7179	13.0	23.3	16.9	40.2	19.5	35.00	25.4	60.4
SME	7176	64.9	181.8	84.4	266.2	97.4	272.7	126.6	399.3

To: Larry F. Smucker
cc: Stella G. Franco

1P

Michael U. Klein 05/25/2000 10:40 AM

Extn: 33293 PSDPP

Sent by: Jocelyn Tan Dytang

Subject: Re: Summary of the May 4 Meeting of Operational Vice Presidents

FYI.
Nemat Talaat Shafik

Nemat Talaat Shafik
05/24/2000 05:04 PM

Extn: 38632 PSIVP

Sent by: Catherine Guie

To: PSI Directors
Subject: Summary of the May 4 Meeting of Operational Vice Presidents

See especially item IV. Minouche.

---------------------- Forwarded by Catherine Guie/Person/World Bank on 05/24/2000 05:03 PM ---------------------------

Myra L. Holsinger 05/23/2000 10:08 AM

Extn: 34849 MDC

To: Callisto E. Madavo, David De Ferranti, Eduardo A. Doryan, Ian Johnson, Jean-Louis Sarbib, Jeffrey Goldstein, Jemal-ud-d
Subject: Summary of the May 4 Meeting of Operational Vice Presidents

Sven Sandstrom and Shengman Zhang chaired the meeting.

I. Board Discussion of the Partnerships and the Global Dimensions of Partnerships Paper/Managing Our Institutional Commitments

Sven Sandstrom reviewed the outcome of the April 28 Board discussion of these two papers, noting that the discussion had helped to allay some serious concerns on the part of the Board about how this issue is being managed. A summary of the discussion will be circulated to the OVPs, but, in the meantime, Sven outlined what had been agreed: 1) No new partnerships to be initiated without the line MD being consulted; 2) Each MD will make a judgment as to whether to consult his/her colleagues and Mr. Wolfensohn. This consultation should take place prior to entering into any discussions or making any commitments concerning potential partnerships; and 3) The Partnership Council's role will be enhanced, not as a decision-making body, but as an advisory forum for the MDs.

In the discussion which followed, OVPs cautioned that vigilance will be necessary to ensure that these guidelines are not circumvented, adding that partnerships should not be seen as an end in themselves. Sven commented that CASs should deal with partnerships at the country level; global/corporate partnerships and programs should also have a country link which should be specified upfront. It was noted that there are a number of global knowledge partnerships associated with the thematic groups, and that some stocktaking needs to be done. Going forward, the partnership criteria and processes and the global/corporate dimensions of partnerships will be combined into one framework paper. As urged by the Board, the Sector Strategy Papers will be an important instrument in managing and prioritizing partnerships. Joanne Salop noted that there will be a June 15 Technical Briefing for EDs on stocktaking of SSPs.

On Managing Institutional Commitments, Joanne distributed the list of commitments attached to the draft IDA-12 Report which will be discussed at the Lisbon IDA-12 Mid-term Review meeting in June. She noted that, as part of its review of IDA-10, 11 and 12, OED is also analyzing commitments made and the Bank's success in fulfilling them.

II. FY00 Work Program Deliverables

Joanne Salop thanked the OVPs and staff for their efforts in firming up the status of their Board deliverables through the end of the fiscal year. She noted that the EDs had been briefed at the May 1 Steering Committee meeting on the status of the work program, and that the Board was ready to devote the time necessary to ensure that all operations were accommodated.

Joanne reviewed where the program stands: 123 operations have been approved by the Board so far this FY; 128 operations are scheduled to come to the Board in May and June (this represents the high case -- A and B probability levels). In this scenario the volume of lending would be around $17 b. But she also warned that the number of projects coming to the Board in May and June could run as low as 60, for a total lending volume of $14 b. As agreed with SEC, all Board slots have been allocated. She alerted the OVPs that the Board is sensitive about changing the dates assigned to projects, and, in any event, there is not much leeway for slippage. It is likely, however, that two extra Board dates may be added to the calendar.

III. Quality at Entry in CY99 -- QAG Assessment

Prem Garg introduced the draft report which had been circulated to the OVPs for review and comment. The QAG review had assessed the quality at entry of a random sample of 80 operations approved during CY99. This was the third such review and Prem said that the main message drawn from the latest assessment was that there had been substantial progress over the 3-4 year period. Going forward, the aim will be to consolidate these gains and to intensify work in several areas -- including social impact assessments, monitoring and evaluation and risk assessments -- which, the survey showed, still need attention.

The OVPs thanked the QAG panel for its work and supported most of the findings and recommendations. Many of the VPs' specific comments focused on the proposal to raise the standard of portfolio performance in each region and network to 25% highly satisfactory in CY00 (as compared to 17% in CY99), on the need for both ex-ante and ex-post reviews, and on the evaluation of adjustment lending operations. While a few OVPs considered the "25% goal" an appropriate challenge, most viewed it as unnecessarily raising the bar. Other OVPs pointed out that the majority of highly satisfactory projects were APLs, LILs, GEFs and Montreal Protocol operations -- with the last three being generally small and not especially complex.

A number of OVPs questioned the need for continuing large sample ex-ante and ex-post reviews. Several felt that a rebalancing of the two processes was needed -- the ex-ante reviews were seen to be more critical, while the ex-post reviews were considered a burden on staff. One OVP commented that staff should be encouraged to draw lessons from the results of these assessments; they shouldn't just become scorecard exercises. Another suggested that the Sector Boards should be closely associated with the ex-ante reviews. With regard to adjustment lending, it was noted that the lack of overall guidelines and clear criteria for judging the environmental and social aspects of adjustment operations had made it difficult for both QAG reviewers and staff. Another OVP pointed out that adjustment operations are often emergency operations, which are processed quickly.

Mr. Zhang concluded that the VPs endorsed the key recommendations of the report, with one exception. This relates to QAG's proposal to introduce the new quality goal of 25% of "Highly Satisfactory" quality at entry. It was instead agreed that this proposal would be reconsidered in about one year's time, provided that the 95% quality-at-entry goal is reached. In addition, Mr. Zhang asked QAG to revise the report's treatment of environmental aspects of adjustment loans. Prem said that the VPs' comments would be incorporated in the report which would be finalized and circulated to CODE for discussion.

On the overall status of the portfolio going into the end of the fiscal year, Prem noted that pro-activity index seems to have declined, and Regions should pay special attention to the management of their at-risk operations between now and the end of the fiscal year. In addition, two-thirds of the PSRs need to be updated, including about 200 projects which are scheduled to be closed by the end of the fiscal year.

IV. Other Business

Mr. Zhang brought several issues to the OVPs' attention:

Global Product Groups: In a meeting of the MDs and managers of the GPGs, it has been agreed that GPGs should be treated as Regional Sector Units, and in the context of the WPA discussions, Country Directors should contract directly with these units.

Travel Policy: Shengman reported that the implementation of the new airline policy on April 1 has gone smoothly. A group has been established to review requests for exceptions to the policy, but very few such requests have been received and none has been granted. He asked for the OVPs' cooperation in maintaining this trend.

Michael Klein
Director
Private Sector Advisory Services
Tel: (202) 473-3293; Fax: (202) 522-3181
Email: Mklein@worldbank.org

To: Psas-Hl
Psas-Acs

Nemat Talaat Shafik
04/04/2000 11:04 AM

Extn: 38632 PSIVP

Sent by: Marie Leon

Subject: PSI Budget Implications

I am writing to let you know about recent budget decisions for the Bank, and the process we will now follow together across PSIVP to identify the best allocation of our resources.

As you know, the Strategic Compact, agreed with the Board in 1997, called for an increase in the Bank's budget over a two year period in order to enable increased investments in strategic priority areas, such as the establishment of the networks, for example, and then for a return to FY 97 budget levels.

For the PSI Network, this translates into a budget reduction of about 14 percent from FY2000 to FY 2001. There is no denying that this will present a challenge for us - a challenge which could conceivably be tackled in three different ways: (i) by increasing work loads for all of us; (ii) by cutting back our operations across the board; and (iii) by setting priorities and making clear choices. The first option is simply not acceptable, and the second would not be the most responsive to our clients' needs. We need, instead, to decide which activities to focus on and which ones to drop, in order to concentrate our resources where our impact is greatest.

Over the past year, we have positioned ourselves to be able to make such choices. With the creation of the joint PSI/IFC Global Product Groups and Private Sector Advisory Services Group, and with the establishment of the new Infrastructre Group pooling water, transport, power, and urban under "one roof", we are now much better equipped to assess the trade-offs and identify strategic priorities. Work is ongoing in all the new departments to identify such priorities, determine which business lines should be cut, and select activities which would, on the contrary, deserve greater emphasis. Similarly we will continue to try to consolidate some of our thematic groups and focus on higher priority partnerships which generate significant leverage.

Efficiency gains can also be reaped, for example by exploiting economies with the IFC. We will pursue that objective in our trust fund administration and information technology support as well as in our Global Product Groups. Establishing rapid response systems which would guarantee that staff - whether on mission, at headquarters, or in resident missions - can have an answer to PSI questions within a short turn-over time would also increase our efficiency and potentially reduce the number of staff needed in project teams and on missions. The PSAS Group will pilot an experiment in that regard.

Over the next months, I strongly encourage all of you to participate in the selection of strategic priority areas in your departments. I also hope that you will all discuss, within your departments, how to improve our efficiency. If you have specific suggestions on ways to improve both our focus and our efficiency which you would like to communicate directly to me during this budgeting period, you can send messages to a new lotus note account called PSI Efficiency Hotline. Only Catherine Guie and Marie Leon, in the Front Office, will be able to access the messages posted under that new account. The messages will be passed on to me, without revealing to me the names of the authors of those messages.

Implementing our new strategic priorities and aligning our budget to support them will be key for the year ahead. It will certainly not be easy, but it should be seen as an opportunity to review our business lines and squarely focus on those activities which complement and catalyze private sector investment in emerging markets. I will try to report back to you on progress as often as I can.

Regards to all,

Minouche

To: Psistaff

PSIVP FY01 Budget Projections
($m)

Budget Category	Actuals	FY01 Reductions	
Funding Sources	FY00	-25% Xsup	-10% Xsup
Regular Administrative Budget*	$27.4	$20.2	$20.2
Professional & Technical Training Budget	2.1	1.9	1.9
Development Grant Facility	6.7	6.7	6.7
New Spending Authority	0.9	0.5	0.5
Other Sources	1.0	1.0	1.0
Cross Support Provided to Regions**	18.8	15.6	17.6
Cross Support Provided to Others	1.0	0.8	0.8
Total	$57.9	$46.6	$48.7
Expenses	FY00	-25% Var.	-25% Var.
Fixed Costs!!!			
Staff Costs (including LTC)	$37.5	$33.6	$33.6
Communications & IT	2.8	2.4	2.4
Equipment & Building	3.8	3.3	3.3
Variable Costs			
ST Consultants & Temporaries	5.8	4.3	4.3
Travel	2.7	2.0	2.0
Representation & Hospitality	0.3	0.2	0.2
Contractual Services	5.1	3.8	3.8
Other Expenses	1.7	1.2	1.2
Ext. Reimbursements & Chargeback	-0.7	-0.5	-0.5
Cross Support Purchased from Regions	1.9	1.4	1.4
Total	$60.8	$51.8	$51.8

Overrun	-$2.9	-$5.2	-$3.1
Full-year staff cuts needed to cover overrun		-42	-25

*Includes base budget (with price), misc. reimb., and trust fund fee income.

**Assumes full $5.1m in VPU sustaining costs will be given to PSIVP regardless of cross support volume.

IFC Management

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Larry F. Smucker
05/05/2001 04:14 PM
33242 PSICS

Subject: Processing of Organizational and SAP Structure Changes

Colleagues,

Please review this message. Do you contemplate any organizational changes which would require SAP changes? We have a deadline for proposals of June 1. There will undoubtedly be some changes (esp. energy/water and transport/urban).

Please advise,

Larry

---------------------- Forwarded by Larry F. Smucker/Person/World Bank on 05/05/2001 04:09 PM ---------------------------

Mercedes De Arteaga
05/04/2001 03:18 PM

Extn: 82150 CRMDR

To: CAOS, M. Florence Teh, Kabir Ahmed, Ines Garcia-Thoumi cc: Margarita Bellinger, CRM All, David V. Zai
Subject: Processing of Organizational and SAP Structure Changes

1. Organizational changes have taken place since March 15 or are scheduled to take place by July 1. To reflect changes in the organizational structure and SAP structure, a reorganization of the fund/cost center in SAP will take place between July 3 - July 6. To implement these changes, SAP will be brought down and will not be available to users during this period. At the same time a change in the commitment item hierachy will be made. The next regularly scheduled organizational changes will take place in December 2001.

2. Changes to organizational unit structures need to be processed before changes can be made to the SAP structure. Please submit the template for organizational changes to Margarita Bellinger, MDS no later than **June 1**. For SAP related changes, attached are the guidelines explaining the process and the tables to be filled by VPUs with changes. Please submit the templates with changes to CRM (attention Maria Sanchez-Hall) no later than **cob June 1st.**

3. If you have any questions regarding organizational unit structures, please call Margarita Bellinger (x 81608). For SAP and commitment item hierarchy changes, please call Mercedes de Arteaga (x82150).

attachement

Guidelines for Reorg.dc reorganization templates2.xl

To: Stephen Chow
Xiaodong Zeng
Margaret M. Walsh-Fernandes
Norma E. Silvera
Francoise Aubry-Kendall

Carmen C. Severino-Jones
Stella G. Franco
Hanifa Monawer
Elena Chi-Lin Lee

cc: Caroline S. Levenson

Guidelines of Organization Changes in SAP

(1) Before July 3

1. All requests that include CDS (MOC) changes[1] must be received by Margarita Bellinger and CRM (attention Maria Sanchez-Hall) no later than June 1st. Late submissions will not be processed in time for the July move. Change requests sent to Margarita must be final, neither she nor CRM will undo changes once they are done. In the case where there is some question whether a CDS/MOC change is needed this should be taken up with Mercedes de Arteaga before June 1st.. A template for submitting changes is attached – all changes should be submitted using this template. Please keep in mind that no changes can be made unless all the information requested has been provided. You should also ensure that there is sign-off within the VPU prior to submission of the completed template:

   - If a new unit is required only the proposed structure (right) part of the template should be completed
   - If an existing unit is to be closed only the current (left) part of the template is to be completed. In such cases, an alternative unit where open IOs/WBS and commitments should be reassigned must be identified – the changes will not be entered into SAP if this information is not provided.
   - For changes to existing units, both sides of the template should be completed.
   - If a MOC change is proposed please complete the top box of the template only. The change will be reflected in both CDS and SAP.
   - If a MOC change has already taken place but is not reflected in SAP as of October 1 or none is needed please complete the lower box of the template only.

2. As soon as the template has been submitted, Units should notify TISC if any PAF changes are needed. If units are being closed, the P-cards outstanding should be closed or responsibility redirected. Copies of the consolidated reorganization templates will be shared with the relevant Units in ACT, HRS, GSD and ISG but it remains the responsibility of reorganizing Units to ensure the necessary actions are taken.

(2) Between July 3-6

3. While much of the reorganization will be handled by CRM and ISG using already written programs, to ensure that the changes are correct, a representative from all VPUs requesting charges will be required to be present during the process of lifting and dragging cost/fund centers from one place in the hierarchy to another and while name changes are entered. These two tasks are manual processes which will be done one VPU at a time at a pre-agreed time. Once the process is complete the

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[1] A Central Data Store change is needed when a "real" administrative unit is being opened, closed, renamed or moved. An administrative unit is not required if the cost/fund center is only to be used to facilitate cost allocation and budget management. To create an administrative unit the following condition must exist:

- There must be a designated manager with a clearly defined and approved work program
- The Unit must have staff and/~~or~~ budgets assigned/allocated to it

representative will be required to review and sign-off on the revised hierarchy for his/her VPU. No changes will be made if the Unit representative is not present.

4. Once the detailed timetable for the reorganization is finalized CAOs will be contacted with proposed appointment times – these should be confirmed by an EM to Mercedes de Arteaga.

WB20130

A. L:\My Documents\CRM\Reorg3-FY01\Guidelines for Reorg.doc

B. May 2, 2001 5:57 PM

CDS & SAP ACTION REQUIRED (i.e. change effecting administrative unit)

OLD STRUCTURE									PROPOSED NEW STRUCTURE						
OUI	Acronym	MOC	Name	Unit Type	Mgng Unit	Effect Date	Closing Date	OUI to which IO/WBS to be moved	OUI	Acronym	MOC	Name	Unit Type	Mgng Unit	Effect Date

SAP ACTION ONLY REQUIRED (i.e. either no equivalent administrative unit or CDS change already made)

OLD STRUCTURE									PROPOSED NEW STRUCTURE						
OUI	Acronym	MOC	Name	Unit Type	Mgng Unit	Effect Date	Closing Date	OUI to which IO/WBS to be moved	OUI	Acronym	MOC	Name	Unit Type	Mgng Unit	Effect Date

Stella G. Franco
03/12/2001 02:56 PM
34861 PSADR

Subject: Re: MOC Managers for PSI As of 05/MAR/2001

John, I guess this is the final on your MOC Managers. Only Leonard, and you are one the IFC side.
Stella

STELLA G. FRANCO
Administrative Assistant
Private Sector Advisory Services
Room I9-232
Tel. 202-473-4861
Fax 202-522-3181
Email: SFranco@worldbank.org
----- Forwarded by Stella G. Franco/Person/World Bank on 03/12/2001 02:53 PM -----

Caroline S. Levenson :
03/12/2001 01:12 PM
31141 PSICS

To: Stella G. Franco
cc:
Subject: Re: MOC Managers for PSI As of 05/MAR/2001

I forgot that PSAPT is an IFC unit, so their MOC Managers go through the IFC side. If there is no change with Leonard, then all should be okay. It is rather confusing in that group, because they have managers for different people, but if it is like the Bank side, only one manager can approve the HR personnel changes. Regards, Caroline

---

To: John Leber
cc: Jocelyn Tan Dytang

Record Removal Notice

The World Bank Group Archives & Records Management

File Title	Barcode No.
PSAS - Set-Up Information - Fiscal Year 2001	30233592

Document Date	Document Type
March 5, March 8, 2001	Email hard copy

Correspondents / Participants
Caroline S. Levenson (PSICS); Stella G. Franco (PSADR)

Subject / Title
MOC Managers for PSI as of 05/Mar/2002

Exception(s)
Personal Information

Additional Comments

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

Withdrawn by	Date
Kim Brenner-Delp	7/25/2023

Michael U. Klein 05/23/2000 02:48 PM

Extn: 33293 PSDPP

Sent by: Jocelyn Tan Dytang

Subject: Re: Internal Controls

FYI.
Peter Woicke@IFC

Peter Woicke@IFC
05/23/2000 09:51 AM

To: Directors - IFC, Senior Managers - IFC, Mark A. Constantine cc: Mgt Group - IFC VPs, MGT GRP-CEXVP, EAs - IFC
Subject: Internal Controls

As you are aware, the Management Group has been concerned about internal financial controls and in particular how individual departmental budgets are monitored and implemented and the role of the Controller in the process. We have agreed that in accordance with best practice, effective July 1, all departmental budget and financial control staff will report both to their immediate line managers and to IFC's Controller, Christian Grossmann. This means that the line manager and Christian will have joint authority on human resource issues for these staff (nomination, performance evaluation, salary increase, promotion, career planning etc.) as well as on the definition of work programs, procedures and performance reporting. We have asked Christian to conduct before July 1, a short situational assessment defining the strategy for the corporate finance and control function and its implementation.

Thank you.
Peter

Michael Klein
Director
Private Sector Advisory Services
Tel: (202) 473-3293; Fax: (202) 522-3181
Email: Mklein@worldbank.org

To: Andre J. Cracco/Hq/Ifc@Ifc
Boris Velic/Hq/Ifc@Ifc
Dale R. Weigel/Hq/Ifc@Ifc
Denise Leonard/Hq/Ifc@Ifc
Gerald Meyerman
John R. Nellis
Joseph Battat/Hq/Ifc@Ifc
Neil D. Roger
Olivier P. Fremond
Penelope J. Brook
Reyaz Ahmad/Hq/Ifc@Ifc
Rughvir K. Khemani
Warrick P. Smith
Maria Pilar Z. Bowyer
Danilo Y. Anzures/Hq/Ifc@Ifc
John Leber/Hq/Ifc@Ifc
Stella G. Franco

Jocelyn Tan Dytang
03/16/2000 09:08 AM

Extn: 37161 PSDDR
Subject: LIST - IFC Management

FYI.

---------------------- Forwarded by Jocelyn Tan Dytang/Person/World Bank on 03/16/2000 09:08 AM ---------------------------

Irene Rodriguez@IFC 03/15/2000 05:45 PM

To: EAs - IFC, Elvira Santayana, Rhonda L. Willing, Gina Jones-Quartey cc: Dorothy H. Berry
Subject: LIST - IFC Management

Dear Friends,

As promised today at lunch here is the "Draft List" for IFC management. As your Depts. change names/move, Director/EA's get appointed/confirmed, telephones/faxes installed, or any other change I would appreciate you letting me know so I can revise it. Please fill free to distribute to your staff if you so desire.

Cheers,

Irene

IFC Management

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Jocelyn Dytang
Private Sector Advisory Services
The World Bank
Room I9-039
Tel: (202) 473-7161; Fax: (202) 522-3181
Email: jdytang@worldbank.org

To: Psas-Acs

TITTLE	NAME	EA/Sr. Staff Assistant	EXT.	FAX #.	ROOM #	
Executive Vice President	WOICKE, Peter	Tan, Consuelo	30381	974-4359	F11K-102	
Special Assistant to the EVP	ASAMOAH, Solomon	Medina, Claire	35019	974-4359	F11K-108	
Ombudsman/Compliance Advisor	TAYLOR, Meg	Hanson, Paula	89452	522-7400	F5K-292	
Vice-President - Human Resources and Administration	BERRY, Dorothy	Young, Linda	39001	974-0013	F11K-110	
Vice-President - Finance & Planning	KANTOLA, Birgitta *	Malcolm, Michelle	32281	974-4359	F11P-116	*until 03/31/00*
Vice-President & General Counsel	LEE, Carol	Adricula, Sylvia	30421	974-4360	F7P-228	
Vice-President - Operations (Syndications& Treasury)	JABRE. Assaad	Vallazza, Susanne	30735	974-4701	F11P-120	
Special Assistant to VP Operations	BAYARD, Joan	Santayana, Elvira	85813	974-4444	F11P-136	
Sr. Advisor to VP Portfolio & Risk Management	HOFMAN, Avi	Willing, Rhonda	34358	974-4359	F11P-122	
Vice-President - Portfolio & Risk Management (Controller's & Budgeting,Fin. Ops. Fin. Policy, Info Tech)	KHAMBATA, Farida	Mateos, Carmelita	38790	974-4793	F6K-182 *	

DEPARTMENTS	DIRECTORS	EA's	EXT	FAX #	ROOM #	OFFICE MGR.	EXT
Agribusiness	MANTE, Tei	Nadira, Boumechal	39531	974-4338	F9P-290		
Central & Eastern Europe	NASSIM, Edward	Sharon Kannanaikkel	(7-501) 913-7056		F10P-168	FAX (7-501) 923-2742	
Controller's & Budgeting	GROSSMANN, Christian	Assistants Acting EA *	80775	974-4402	F5K-282		
Corporate Planning & Financial Policy	EZEKIEL, Nissim	Dianne Garama	30758	974-4343	F11P162		
Credit Review	HINCHEY, Paul	Irene Rodriguez	39137	974-0010	F6P-216		
East Asia & Pacific	HAMID, Javed	Rebecca Cortese	30400	974-4340	F2P-190		
Economics	PFEFFERMANN, Guy	Charito Obispo	30786	974-4306	F5P-164		
European Affairs	LIETARD, Philippe	IFC Paris Office	(33-1) 40 69-30 60	FAX (33-1) 47 20-77 71			
Financial Markets Advisory	MORGENSTERN, Claudia	Alice Moy	38854	974-4374	F6P-112		
Global Financial Market Group	CALARI, Cesare	Vacant *	35330		F3P-174 *		
Global Information, Communication & Technologies	KHALIL, Mohsen	Rani Kumar	36786	522-7464	F5K-102		
Global Mining	BOND, James	Martine Wauters	34522	522-3743	F8K-214	Arlette Fumiere	39276
Information Technology Group	DE POERCK, Guy-Pierre	Eraina Reed	85262	974-4371	F5P-216		
Infrastructure	DUFF, Declan	Patricia Sue-Ling	39779	974-4310	F4P-118		
Latin America & Caribbean and Global Practice Group for Social Sectors	VOLTAIRE, Karl	Diep Truong	30558	974-4394	F10K-252		
Legal	SULLIVAN, Jennifer	Maria Puereschitz	30455	974-4360	F7P-224	Vicki Betancourt	39127
Marketing & Business Development	TAKEICHI, Sumio	Maria Luisa Chakour	85926	974-4364	F11K-256		
Middle East, & North Africa	HADDAD, Sami	Nicole Archambault	36864	974-4396	F3P-206		
Oil, Gas & Petrochemicals	KALDANY, Rashad	Abigail Tamakloe	36787	974-4322	F8P-216		
Power	TALVADKAR, Vivek	Carmen Torres	30607	974-4307	F2P-174		
Private Sector Advisory Services	KLEIN, Michael	Jocelyn Tan Dytang	33293	522-3181	I-09-033		
Small and Medium Enterprises (SME's)	ROSEN, Harold	Daisy Hernandez	38841		F2K-210		
South & Southeast Asia	PASQUIER, Bernard	Teresita Salvio	30736	974-4712	F9K-256		
Southern Europe & Central Asia	ZAMANI, Khosrow	Alexandrie Majdalani *	35650	974-4314	F3P-210 *		
Sub-Saharan Africa	CALARI Cesare	Jennifer Carey	35330	974-4332	F3P-174		
Technical & Environment	RACZYNSKI, Andreas	Corinne Moore	30634	974-4351	F9P-172		
Treasury Operations (effective April 1, 2000)	SHAPIRO, Nina	Vacant *	31650	974-4793	Q-5-131 *		

Units & Groups	Directors/Managers	EA's/Sr. Assistants	Ext.	Fax	Room #
Corporate Portfolio Management Group	BABIN, Marc	Socorro Fuster	80041	974-4367	F6P-278
Financial Operations Unit	FOWLER, Simon	Barbara Toney	34281	974-4371	F5K-248
Foreign Investment Advisory Service	WEIGEL, Dale	Mary Redpath	30411	974-4303	F3K-206
Operations Evaluation Group	STEVENSON, William	Lita Filamor	30770	974-4302	F5K-206
Special Operations	KOSKELO, Jyrki	Mai Griffith	31278	974-4305	F7K-246
Syndications & International Securities Group	LAZARUS, Suellen	Sandra Samuel	30387	974-4381	F7K-158

NOTE: * = until move, appointment, confirmation etc.....

L:\crv\irene\admin\IFC Management.xls

Peter Woicke@IFC
02/07/2000 02:22 PM

Subject: STAFF ANNOUNCEMENT -- SMALL AND MEDIUM ENTERPRISE DEPARTMENT

I wish to bring to your attention the attached senior staff announcement which is being posted today on the Bank Group's Kiosk regarding the establishment of a Bank/IFC department for Small and Medium Enterprises and the reassignment of Harold Rosen to lead this department.

We are continuing to implement the private sector development strategy agreed with the Board last fall. This announcement is in reference to one particular element of that strategy—improving support for small and medium enterprises (SMEs). We can greatly strengthen our developmental impact by helping our client countries develop SMEs. Our ability to do this will be enhanced, if we combine the experience and instruments of the Bank and IFC.

For this reason, we are creating a Bank/IFC department for SMEs, led by a Director who will report jointly to IFC's Vice President of Investment Operations and the Bank's Vice President for Private Sector Development and Infrastructure. IFC's Project Facilities will report to this department, as will the World Bank PSD unit focusing on improving the business environment for SMEs. An SME coordinator will be appointed within each IFC regional department, reporting jointly to the new SME Department Director and the relevant IFC regional director. The new SME Department will support expansion and strengthening of our SME work by:

- helping frame and support delivery of the regional departments' SME programs;
- drawing out best practices for SME support;
- providing ongoing support to SMEs, e.g., post-financing technical assistance;
- assessing the financial and development impacts of SME interventions;
- capacity building/relationship management with selected SME partners;
- developing and executing new models for assisting/financing SMEs;
- donor/partner relations in support of project facilities and other SME initiatives; and
- developing possible new small business technical assistance facilities.

I am pleased to announce the reassignment of Harold Rosen, a U.S. national, to the position of Director, Small and Medium Enterprises. Harold has been a strong proponent for SMEs and has considerable experience in this area. Currently Director of IFC's Central and Southern Europe Department, he established the Balkans Enterprise Facility and other wholesaling approaches to financing and advising SMEs, especially in frontier markets. Before taking up this position in 1997, he was manager for Southeast Asia and the Pacific from 1992-1997, where he started IFC's operations in Indochina, including establishment of the Mekong Project Development Facility and the Mekong Financing Line. He also restructured and managed IFC's South Pacific Project Facility, and established the Pacific

Islands Investment Facility. Harold also played a lead role in several Corporation and Bank Group-wide initiatives, e.g., task forces on performance awards, and on starting WBG operations in the former Soviet Union. He led IFC's
$1 billion 1991 capital increase, as IFC's Manager for Financial Planning and Policy. Harold also worked on investments in Africa and Latin America earlier in his career. He joined the Bank Group as a YP in 1978, and has a Masters and Bachelors in Regional Science from the University of Pennsylvania, and an MBA from Harvard.

This organizational change is effective March 1, 2000.

Peter L. Woicke
Executive Vice President

To: Ifc All (Hq & Field Offices)
Psistaff

Peter Woicke@IFC
02/16/2000 09:45 AM

Subject: Message from the Field

As I am winding up a long trip, first to Davos, Government and MFO Holland, Government UK, both being supporters of our PSD and particularly SME strategy, then India and Bangladesh, I wanted to share some views and experiences with you. Firstly, I am very excited about this week's announcement on the joint venture with Soft Bank. As we all have witnessed, the business paradigm is changing rapidly, driven by new technologies, yet at the same time I have become more concerned about whether our poor countries will ever catch up with the wealthy countries. Our joint venture with soft companies is an experiment as a first step to start bridging this gap. This has so rightly put WB/IFC in the headlines but also important for me is the fact of how the deal was perceived and implemented.

An idea born by some colleagues coming from the cross section IFC, it was put together in true team spirit, people worked independent of rank and title together, and senior management acted as facilitator, not more. Having just spent a number of days in Bangladesh and India, the latter changing rapidly, quickly and within enormous sense renewed pride and aggressiveness towards reforms, competition and free enterprise. I was struck by the many opportunities and challenges which we are facing on the sub-continent, and all which we will be able to meet much better and more efficiently by working in teams not only within the IFC but with the whole WBG. It really does not matter whether it is a headline catching IT deal or working together - and making decisions on things - power reforms, advise or bringing our expertise on microfinance to local NGOs which do so much for direct poverty in rural areas of India and Bangladesh.

What matters is that we work as teams, push the issues relentlessly and in this way make a difference. I have seen a lot of emerging in team spirit within WBG field offices on this trip and hence come back to DC very "pumped-up" good.

Peter

To: Ifc All (Hq & Field Offices)
Psistaff

Jocelyn Tan Dytang
12/27/2000 11:46 AM
37161 PSADR

Subject: IFC EAs Retreat

I attended the IFC EAs Leadership retreat on November 20-22, 2000. We discussed a lot of issues but not all are relevant to the Bank side of PSI. Therefore, I selected the documents below which I wanted to share with you. The first document discussed about EAs leadership role. This is basically how we see ourselves but may not represent your views. The rest of the documents are for your information. It catalogued the key changes in the WBG and summarized EAs leadership strategy for 2001.

Please circulate and share it with your staff. I would be very interested to hear your views especially on the first attachment. Let me know if you wish to discuss any of these issues.

Best wishes for the New Year!

QUOTE

Our Aspiration: To be recognized as value-added and integral leaders and change-agents in the World Bank Group

We operate according to a core set of shared values:

- Fairness
- Integrity
- Honesty and transparency
- Dignity and respect for all staff

We bring maturity, expertise, good judgment and a thorough knowledge of the Corporation, our Department and administrative procedures to:

- Maintain a strong link between the Director and staff
- Keep staff informed of all current changes
- Support and facilitate change within and across Departments

We lead by example

- Do the job for the sake of the job – not simply for the sake of the boss or the money, grade or title
- Willing to take a stand and do the right thing
- Will not compromise on important values or matters of conscience
- Take initiative, responsibility and accountability
- Act as the spokesperson on important issues
- Thick skinned and stress proof – will not over-personalize things
- Empower others to take more responsibility
- Encourage others to learn and grow from their experience and mistakes

We have strong interpersonal skills that foster teamwork, cooperation and high morale among all staff:

- Good listening
- Open communication
- Diplomacy
- Patience and Understanding
- Unselfish and caring attitudes towards all staff
- Good sense of humor
- Coaching and mentoring
- Accessibility
- Able to give and receive constructive feedback

We are known for our flexibility and innovative solutions

- Open minded, out-of-the-box thinking
- Willing to take risks
- Ability to juggle multiple tasks
- Good at handling pressure
- Ability to anticipate crises and provide creative solutions in a timely manner

- Strong problem-solving skills
- Able to make decisions in limited amount of time

World Bank Group Changes

Information Technology (IT) Bulldoze Program

- We are facing a complete change to integrated IT systems – result will be one system for the entire WBG
- Change will involve new or updated equipment
- Implementation will take place between February 1- May 30, 2001
- There is currently a pilot underway - finding problems with imaging, conflict of interest with GPGs and security (E-DOCs and Windows 2000 conflict)
- Training will involve people coming physically to move and set up equipment – staff will be in training during this time – staff will come back and have new pass word and way of doing business
- New systems will allow full mobility and accessibility across the WBG

- **Advice:** Talk to the IT Coordinator for your Department about what you need to know to keep everyone informed

- **Follow-up Action: Irene** – coordinate with Susan Murphy to brief EA's on IT roll-out.

Technology

- We are moving from manual reports (ASR and IAR/XPSR) to electronic documents (PSR and XPSR)
- The deadline for reporting is the calendar year – 12/31. In the past ACS could get lots of overtime and could cheat about the dates.
- ACS felt that tasks were being lessened and that they were less needed (no longer need photocopying, etc.).
- Master Portfolio Database (MPD) was being used by all departments; slowly being killed – will eventually be retired. Operational Data System (ODS) is the replacement for MPD.
- Impact – end user was dependent on Portfolio Management staff; with ODS, the end user will be self-sufficient.
- ODS – applies to investment departments

- **Advice:**
- ACS staff need to manage time efficiently to meet deadlines – cannot cheat with new electronic systems
- ACS staff need to invest in getting trained on ODS

- **Action: Brenda** – coordinate training for ACS community on ODS.

ACS Role/ACS Board

- Changes in technology and structure

- **Advice: Encourage ACS staff to:**
- Broaden their skills and know where their skills can best be used
- Learn to take new initiatives and become more involved with IOs/supervisors and be more proactive
- Research where their skills might be needed (for example, broaden experience in Jolis, Bloomberg, etc.)
- Keep current in existing applications and systems even if not in current responsibilities – remain knowledgeable
- Become more creative and innovative and take initiative to broaden horizons and get out of the box
- Encourage Office Admins to practice stronger networking and sharing knowledge among ACS staff

- ACS Board – we need strong representation – starting to form HR committee to deal with broad range of HR issues – we need to get our voices heard
- Maintain strong link to the representatives on the ACS/HR Committee
- HR Committee will be operated like a sector board – when folks are recruited, there will need to be some clearance

- **Action: Jennifer** – clarify role of ACS Board and HR Committee and communicate back to EA's.

Decentralization

- Definition of decentralization:
- Bring our business closer to our clients
- Project processing in the Field Office
- HQ staff deployed to field
- Only core staff staying in HQ

- Consequences:
- Field Office to be equipped to handle new duties/increased responsibilities
- Field Office technology to be aligned with HQ for smooth operations
- Training – Field Office to be trained to reach/meet goals
- HQ role changing – more of a liaison than operational role
- Most (if not all) Departments affected – staff moving to the field

- Key Question – what will happen to HQ ACS staff when the Department is deployed to field?

Global Product Groups (GPGs)

- There are key HR implications to the merger – separate PAFs, performance appraisal systems, etc.
- Key question – how can we work together to create an integrated IFC/WB culture that draws on the best of both organizations?
- Ann Sahl has been appointed to new role as HR Manager reporting to the two VP's to address HR issues in integrated way
- Mergers mean we are dealing with two different cultures and potential conflicts of interests in country projects
- EA's are empowered as part of the management team to run very large Departments with two different cultures
- We can learn from the two different cultures – we can identify new procedures and processes and incorporate best practices
- There is the potential for us to do much greater things as we move to more integrated model … greater impact for our clients as we speak with one voice

NGO's

- In the past we tried to shy away and ignore NGOs
- Peter Woicke's wish that we interact more with the NGOs for knowledge sharing especially those that deal with the environment. This means more meetings and more correspondence especially on Category A projects
- Sharon Miller – sole job to interact with NGO's
- Looking at IFC's disclosure policy and how it fits with WB policy, and other policies and procedures, child labor policies … this causes us to review what we invest in
- Friends of the Earth – criticizing some of our policies and projects
- More interaction with other outside companies
- WBCSD – World Business Council for Sustainable Development – sharing information on issues such as pulp, paper, cement
- Roundtables – forestry, cement, retailing

Offshoring

- Offshoring refers to out-sourcing work for efficiency and cost-effectiveness reasons. WBG is looking at this practice as long-term solution even though it may not be cost-effective and efficient in the short-term.
- WBG Accounting is being subcontracted (out-sourced) to India.
- Staff could lose their jobs if this practice of offshoring becomes prevalent in the WBG

Portfolio Applications

- Portfolio monitoring has been decentralized from one central IFC unit to the investment departments
- Added workload for ACS staff in investment departments

- **Advice:** Capitalize on new opportunity to learn new systems (database)

"Peter Woicke wearing two hats"

- Peter Woicke's passion comes from his belief that IFC and WB should be integrated to leverage the strengths of both organizations
- WB has clout to influence government policies and IFC has great transaction capabilities. If we can combine these two strengths, think of how great the impact we will have with our clients and projects.
- We need much more collaboration and consultation with WB and IFC. We need to have an integrated IFC/WB culture.

- **Advice:** We need to equip ourselves with knowledge awareness of who the key players are in both organizations for all transactions so we can ensure effective and efficient and accurate coordination.

New Administration

- EVP and VPs are brining in best practices from private sector – for example, succession planning, dual career planning, true meritocracy (true meritocracy means people need to prove themselves with performance and results … promotions are not based on seniority and length of service … promotions should be based on skills and competencies)
- We need to bring about an acceptance of new culture and build energy around realignment
- We need to encourage staff to work together as one group
- It's okay to make mistakes … as long as we learn from them … fosters environment of creativity

Training Allocations

- Since last year Management insisted on allocating a specific amount for training of every staff member ($1000 per person that cannot be diverted to other budgets)
- We have to grow our staff – our job is to help make sure that training funds do not get reallocated away from training

- We have to make sure training is allocated fairly among the staff

- **Advice:** Our job as EA's is to help mentor and make sure staff take advantage of training

Budget Cuts

- Painful process … everyone has been affected by budget cuts … we will be seeing more
- Consequences:
- Job insecurity – some people who left are not replaced so that whoever is left behind has to assume the workload
- Redundancies – Eas lost their job because of mergers
- Training budget – may be low on list of priorities for departments

- **Advice:**
- Do the best we can with limited resources
- Be transparent with staff – prepare staff for what is happening
- Update our skills to be more marketable and fungible inside and outside the corporation
- Become more proactive for your own career
- Because of limited training budget – be more selective. Pick courses that will update your skills and make you more fungible and marketable

New HR Policies

- Performance Management
- Leadership Development / Succession Planing
- Client services / HR Account Manager allocation (refers to putting some HR support in field and some in HQ) - overall objective is to provide each Department with a strategic business consultant that provides more than just personnel services to assist Director and Management Team to create partnership

- **Advice:** Remind staff to check the new HR web-site at the end of November – staff should go there for every piece of information daily vs. having to get individual emails. Web-site will include new policies, job vacancies, personnel announcements, etc.

EA Leadership Strategy – 2001

Goal 1: Develop effective mechanisms to address post-decentralization issues affecting ACS staff (decentralization has potential impact on 50% of ACS staff).

Key Results/Strategies:

- Create flexible ACS pool to address short-term displacement of ACS staff
- Explore/develop redundancy package and out-placement services to address long-term displacement of ACS staff
- Stop hiring open-ended appointments; use only fixed-term appointments

Action	Lead	Date
1. Work with HR to develop hiring practices which minimize adverse impacts on displaced ACS staff.	Task Group: Corinne*, Tessie, Sylvia, Michelle, Susanne, Rebecca. Additional Resources: Linda, Jennifer, Arlette	1/01
2. Work with HR to develop and implement ACS pool mechanism.		6/01
3. Work with HR to research and implement options to address redundancy of ACS staff.		12/01

EA Leadership Strategy – 2001

Goal 2: Increase the motivation, support and marketability/fungibility of ACS staff.

Key Results/Strategies:

- Implement mentoring program for ACS staff
- Certify ACS staff in MOUS to increase their skills and marketability
- Sponsor monthly and/or quarterly meetings for all ACS staff – rotate leadership among ACS staff
- Create opportunities for ACS to lead presentations and increase their visibility
- Provide regular feedback to ACS staff on performance of projects, etc.

Action	Lead	Date
1. Work with HR to develop and implement a mentoring program for all ACS staff.	Task Group: Sandra*,	

	Claire, Brenda, Carmelita, Charito, Daisy, Alice, Carmen, Alka	
2. Sponsor monthly and/or quarterly meetings led by ACS staff on rotating basis.		
3. Develop and implement training and certification process for ACS staff.		
4. Develop template to provide ongoing feedback to ACS staff upon completion of projects. Distribute and use feedback mechanism.		
5. Identify opportunities for ACS staff to conduct presentations and to showcase skills and expertise.		

EA Leadership Strategy – 2001

Goal 3: Act as effective change agents to support important changes in the organization.

Key Results/Strategies:

- Identify key areas where EAs can add real value to the change process
- Develop and implement strategies to effectively lead and manage change

Action	Lead	Date
1. Meet with Senior Management to present results of the EA retreat. Solicit support for EA's active participation in the planning and implementation of corporate-wide change initiatives.	Task Group: Irene*, Consuelo, Abigail, Lita, Rani, Cat	12/00
2. Report back to Eas on results of meeting with Senior Management.		1/01
3. Work with Senior Management to identify key areas for EA support.		

UNQUOTE

To: Nora Mangalindan; Amy T. Chan; Patricia Roldan; Vannee K. Dalla; Gracia P. Sorensen; Martine Owen; Mary C. Dutch
cc: Andrew Vernon, Stella G. Franco, Victoria Joseph

12B

Caroline S. Levenson 07/25/2000 07:33 PM

Extn: 31141 PSICS

Subject: Re: Work with IDB-Javier Burgos

The manager contact information is for us to keep in our files so when the time comes to bill IDB we can provide this information to ACT so they can include the contact information in the bill and their counterparts in IDB can then verify the bill with the appropriate IDB manager. Without this information, IDB ACT doesn't know who to verify the charges with and will not reimburse the Bank until we complain and give them the contact information -- so having it upfront saves everyone time.

No, you don't need to give to ACT now, because they would lose it in the piles of work. Better to give it to me and I keep it on file until our quarterly billing.

To: Stella G. Franco

Stella G. Franco
07/25/2000 02:42 PM

Extn: 34861 PSADR
Subject: Work with IDB-Javier Burgos

Javier, As per instructions below, we will need the name of the project manager and the approval of the manager for you to do this work. Details, time and cost included in approval.

Caroline, If Javier gets this to us in writing, do we need to contact IDB Accounting separately since you said the agreement has lapsed?

Rica, We do not have the appropriate IDB IO for PSASP (7438- where Javier is now assigned) or in PSADR. Please create the code for him.

Thanks, Stella
Caroline S. Levenson 07/25/2000 02:00 PM

Caroline S. Levenson 07/25/2000 02:00 PM

Extn: 31141 PSICS
To: Stella G. Franco
Subject: Re: Work with IDB

The agreement has lapsed, but we charged them last year and I hope they paid.

What happens is that the staff member charges to an IO created for IDB. At the end of a quarter (if there is activity), I can run in SAP a report to show total charges. This report doubles as an invoice. We send this to ACT Receivables and they send off to IDB. However, we also give them the contact information for the project manager so that the IDB ACT area can contact the project manager to make sure that the work and charges were approved within IDB.

So, PSA needs to contact IDB and get appropriate manager approval before doing work. You should be informed of the project manager so we can manually add that to the bill -- perhaps that could be added to IO information so we don't have to go back to staff member later. Separate IOs would not need to be created unless there is a huge amount of work being done for IDB, which was not the case last year.

To: Javier Burgos
Maria Pilar Z. Bowyer
Caroline S. Levenson

FY01 B.PLAN

Larry F. Smucker
04/07/2000 05:22 PM

Extn: 33242 PSICS
Subject: FY 01 Business Plan

Overview message from Minouche

This EM follows up my EM of April 4 on the FY 01 budget and outlines next steps for the business plan. The CRM guidelines require a data oriented submission based on standard templates. We are not asked to repeat the strategic elements of our program which were provided in our submission to the Strategic Directions paper.

There are two questions to keep clearly in mind in preparing the PSI business plans:

-- How can we clarify our business lines with a view to elimination/consolidation? I would like PSI's senior management group to be be very clear on what we can and cannot do next year.

-- How to harmonize staffing plans with your resource envelope. We cannot afford to have an unsustainable staffing level for FY 01. As you will see in the additional guidance which Larry has prepared, we still have some way to go before PSI's budget and staffing are in sync.

To begin our discussions, I have applied notional cuts of 13% to each department and 17% to the front office and the Business Partners Outreach Group (BPOG). This leaves us very lean in the latter areas, but I feel that the front line functions of the network should have priority. In turn, I am expecting you to prepare business plans which fit within a conservative estimate of your sources of funds. There should be no expectation that Presidential contingency allocations, IFC, or some other source will be available next year. After I have your business plans, I will review final allocations with the network council. You should plan on discussing your spending plans with your sector boards (where relevant) once you have reviewed the implications of your envelopes.

We will schedule meetings with Peter to discuss your business plans in the latter part of the month. I want the budget formulation process to be quite transparent, so all of you are invited to sit in on any of the sessions with Peter. Each session will begin with a brief oral statement covering a) trends in the Bank's assistance programs in your sectors, b) support to Bank operations by your units, c) what we are doing vis a vis network functions – strategy, knowledge, quality assurance, and training, and d) budget implications for FY 01. The global product groups should be prepared to discuss their entire resource envelopes including Bank and IFC budgets.

Our submission to CRM is due April 28, so we must work quickly this month. In order to prepare for the meetings with Peter and meet the CRM deadline, please submit your business plan to my office by April 19th.

Thank you

Minouche

The more detailed guidance for business plan preparation follows:

Detailed PSI business plan guidelines

PSI's overall budget and staffing picture.

The overall resources for PSI shows a significant decline from FY 99 to FY 01 due to declining regular budget and cross support, and to the elimination of special sources of funding such as NSA. See estimates in the summary below (a more detailed estimated breakdown is shown in Attachment 1). The bottom line: our HQ staffing which stood at 415 at the end of FY 99 must come down to 310-320 if we are to live within the overall resource envelope we are facing next year.

		FY99	FY00	FY01	
Resource envelope - $m		58	52	45	
Staffing *					
18 plus		305	283	247	11-17
	110	106	99		
Total		415	389	346	
Staff Costs - $m		36	32	27-28	
Sustainable level of staffing			367	310-320	

*Staffing Totals for FY00 are current (actual) as of March, for FY01 they are as currently estimated for end calendar 2000.

Unit specific budget guidelines

Attachment 2 contains budget guidelines for your units. Please prepare your business plans within these unit envelopes. Adjustments can be made by the Private Sector Development Management Group at the end of the process, but these would be very minor. Guidelines do not yet specify GPG budgets.

Major unit specific issues:

- A major issue is the split of the old EMT budget into the 3 global product groups (Oil and Gas, Mining, and ICT) and the various energy components which have moved to Infrastructure. Larry will call a meeting of these 4 parties early next week to sort through the issues and numbers. This is very urgent as it links closely with IFC's allocations.

- The split of the PSD budget into PSAS and SME.

- The Infrastructure department should settle inter sectoral allocations for transport, urban, and water.

- The Private Finance and Guarantee group is basically unaffected by the integration with IFC in terms of budget

Cross support

The assumption that ACS staff could charge regional cross support projects proved to be unrealistic, as we had argued all along. We have worked with CRM and others to raise the weekly rate for VP sustaining costs from $1060 to $1300 per staffweek, and that has been accepted Bankwide. Moreover, the Bankwide budget reform group recommended that the full amount of VP sustaining costs related to cross support be clawed back from the regions and allocated directly to the network anchors. These resources will be added to the PSI budget up front as part of the FY 01 envelope. This is a one time transfer based on end FY00 cross support staffweeks delivered. It will not be revisited after that. For FY 01, cross support expense charge out to regions will be on the basis of salaries, benefits, and the existing 500 dollar per staffweek markup for non labor indirects. This is considered a level playing field for the network anchors vis a vis the regions, though it does not provide the financial incentive we had up to FY 99 to grow our cross support activities.

We expect declines in cross support revenues based on declining volume (as PSI staff levels decline), elimination of short term consultant overheads in the new pricing scheme, and the less favorable flat rate markup ($1300 per staffweek) as opposed to the variable markup of earlier years. Tightness of regional budgets may also result in reduced demand.

Trust Funds

Administrative expenses of PSI's global trust funded programs: we are increasingly gaining the approval of donors to permit the charging of Bank staff costs to trust fund principal for secretariat/administrative expenses. In some cases, DGF grants also permit that. This has potential to ease PSI pressures on the regular budget; however, there is also a downside risk if donors cut back or if DGF declines. At present about 13% of PSI total staffing at HQ is charged to trust funds -- 50 staffyears. It costs $9m to run our global programs, of which $3m. comes from the regular budget and the remainder from TF principal or from fee income (ESMAP and Infodev only).

Management and Overheads

PSI's overheads have been only marginally higher that the other networks, probably due to the administrative costs of running our global trust funded programs. However, with the creation of new departments and new units within the departments we will have to look especially hard at ways to avoid ballooning our overheads further -- by minimizing MAA costs to the extent possible, limiting front office staff size, reviewing resource management staff requirements, cutting back on retreats outside headquarters, giving up unneeded space as soon as it is identified, and dealing with ACS overstaffing. (We have a ratio of 1 ACS to 2.7 of 18+ staff. This is high relative to many other units of the Bank and cannot be sustained) We should also cooperate enthusiastically with IFC to integrate various aspects of trust fund administration, which will represent a meaningful saving to the PSI budget over time

Attachment 1 -- Further breakdown of budget and staffing assumptions (PSI aggregate) - sustainable staffing.

FY01BPMin.xl

Attachment 2 -- Unit specific budget guidelines

FY01BPalloc.xl

Attachment 3 -- CRM business plan guidelines are shown below. These have already been provided in hard copy to your budget staff and discussed with them. This is a long EMail with attachments. Not all items will be directly relevant to PSI. However, among the non PSI items, you may be interested in the WPA guidelines which the regions will now follow.

In addition, the templates which PSI is asked to complete along with the other networks are provided **here** -- click on the icon to add it to your Notes workspace. Access to this database will permit the Budget Officers in your unit to access the material they need to complete the business plans. Please note that each unit must prepare a monitoring table highlighting key FY01 deliverables, the format of which has not yet been given to us. We will advise on this when we have the format.

From: Achim V. Heynitz on 04/02/2000 02:05 PM
Extn: 30114 CRMDR

Sent by: Wyfield Chow

To: Hartwig Schafer, Robert V. Pulley, Robert M. Voight, Anil P. Gore, David P. Hughart, Jagannathan Murli, Eve Bosak, Ines
Subject: - FY01 Business Plan Guidelines for Regions, Networks and other Operational Units -

(Please Note: A hard copy of unit specific FY01 Business Plan Guidelines will be delivered to your Unit's front office.)

Colleagues,

Road Map for the FY01 Business Plan: This year we have continued our efforts to sharpen the Business Plan process and integrate it more fully with: the work which has already gone into the Strategic Directions Paper; the recommendations emerging from the Budget Reform Group; the information requirements of senior management; and, the needs of the Board to be met through the Budget Document. What follows is a "road map" of the business planning process in two broad parts – the first giving the "rules of the game", guidelines and standards to ensure consistency in business plan formulation and subsequent budget distribution; and the second specifying templates for unit submissions which will provide the basis for VPU contracts with the institution (the Unit Compacts) and material required for the Budget Document. We hope that this will reduce the burden of preparation, avoid creating inputs which are not used for decision making and help units devote more time and attention to the delivery of the FY00 work program.

Simplifying the mechanics: A Lotus Notes database (please click on the icon xxx to add it to your Notes workspace) has been set up with unit tables, guidelines, etc. which you can download. All tables will be added to the database by no later than April 4. Unit submissions should also be entered in the database. The database will also allow units to view the submissions of all other units.

Minimal data requirements. The revised process involves submission of a minimal set of data necessary to define the Unit Compacts and to prepare the FY01 Budget Document. Units are requested to complete the tables incorporating the decisions reached by senior management on budgets. Each table is explained in terms of purpose, structure, source of information, etc.

Part 1: Standards and Guidelines

1. **FY01 Budget Allocations:** While units have already been informed of their FY01 budget framework allocations, the break up in terms of re-imbursables and regular budget in FY00$ is given in Attachment 1 below, which will also be added to the database.

FY01 Budget Formulation

Adjustments have been made for sustaining costs associated with net cross-support flows (cf. Para. 3 below) to give a final budget figure in FY00$. An estimated price factor, 4.556%, has then been used to convert the numbers into indicative FY01$, with the final price factor to be decided later. Guidelines for the funds center structure for the Regions will be forthcoming.

2. **Regional Contingency:** In reviewing the Regional budget allocations there were a number of cases of uncertainty surrounding country programs, especially with respect to countries in conflict or those with serious political and/or economic difficulties that currently constrain the Bank's assistance levels. Notional ranges of potential Region-by-Region contingency claims, typically in the order of $1 - 5 million, were discussed based on current country conditions and prospects for significant scaling up of Bank assistance during FY01. These ranges are, of course, not necessarily additive i.e. not all of the envisaged situations would materialize.

Based on these considerations, the MDs decided that a contingency of $12 million would provide an appropriate degree of flexibility to handle prospective re-activations, unexpected scaling up of country programs or response to disasters.

In order to avoid a first-come first-served approach to contingency allocations, senior management will undertake a review of claims at the end of the first quarter, mid-year and, if necessary, at third quarter. The criteria for allocations would include the following:

- Reactivation or major scaling up of country programs (supported by a CAS, where applicable) or response to emergency situations not anticipated or funded during FY01 business plan preparation;

- Exploration by the region of all possible opportunities for redeployment and efficiency savings within its program before making a claim on the contingency;

- Demonstration by the region that the claim is justified on the basis of an overall scaling up of its work program and deliverables.

3. **"Off-the-top-allocation" for Sustaining Cost:** Units should plan for "off-the-top" allocations of budget for their own sustaining costs and for Sector Board Support; details are provided in Attachment 2 below and will also be added to the Notes database.

sustaining cost standard vrsn 2

RVP budgets have been reduced by an amount[a/] to cover the estimated sustaining costs associated with net cross support purchases from the network anchors, DEC, WBI and RMC. There will be no further reductions in Regional budgets on this account (to ensure stability of WPAs). Network anchors, DEC, WBI and RMC budgets include corresponding indicative allocations for cross support sustaining costs. Final allocations will be confirmed by July 22, following a review of actual cross-support delivery in FY00 through June 30. If the July review finds that the overall budget deducted from the Regions was too high or too low, adjustments to the NVP/DEC/WBI/RMC budgets will be offset against the central Regional Contingency rather than against the budgets of individual Regions.

4. Other "Off-the-top-allocations" : In addition, units should also plan for other off-the-top allocations for: safeguard (environment and resettlement) and fiduciary (procurement and financial management) clearance functions; KM; staff training; regional studies; and RVP contingency. Remaining budget is then available for Program activities and costs. Details are provided in Attachments 3 and 4 below and will also be added to the Notes database.

fdcry sfgrd gdlns.do   Other off the top allocation guidanc

5. WPA/Budget Distribution Guidelines: FY01 WPA guidelines are provided in Attachment 5 below and will also be added to the Notes database.

FY01 WPA Guidelines 28Ma

Highlights of the new guidelines are: country team discussion, aggregate budget-level WPAs between CD and SD/SM, intra-FY stability of sector budgets, more fungibility within sector budgets, and staff and budget assignments to tasks by SD/SMs.

6. Capital Budget Guidelines and Details: FY01 guidelines are provided in Attachments 6 and 6A below and will also be added to the Notes database.

cptl budget guidelines.   cptl budget gdln details.d

a/ The amount of reduction is based on actual FY00 cross support through end February, prorated for the remaining months – using FY99 experience – and adjusted for price and the percentage reduction in regional budgets from FY00 to FY01.

Part 2: Unit Submissions

7. **Qualitative Submissions:** Institutional priorities (e.g. GDLN, PRSPs, HIPC for the regions; FSAPs for Other Operations) should be clearly identified as "Must Do" activities in unit compacts. Your submission should also indicate how you plan to implement the strategic initiatives funded in your VPU budget allocation and describe any major changes in work programs, efficiencies and other cost savings from those presented in your recent strategy submission. Also, during April, CRM will circulate a draft outline of the Budget Document, with main thrusts and themes identified. At that time we will contact you for specific information to be included in the budget document.

8. **Comparable Indicators for Network Anchors:** From the last round of MD/VP meetings held in March, the MDs raised a common concern about the lack of uniformity amongst Network Deliverables. Network Anchors are hereby requested to develop a standard Unit Compact. CRM will provide assistance in coordinating the effort and OPS will review the content before it is finalized. For your reference, the FY00 Unit Compacts have been updated for FY01 and are included in the database.

Deadline

10. To allow for the issues resolution process and preparation of the FY01 Budget Document, I would greatly appreciate your cooperation in meeting the submission deadline of no later than **c.o.b. Friday, April 28, 2000** (except for Table 6 below, due May 10 from the regions). If you have any questions or need any clarification, please feel free to contact me or your CRM client officer.

Attachments and Tables to be Included in Notes Database:

Standards and Guidelines

Attchmt. 1	FY01 Budget Formulation
Attchmt. 2	Sustaining Cost and Sector Board Support Standards
Attchmt. 3	Annex on Funding for Safeguard and Fiduciary Policies
Attchmt. 4	Other "Off-the-top" Allocations Guidance
Attchmt. 5	WPA/Budget Distribution Guidelines
Attchmt. 6, 6A	Capital Budget Guidelines and Details

Unit Submissions

Table 1	Total Unit Resource Summary	Gives all sources of funds for unit, netting for cross-support. CRM will supply FY99 Actuals and FY00 Dist. Budget columns. Unit to fill in FY00 EOY estimate and FY01 Plan.
Table 2	Unit Compact Summary	Identifies main unit deliverables and production unit costs and coefficients. Serves as contract between unit and instn. Identifies "must do" activities and strategic priorities. CRM to give FY99 actual and FY00 Plan data, units to fill in FY00 Est. and FY01 Plan.
Table 3	Trust Funds Disbursements by Category Summary	Gives all TFs associated with unit work program. Memo item splits TFs used for TA by executing agency, Bank or recipient. CRM to give FY99 actual, FY00 YTD and Plan, units to give FY00 Estmt. and FY01 Plan.
Table 4	Staffing Summary	Unit staffing plans to support headroom analysis and the achievement of flexibility and Location of Work targets. CRM to give data on FY00 start and as of 2/29; units to fill in FY00 End estimate and FY01 End Plan.
Table 5	Service Cut Summary (RVPUs only)	Gives RVP resource use by principal service categories (Country Services, Sector and Global Services, etc.) and own sustaining costs. CRM to give FY99 Actl and FY00 YTD figures, units to give FY00 EOY Estmt and FY01 Plan.

Table 6	Sector/Network Cut Summary (Regions:- Due by May 10 after RVP sign-off; Network Anchors:- Budget allocations by sector board due by April 28)	Gives unit resource use by sector and network, pulling together admin budget, TFs, FAO, etc. Checks resource allocation for sectors with strategic priorities and shifts. CRM to give FY99 Actl and FY00 YTD figures, units to give FY00 EOY Estmt and FY01 Plan.

To: Michael U. Klein
Frannie A. Leautier
Rashad-R. Kaldany/Hq/Ifc@Ifc
Mohsen Khalil/Hq/Ifc@Ifc
James P. Bond
Michel Wormser
Harold Rosen/Hq/Ifc@Ifc
Nigel Twose
cc: Caroline S. Levenson
Richard Moss/Hq/Ifc@Ifc
Ann E. Rennie-Hrs
Maria Pilar Z. Bowyer
Margaret M. Walsh-Fernandes
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Andres Londono
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RSAS

Maria Pilar Z. Bowyer

01/02/2001 05:05 PM
38608 PSADR

Subject: Additional Information on PSAS FY01 Deliverables

Deliverables	Status	Amount ($ 000)
Development of PSD strategy for presentation to Board by end June 2001	Internal and External circulation of 1st draft by end January	300 (BB)
Corporate Governance work with support to OECD	Participate in round tables organized by OECD scheduled in April, June and July	500 (DGF)
Implement Global Corporate Governance Forum	December 2000 was the first Donors' meeting. In March 2001, the steering committee will be set-up.	
Report on Observance of Standards and Codes (ROSC) Program	Series of six Country Assessment reports by September 2001 (3 due end FY01)	500 (Compact fund)
Implement rapid response web-based knowledge delivery to internal and external clients.	Ready for internal clients by February 2001 and for external clients by March 2001	200 (BB)
Develop output-based aid concepts and pilot projects	PSARR will issue a publication on global case studies late July/early August and a conference in September. PSAPP - Pilot Project currently being defined, likely LAC and ECA.	500 (BB)

Maria Pilar (Rica) Z. Bowyer
Budget Officer
Private Sector Advisory Services
Room I-9-230
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EMail: MBowyer@worldbank.org

To: Caroline S. Levenson
cc: Larry F. Smucker, Neil D. Roger, Stella G. Franco

Maria Pilar Z. Bowyer Subject: PSAS FY01 Key Deliverables (IBRD)

12/29/2000 10:03 AM
38608 PSADR

- Development of PSD strategy for presentation to Board by end FY01;
- Corporate Governance work with support to OECD and Report on Observance of Standards and Codes (ROSC) Program and implement Global Corporate Governance Forum;
- Implement "rapid response" web-based knowledge delivery to internal and external clients;
- Develop output-based aid concepts and pilot projects;
- Continued delivery of internal and external training programs; and
- Cross Support to Bank Regions and IFC.

Maria Pilar (Rica) Z. Bowyer
Budget Officer
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To: Caroline S. Levenson
cc: Larry F. Smucker, Neil D. Roger, Stella G. Franco

Maria Pilar Z. Bowyer
11/29/2000 02:47 PM
38608 PSADR

Subject: October Budget Table ($000)

You have received the October budget tables today (one for PSAS and the other is Michael's table only for 'former PSD').

PSD's budget situation changed drastically (for the better). I included the additional funds we will receive for PSD Strategy, Redundancy relief and Output based aid. From a projected overrun of $69K, we are now showing excess funds of $410K (see summary of changes on table below). The table headings are based on Michael's format submitted to Minouche last month.

Our cross support target for end October is 33%. October SAP reports (as of Nov. 9) reflected actual cross support of 30%. However, 80% of October time was not loaded in SAP at that time - hopefully we will get a better picture when SAP loads TRS data end of November.

Former PSD		Expenses	Other Income	Bank Budget	Overrun/ (Underrun)
September		**8,834**	**4,876**	**3,889**	**69**
	Output Based Aid (out of the $500K, set aside $300K for Fees or Reverse C/S)	300	500		
	Replacement for Karasapan delayed one month	(9)			
	Misc changes	(63)	26.9		
	PSD Strategy		200		
	Relief - Redundancy /MAS		200		
	Decrease in Cross Support Projection		(154)		
	IDB Income - Burgos		39		
	VP Sustaining - decreased from $1,579K to $1,474			(105)	
October		**9,062**	**5,688**	**3,784**	**(410)**

Maria Pilar (Rica) Z. Bowyer
Budget Officer
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To: Michael U. Klein; Neil D. Roger
cc: Stella G. Franco

Michael U. Klein 05/03/2000 05:12 PM

Extn: 33293 PSDPP

Sent by: Jocelyn Tan Dytang

Subject: PSAS Integration

Please refer to the attached document for Michael's presentation this morning on PSAS organizational structure.

PSASORG.do

Michael Klein
Director
Private Sector Advisory Services
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To: Psas-Hl
Psas-Acs
cc: Peter Woicke/Hq/Ifc@Ifc
Nemat Talaat Shafik
Assaad Jabre/Hq/Ifc@Ifc

Washington, May 3, 2000

PSAS Integration

1. It is now exactly four months since the formal integration of PSAS of CFS, FIAS and PSD. During those four months

- We have held extensive consultations throughout the department on the integration process (including learning workshops about what each part of the department is actually doing)
- We are now together in the I-building
- We have nearly completed the budget process for the next fiscal year (still – as planned – on three separate tracks). The likely outcome is:
  - FIAS flat in real terms;
  - CFS slight increase in real terms with potential upside of bridge-finance from proposed expanded privatization fund
  - PSD down over 30 per cent (14 per cent reduction of "base" budget plus disappearance of past extra funding from several sources e.g. NSA)
- We are finalizing the process of dealing with PSD legacy problems (budget overrun, lack of critical mass and focus in some areas and consequent downsizing)
- We now have several projects which draw on staff across the department (PSD, CFS, FIAS).
- Demand appears firm for FY01. CFS mandates have risen during the previous year to about a dozen active mandates. FIAS assignments of all types continue steady at the level of about 40 to 50 per year with excess demand. Excess demand for PPI work persists. Based on current indications, the new staffing level in the other traditional PSD areas (after conclusion of the PSD downsizing) should also be fully justified by demand.
- Beyond our client work, we are trying to contribute to the WBG-wide PSD strategy debate – particularly the link between PSD and poverty issues.

2. **New department structure**. Based on the consultation process and initial experience of working together a new department structure will now be put in place with full implementation from July 1, 2000. The new department structure will be as follows:

Our basic client services will be delivered by five practice groups:

- **Privatization policy and transactions**: Manager: **Denise Leonard**
- **Privatization policy and transactions**: Manager: **Reyaz Ahmad**

These two groups are largely the old CFS. In addition, they will comprise some PSD staff specializing in privatization policy.

- **Private participation in public services**: Manager: **Warrick Smith**

This group is largely the old PPI group, which will be augmented by some other PSD staff mainly working on infrastructure. In addition it will explore new initiatives to provide advice on appropriate private participation in the social sectors and more broadly the contracting-out of core public services.

- **Business Environment and Foreign Investment**: Manager: **Joe Battat**
- **Business Environment and Foreign Investment**: Manager: **Shyam Khemani**

These two groups are largely the old FIAS, which will be augmented by some staff from the former PSD group dealing with business environment. The FIAS office in Sydney will report to Joe Bhattat. Shyam Khemani has announced his leave of absence starting August 1, 2000. His position will be advertised soon.

The FIAS trust fund and program, which is a joint program of donors and the Bank Group, will preserve its integrity within PSAS. The new organization is to further enhance flexibility and efficiency of program delivery and thus to meet more of the existing excess demand.

For the time being, the two privatization groups and the two business environment groups will continue to co-operate closely and subdivide work largely on a geographical basis.

- A new **Corporate Governance Unit** will be established to implement the work associated with the new financial architecture and the activities under the BANK/OECD memorandum of understanding on Corporate Governance including the Global Corporate Governance Forum. Corporate Governance Program Coordinator is **Olivier Fremond**.

As part of the PSD downsizing the Corporate Restructuring Group, the Privatization Services Group and the Business Environment Group are abolished. The knowledge management function will be decentralized to the practice groups (acquisition of knowledge, maintenance of institutional memory, preparation of best practice materials, service of client requests)

The names for the new practice groups can still be debated for a short time. Suggestions are welcome.

Most staff will know where they fit in the new organization Complete mapping of all staff to the new organization will be done after the PSD downsizing process is finalized. This is expected to be around May 15, 2000.

The Director will focus on the development of the department's agenda and the co-ordination of client approaches and definition of lead responsibilities. Managers will be working managers, experts in their field rather than administrators. They will be expected to devote a significant amount of their time to substantive work with clients. As managers they will be responsible for quality assurance, coaching and evaluation of staff. Team composition will remain flexible across practice groups to meet client requirements. The management team will clarify precise marketing and budget responsibilities as we move along.. Special care will have to be taken that working managers are full members of the management team despite periodic business travel.

ACS staff will, in principle be organized by practice group, but with flexibility to help out and work across unit boundaries and/or on particular projects, where appropriate.

In addition to the main practice areas, the following groups will be created:

- **Rapid Response Unit** Program Manager: **Penelope Brook**

The purpose of the unit is to develop new types of services for internal and external clients, in particular "remote" advice for staff on mission or country clients. Much of this is expected to be web-based and managed for the department as a whole. The unit will also co-ordinate training activities, integrate the knowledge management work of the practice groups and help translate it into new products. Finally it will manage the provision of information and publication services.

Staff throughout the department is expected to contribute to building our knowledge/institutional memory and to assist with responding to requests handled through the rapid response system. Director-level attention to this will be essential.

Some staff of the current knowledge management group of PSD will be placed in practice groups and some in the rapid response unit.

- A **Resources Group** will comprise:
  - Management of the **FIAS trust fund** arrangement and **donor relations** more broadly (Manager: **Boris Velic**)

  - A **central budget group** for the whole department, comprising the current budget staff of CFS, FIAS and PSD. SAP processing will be carried out by select specialized ACS staff in the practice groups and other units.

  - A **central IT capability** with precise functions and staff composition yet to be determined.

  - Other **trust funds affiliated with the department** (currently PPIAF with **Russell Muir** as program manager; in the future potentially also the Global Corporate Governance Forum)

Detailed reporting relationships in the resource group will be developed as we gain experience with operating the new funding and budget systems.

- Subject to final approval by the European Commission and the Bank, our **Brussels office** will operate with **Pierre Guislain** as program manager.
- **Economic Advisor** is **Neil Roger**. He will also manage the conflict of interest review system in support of the Review Committee (see below). Assisting the EA office, **Syed Mahmood** will continue as **secretary of the PSD sector board**.
- **Alfonso Revollo** and **Malcolm Rowat** will report to the Director as Senior Advisors.

The various practice groups and units will report to the Director. All practice group managers, unit and program managers/coordinators and the economic advisor will be part of the management team. The Director may allocate certain departmental management tasks to members of the management team for defined periods of time.
Clearly, we are at the beginning of the real integration process. Adjustments to the organization scheme may become necessary as we learn better how to work together best.

Andre Cracco (Director CFS), John Nellis (Acting Director PSD) and Dale Weigel (General Manager FIAS) have announced their plans to leave the department and/or retire around mid-year.

3. **Departmental processes**. A key to making the department work well together will be the processes we deploy for this purpose. (Processes external to the department like CIC approval for mandates remain unchanged) We will start with three key ones:

- **Review Committee** for tasks/projects managed by the department. The committee will consist of the Director/alternate and two managers/alternates. It will carry out Director-level reviews at entry and during project processing/implementation. Meetings will be open to staff, except when project staff asks for closed session to preserve necessary confidentiality. Based on the current activity levels, the committee will probably need to review some 120 to 140 items during a year. It is thus expected to meet once a week on average.

- **Weekly clinics.** At these 1 ½ hour events we will review particular projects or general issues without any decision-making goals so as to understand better what we do, what we should and should not do and how we do it.

- **By-weekly management meetings**. The meetings will serve information exchange and decision-making as necessary. Any decision to be put before the management meeting will require a one-page memo setting out the issue, options and recommended decision. We will also discuss overall departmental program activity at these meetings on the basis of **weekly report to be provided by all project staff**. Each project staff will write about 3 to 5 bullet points per week (by Friday COB) highlighting key activities, worries, successes of the week (no text explaining any details – just like newspaper headlines). These bullet points will be aggregated (across all activities) by region by six designated managers, then distributed to all staff for information and submitted for discussion at the management meeting. Over time this should help us improve cross-selling and manage our regional relationships better.

4. **Staffing issues**. The dramatic downsizing of PSD is now hopefully coming to an end. As the budget outcome was even a bit worse than expected, there is little room for maneuver despite a cutback in staff that already stands at almost 40 per cent of the total PSD group (to be concluded over time) and may require up to 10 further redundancies. We hope to finalize the process by May 18. Between now and then we will talk again to all staff who remain at risk (based on fit with core business/skill mix and cross-support level) and continue efforts to place staff in new jobs. At the same time mapping of staff to the new units will be completed.

5. **Transition**.

- As stated early this year, the current budget and organizational arrangements remain essentially in effect until June 30.
- During the next two months some pieces of the new organization will be established or worked on, e.g. the new corporate governance unit, but with minimal procedural adjustments, e.g. budget codes.
- During the second half of May a Director-level review will take place of i) overall staffing issues in PSAS that may arise in the future and ii) the pipeline of activities that we are not yet committed to. **Current Directors are to prepare the necessary inputs (proposed staffing decisions beyond the ongoing downsizing; "bullet-type" listing of pipeline) by May 17.**
- Several **office moves** may be necessary. We will vacate the 10th floor as soon as possible to obtain essential budgetary savings. Once the downsizing is complete, the 9th floor will have ample space for the department.
- **Names for the department and its constituent parts** remain an issue. Barring better proposals I lean towards renaming the department into "Private Solutions for Development" or maybe "Market Solutions for Development".
- As suggested by last month's staff meeting we are preparing a retreat for late September/early October.

Michael U. Klein
03/20/2000 02:17 PM

Extn: 33293 PSDPP

Sent by: Jocelyn Tan Dytang

Subject: PSAS - Note from Michael

Dear colleagues,

My last visit to Washington was brief - cut short by a sudden mission to Russia. I apologise for not being able to meet with some of you, particularly ACS staff. We will try to do it next time. Jocelyn has already scheduled it.

In any case, there is not much new to say at this stage. The main outcome of this trip was that I am targetting the end of April/beginning of May to announce the new organisation structure of the department and the managers. It was felt that it would be best to do it all in one package rather than announce bits and pieces. That makes it impossible to make such an anouncement earlier, however much we would all like to reduce uncertainty.

Attached to this em is a short initial piece on PSD and poverty strategy, which gives you an idea of where our thinking is at this point. Any thoughts you might have are very welcome.

- psd2.doc

Best regards.
Michael Klein

To: Psas-Hl
Psas-Acs
cc: Alphonsus J. Marcelis
Anne Sahl/Hq/Ifc@Ifc

Draft (Michael Klein)

March 3, 2000

Poverty and Enterprise

"Private Sector Development", Poverty and the Role of the World Bank Group

- Some key points -

1. The renewed emphasis on poverty reduction combined with a shrinking Bank budget appears to have prompted a re-appraisal of the role of PSD activities – sometimes implicit, sometimes explicit. Broadly, emphasis is placed on work in areas such as poverty, social change, environment, (global) public goods, and rule of law/governance. That is a rather heavy agenda as it stands. PSD, and also infrastructure, appear to be regarded by some as no longer in need of emphasis or not sufficiently poverty-focussed to warrant priority attention. We thus need to (re)consider what a pro-poor PSD strategy means.

2. Having said all that a decent "pro-poor PSD strategy" has to cope with four broad areas of concern:

- First, at the core is the definition of what the strategy is positively about. There are in turn two parts to this
  - **Providing opportunity to the poor**. It is clear that economic development in the 20th century based on private markets has provided more hope for an eventual victory over poverty than any other approach. It is utterly clear that market-based growth is essential to combat poverty. In the words of the WDR opportunity, empowerment and security in the economic sphere are best provided by private property rights and markets with choice and free entry – plus sensible regulation where market power looms large. Poverty focus is hard to obtain when most high-impact policy interventions concern economy-wide measures and affect poverty indirectly. Some poverty focus can be obtained, for example, by working on property rights and collateral systems that help small enterprises or by focusing on interventions in sectors like health, education and infrastructure, where then poor are particularly affected.
  - ***Example – free entry as a basic policy need in states with weak governance.*** *There are still many areas, where policy thinking is muddled on maters of choice and free entry. For example, in almost all low income countries people are forbidden to enter the "wires business" in electricity. People are allowed to buy stand-by generation for their own use so as to have a choice when the national monopoly utility produces blackouts. But people are not allowed to string wires to their neighbours to enable them to share the cost of private electricity generation. The result is that typically only 5 to 25 per cent of the population have access to electricity, because national electricity monopolies have shown themselves incapable and uninterested in meeting their stated goals of electrification.*
  - *One of the remarkable exceptions happens to be Yemen, where two-thirds of the population have access to electricity. This is simply because private parties are allowed to enter the wires business. Several thousand mini power systems exist. People often pay 50-60 cents/kwh, 5-8 times as much as in the US, for example. But they have the option of getting electricity rather than having no light or smoke-*

filled rooms from open fires. They are not as well off as under the best conceivable system, but better than without access to power. Particularly in places where governance is weak, free entry takes on special importance. It is not a luxury for rich countries, but a "basic policy need" for poor ones. It is useless to say that there is market failure in the "wires business", when the surrounding governance system is incapable of acting efficiently and benevolently.

– *By the same token it is irresponsible to prevent people from using private boreholes for water supply when the public system does not function well. Therefore, water concession agreements with exclusivity provisions that prohibit private boreholes are undesirable. (There are obvious analogies for the private provision of health and education.) When private entry co-exists with public provision or concession arrangements, prices need to be flexible. Private entry will "cherrypick" good customers. Other providers must then be allowed to charge prices according to willingness to pay (price discrimination in the economic sense) to maintain functioning systems. Uniform pricing is incompatible with free entry. Uniform pricing is thus inimical to poverty concerns, because it undermines the basic policy right of free entry and choice. This is essentially the basic point that deregulated pricing systems are socially desirable – a point we now except for the market for milk, but not yet for other essential services.*

– **Providing special support and service for the poor.** To make sure as best as possible that growth helps the poor, special support may be needed. To see the essence of this consider that the UN estimated in 1997 that all basic needs of the poor could be catered for with US$ 40 billion per year. If we had a fool-proof way to assure donors that their money would reach the poor effectively, then we could easily raise that kind of money from private parties. The world's richest one per cent would have to pay just US$ 700 per year. This shows that money is not the issue at all. Good delivery mechanisms for subsidies and services to the poor are crucial. That is precisely the heart of the PSD agenda, namely efficient contracts and incentive systems.

– **Example - subsidy delivery.** *Traditionally subsidies have been embedded in tariff systems (e.g. low rates for certain classes of customers) or financing costs (e.g. IDA loans). Such subsidy systems tend to have a diffuse impact, as they often do not target the poor very well. The 1994 WDR presented existing evidence that such subsidies favoured the well off on balance. In any case, the really poor tend to pay the highest prices, for example to water vendors. In guerrilla territory in countries like Mozambique people starve to be able to pay water prices. The fundamental way to go is a subsidy targeted to poor customers as practised in the Chilean water system. In such systems private companies finance and provide service. Customers pay full cost. Companies face efficient price signals. Eligible poor customers receive a subsidy for all or part of the price. Eligibility is determined by a government agency, but this can also be contracted out where doubts about government capability or fairness exist.*

– *Funding agencies like the World Bank or IDA would need to either finance the government agency that provides the subsidy or directly make the subsidy available. In the latter case, one would need to unbundle the subsidy element from the regular loan product. There are a variety of ways to do so. For example under long-standing policy Bank loans for on-lending operations are often given to a government at official rates and then on-lent at market rates. The difference is the subsidy element, which normally disappears in the general budget or the accounts of a bank. However, it could also be targeted to poor customers. This way one* *combines efficient financing and service provision with direct targeting of the poor. Such forms of financial intervention should be compatible with the requirements of the articles of agreement.*

– ***The cost of private versus public capital.*** *The above type of subsidy scheme combined with private finance and provision can be criticised on one ground, namely that the private cost of capital is higher than the public one and that the poor should benefit from the government's lower cost of capital. It is true that the interest rates paid by governments on treasury paper are lower than those paid by private sub-sovereign entities in the same jurisdiction. However, the reason is that the government has recourse to taxpayers in case of threatening default, whereas private sub-sovereign parties do not. De facto, taxpayers provide credit insurance for free. If the costs to taxpayers were made transparent it would no longer be clear that government credit is cheaper.*

- Second, while the belief in public sector solutions has been dented severely, the strategy needs to acknowledge squarely that "private" per se is also not good (Mafias and corruption are "private"). It may just mean privatisation of profit and socialisation of losses (e.g. Mexico tollroads, Pakistan and Indonesia IPPs). In the former Zaire, members of parliament opposed to privatisation were right, when they pointed out that privatisation really meant "Mobutuisation". All this focuses the mind on establishing a good policy framework, within which private activity tends to be beneficial. Policy, in turn, can only be as good as the quality of governance in the particular case allows it to be. In some cases bad private activity may still be better than the best the public sector has to offer.

- Third, any strategy emphasising private solutions runs into a wall of suspicions among the critics of unfettered markets. They suspect that greed let loose in markets will undermine the very foundations that markets rely on – the rule of law and a social fabric of trust. They also argue that profit incentives harm the poor. Any sensible PSD strategy must be based on a clear understanding of the many arguments in this debate. It must have ways of dealing with these arguments logically and emotionally. The tension between logic and emotion comes together in the images of Michael Milken and Mother Teresa. A few years back an article in Business Week argued that Michael Milken had done more for the poor than Mother Teresa, because – in addition to obscene profits – he created new opportunities for many small businesses to raise finance, including pre-schools, hospitals etc. and thus improve their plight. On the other hand, Mother Teresa had comfort and love to offer the poor. But she did little to improve the quantity or technical quality of medical care. From this perspective one provided love, the other hope. One is the object of deep suspicion, the other a saint. Deep down, the emotional response when one discusses "PSD and the poor" is reflected in these contrasting images and needs to be tackled head-on.

- **Credible policy frameworks and arms-length relationships via competition**. In addition to recognising the need for social capital (social peace, trust, sensible forms of participation etc.), it should also be recognised that competitive markets and auctions themselves are crucial components of social capital, as they constitute the functional equivalent of "balance of power" in the economic sphere.

- ***Examples.*** *One important policy issue is import of (parts of) credible policy frameworks. For example, currency boards or unions allow import of credibility of foreign monetary authorities. Free entry policies can help create arms-length relationships. For example, foreign investors in weak governance systems are less beholden to the rulers than locals and can offer a new type of working environment* *to their employees – with opportunities less dependent on political connections. Open trade creates new options for people. Where governments are willing to introduce reforms such as competitive bidding for all sorts of procurement, including contracting out concession-type arrangements, opportunities for corruption decline. A lot of our work on "independent" regulatory systems is about improving the quality of governance. Using international arbitration may help substitute for weak domestic judiciary. Contracting out government services to foreign companies that have a serious interest in retaining reputation may help improve the quality of service. Altogether, the competitive provision of public services across borders can be used to help establish sensible rule-based systems.*

- Finally, a strategy should be based on a reasonable set of views on where the world is going and whether the strategy, however nicely it may be argued, actually has a chance of being successful.

3. All in all, it would appear that there are three basic approaches to PSD strategy:

   - continue to cover all good things
   - cut back across the board
   - give priority to PSD interventions that are pro poor, for example, along the lines of examples given above

Maria Pilar Z. Bowyer
03/02/2000 05:42 PM

Extn: 38608 PSDDR
Subject: Contracting Staff Across PSAS

Neil,
John, Danny, Stella and I met on contracting within PSAS. Would welcome your comments before we send it to Michael.

Tks, Rica

Maria Pilar Z. Bowyer@WORLDBANK

SAP allows cross support across PSAS' three groups (PSD, CFS and FIAS).

- Staff Time (through timesheets)
  PSD, CFS and FIAS staff can charge time to each other's projects and SAP automatically transfers the salary and benefit expense portion accordingly. The staff week cost (salary and benefits) for each of the three groups is calculated the same way: Salary + 50% Benefits divided by 44 staffweeks. PSD and FIAS record time through Lotus Notes. CFS is required by IFC to record time in the Business Management System (BMS), but for cross support projects CFS will also use the Lotus Notes based TRS system to record time.

- Indirect Cost (Non-labor indirects for space, telephone, computer etc)
  PSD, CFS and FIAS recover indirect costs (non-labor) at the rate of $500/staffweek, but in a slightly different manner. The indirect cost is automatically transferred when PSD and FIAS/IBRD staff charge a CFS/IFC project. However, the indirects for CFS and FIAS/IFC staff working on IBRD projects will be applied manually by CRM in March for the period July 1999 through February 2000 and at the end of the fiscal year for March to June.

- VP Sustaining (labor indirects for management, administration, IT staff, budget staff, 75% of ACS)
  At present, there is no agreement to transfer VP sustaining cost ($1,060/staffweek) between IBRD and IFC.

  The recovery of VP sustaining for PSD staff is currently in place only for cross support between IBRD Regions and Networks. It is not applicable for cross support within the PSI Vice Presidency and among IBRD Networks.

- Travel is directly charged and instantly hits the books of the code owner.

- We have an example of cross support between PSD and CFS - a PSD staff (Michael Warlters) charged time against a CFS project which was reflected in both books -- as an expense to CFS and a negative allocation to PSD). In addition, we have an example of a CFS staff (Luc Dejonckheere) charging time against a World Bank regional project with similiar results.

- CFS and FIAS staff can do cross support to PPIAF projects if requested by the PPIAF team manager and they can also apply for PPIAF funding for a specific project done through the application process.

Present Cross Support Funding Within PSAS Staff

Provider	Support to	Reimbursement of Staff Time (full cost)		
		Sal + 50% Benefits	$500/sw (non-labor indirects)	$1,060/sw (labor indirects)
PSD	CFS	yes	yes	no
	FIAS	yes	yes	no
CFS	PSD	yes	yes	no
	FIAS	yes	yes	no
FIAS	PSD	yes	yes	no
	CFS	yes	yes	no

- **PSD** - not fully funded
  CFS - receives an administrative budget to cover for indirect costs when they support other IFC Units
  FIAS- does not have a regular administrative budget allocation. FIAS costs are not included in the administrative expenses of IBRD or the IFC. Budget support of IBRD and IFC is deposited in the FIAS trust fund .

Suggestions

- The three groups should be able to contract one another without barriers. With the current funding set-up, the only way to address this issue is for PSD to be fully or partially funded upfront.

- We should move towards equal funding for all staff. If so, the VP sustaining cost should not be charged when contracting staff within PSAS.

To: Neil D. Roger
cc: John Leber/Hq/Ifc@Ifc
Stella G. Franco
Danilo Y. Anzures/Hq/Ifc@Ifc

John Leber@IFC
02/29/2000 03:56 PM

Subject: Re: Contracting Staff Across PSAS

Rica,

Here are my comments

John
Maria Pilar Z. Bowyer@WORLDBANK

Maria Pilar Z. Bowyer@WORLDBANK
02/29/2000 11:36 AM

To: Stella G. Franco/Person/World Bank@WorldBank, John Leber/HQ/IFC@IFC, Danilo Y. Anzures/HQ/IFC@IFC
cc:

Subject: Contracting Staff Across PSAS

STELLA, DANNY, JOHN - please feel free to edit/change/add (highlight in blue) and resend to me by 4 pm today ..... Thanks, Rica

1. SAP allows cross support across PSAS' three groups (PSD, CFS and FIAS). (PSD consists of IBRD staff, CFS consists of IFC staff, and FIAS have both IBRD and IFC staff. FIAS is a separate entity from IFC and is not within the administrative structure of IFC. Unlike CFS, FIAS does not receive an administrative budget to cover for indirect costs when they support other IFC Units. FIAS' shortfall is covered by Trust Fund.)

- Staff Time (through timesheets)
  PSD, CFS and FIAS staff can charge time to each other's projects and SAP automatically transfers the salary and benefit expense portion accordingly. **The** staff week cost **(**salary and benefits**) for each of the three groups** is calculated the same way: Salary + 50% Benefits divided by 44 staffweeks. CFS **is required by IFC to record time in the Business Management System (BMS), but for cross support projects CFS will also use the Lotus Notes based TRS system to record time.**

- Indirect Cost (Non-labor indirects)
  PSD, CFS and FIAS recover indirect costs (non-labor) at the rate of $500/staffweek, but in a slightly different manner. The indirect cost is automatically transferred when PSD and FIAS staff charge a CFS/**IFC** project. However, the indirects for CFS staff will be applied manually by CRM in March for the period July 1999 through February 2000 and at the end of the fiscal year for March to June. (Danny, I spoke to Ajay and he said FIAS has a separate arrangement with regards to Indirects. I know your thick administrative report shows indirects, but we can do a trial cross support between PSD/FIAS-IBRD, PSD/FIAS-IFC and vice versa so we can see what's reflected in the Cross Support report?)

- VP Sustaining (labor indirects)

At present, there is no agreement to transfer VP sustaining cost ($1,060/staffweek) between IBRD and IFC. The recovery of VP sustaining is currently in place only for cross support between IBRD Regions and Networks. It is not applicable for cross support within the PSI Vice Presidency and among IBRD Networks. **I do not think that VP sustaining costs should be charged when contracting staff within PSAS. It would create inequalities in staff costs between IFC and Bank staff within PSAS.**

(Stella, Danny, John - please give your views on VP sustaining cost - should we charge each other when contracting within PSAS . If we do, we need to either do a budget transfer or transfer of expenses. Budget transfers are not encouraged and I don't think it is allowed between IBRD and IFC. Transfer of expenses is tedious and will distort the total expenses incurred.)

- Travel is directly charged to a project code and instantly hits the books of the code owner.
- We have **an example** of cross support between PSD and CFS - Michael Warlters (PSD charged time against a CFS project which was reflected in both books -- as an expense to CFS and a negative allocation to PSD). **In addition, we have an example of a CFS staff (Luc Dejonckheere) charging time against a World Bank regional project with similiar results.**
- CFS and FIAS staff can do cross support to PPIAF projects if requested by the PPIAF team manager and they can also apply for PPIAF funding for a specific project done through the application process.

2. Fees to External Clients

- PSD charges IDB $5,800 per staffweek including travel (90.78% goes to PSD which is equivalent to $5,265 and 9.22% goes to CRM $535).
- **CFS seeks to charge fees to the client that will cover IFC's forecast all-in costs (staff costs including overhead allocation @ $10,000/sw) plus a 20% return. However, actual fees depend on negotiations with the client. The proportion of fees between retainer and success fees, CFS seeks to charge 50% of its forecast direct costs (costed @ $5,000/sw plus travel expanese) in the retainer fee, and the remainder in the success fee. Hence, target success fee = total forecast all-in costs (@ $10,000/sw including overhead) + 20% return - retainer fee**
- FIAS charges $6,500 per week excluding travel (the full amount goes to FIAS)

3. Suggestions

- PSAS should establish a uniform fee for external clients
- Determine who is charged VP sustaining (John, Stella, Danny - tell me your views re: VP sus - see above)
- Any other suggestions?
-

To: Maria Pilar Z. Bowyer
cc: Stella G. Franco
Danilo Y. Anzures/Hq/Ifc@Ifc

Danilo Y. Anzures@IFC
03/02/2000 11:20 AM

Subject: Re: Contracting Staff Across PSAS

Rica,

My comments are in green. I hope they are useful.

Danny

John Leber

John Leber
02/29/2000 03:56 PM

To: Maria Pilar Z. Bowyer/Person/World Bank@WORLDBANK
cc: Stella G. Franco/Person/World Bank@WorldBank, Danilo Y. Anzures/HQ/IFC@IFC

Subject: Re: Contracting Staff Across PSAS

Rica,

Here are my comments

John
Maria Pilar Z. Bowyer@WORLDBANK

Maria Pilar Z. Bowyer@WORLDBANK
02/29/2000 11:36 AM

To: Stella G. Franco/Person/World Bank@WorldBank, John Leber/HQ/IFC@IFC, Danilo Y. Anzures/HQ/IFC@IFC
cc:

Subject: Contracting Staff Across PSAS

STELLA, DANNY, JOHN - please feel free to edit/change/add (highlight in blue) and resend to me by 4 pm today ..... Thanks, Rica

PSAS needs to identify/establish a procedure for collecting payments for services rendered to internal and external clients. This note discusses alternative ways available in SAP for recovering staff costs from internal clients ... [expand?]

<u>Cost Recovery of Staff Costs from Internal Clients (Bank-wide)</u>

Alternative ways are available in SAP for redirecting staff costs to various funding sources. Three of these alternatives are briefly discussed in the following.

(a) SAP Recurring Entries. Automatic recurring entries in SAP can be used as a mechanism for redirecting salary-related expenses to one or more funding sources. This is appropriate only when the funding source is known at the outset. An example would be a scenario where a staff member is seconded to a UNDP project to which staff-related costs are allowed.

(b) Time Reporting System (TRS). The Lotus Notes-based TRS provides the mechanism for charging staff costs directly to projects within the World Bank Group. Charging project costs using TRS is accomplished simply by entering data on hours worked and the charge code (which is known in SAP lingo as the Work Breakdown Structure element or WBS element. In general, a WBS element is simply a unique identifier which reflects the combination of the project number and the funding source - e.g., IFC-000000001-TF023014.) Completed timesheets are sent to SAP which then allocates the staff costs to project and funding source

(c) Internal Orders. An Internal order can be used to charge costs to source of funds and one specific activity (e.g., all costs associated with a seminar). In general, internal orders should be used when alternatives (a) and (b) would not appropriate.

Of the three alternatives for redirecting staff costs mentioned above, the TRS is the most flexible because of the use of WBS elements, which would facilitate project cost monitoring. (A project number can be linked to more than one WBS elements.) The process of allocating staff costs through TRS is the same for the World Bank Group. Staff time data sent by TRS to SAP are processed by redirecting charges from the staff member's respective Cost Center to the funding source associated with the WBS elements. The cost redirection process affects three expense items, namely salary, benefit, and indirect costs. These expense items are briefly discussed in the following.

(a) Salary Allocation. The amount transferred is an estimate and not based on the actual salary payments to staff. Salary allocation is based on the mid-point ... [This could have a negative effect on trust funds when the salary is below the mid-point. Some in IFC believe that this approach to salary allocation could result in "inflated project costs, portrayal of premature trust fund utilization, and misleading donor reporting."]

(b) Benefits Allocation. Allocated at 50% of salary. [expand?]

(c) Indirect Allocation. Allocated at the rate of $500 per staff week. [expand?]

Cross Support Using TRS in PSAS - Implications

SAP allows cross support across PSAS' three groups (PSD, CFS and FIAS). However, policy differences between IBRD and IFC on SAP have a direct impact in PSAS. (Staff members assigned to PSAS are employed by either IFC or IBRD. PSD consists of IBRD staff; CFS consists of IFC staff; and FIAS have both IBRD and IFC staff. Unlike CFS or PSD, FIAS is already a joint unit of IBRD and IFC. FIAS does not have regular administrative budget allocation, and FIAS costs are not included in the administrative expenses of IBRD or the IFC. Budget support of IBRD and IFC is deposited in the FIAS trust fund.) Complications that have already arisen (or at least known to us) are discussed below. [We need to identify issues that could pose a problem.]

Allowable costs. Other funding sources, e.g., USAID, UNDP, allow different rate for charging staff costs. Obviously, we need to maximize what we recover for staff costs from these sources. TRS may not be appropriate for recouping staff costs.

- Staff Time (through timesheets)
PSD, CFS and FIAS staff can charge time to each other's projects and SAP automatically transfers the salary and benefit expense portion accordingly. **The** staff week cost **(**salary and benefits**) for each of the three groups** is calculated the same way: Salary + 50% Benefits divided by 44 staffweeks. CFS **is required by IFC to record time in the Business Management System (BMS), but for cross support projects CFS will also use the Lotus Notes based TRS system to record time.**

- Indirect Cost (Non-labor indirects)
PSD, CFS and FIAS recover indirect costs (non-labor) at the rate of $500/staffweek, but in a slightly different manner. The indirect cost is automatically transferred when PSD and FIAS staff charge a CFS**/IFC** project. However, the indirects for CFS staff will be applied manually by CRM in March for the period July 1999 through February 2000 and at the end of the fiscal year for March to June. (Danny, I spoke to Ajay and he said FIAS has a separate arrangement with regards to Indirects. I know your thick administrative report shows indirects, but we can do a trial cross support between PSD/FIAS-IBRD, PSD/FIAS-IFC and vice versa so we can see what's reflected in the Cross Support report?)

  Rica, I confirm that the FIAS Trust Fund is being charged for Indirects for FIAS/IBRD staff. The FIAS Trust Fund is not being charged for Indirects for FIAS/IFC staff.

- VP Sustaining (labor indirects)
At present, there is no agreement to transfer VP sustaining cost ($1,060/staffweek) between IBRD and IFC. The recovery of VP sustaining is currently in place only for cross support between IBRD Regions and Networks. It is not applicable for cross support within the PSI Vice Presidency and among IBRD Networks. **I do not think that VP sustaining costs should be charged when contracting staff within PSAS. It would create inequalities in staff costs between IFC and Bank staff within PSAS.**

  I agree with John.

  (Stella, Danny, John - please give your views on VP sustaining cost - should we charge each other when contracting within PSAS . If we do, we need to either do a budget transfer or transfer of expenses. Budget transfers are not encouraged and I don't think it is allowed between IBRD and IFC. Transfer of expenses is tedious and will distort the total expenses incurred.)

- Travel is directly charged to a project code and instantly hits the books of the code owner.

- We have **an example** of cross support between PSD and CFS - Michael Warlters (PSD charged time against a CFS project which was reflected in both books -- as an expense to CFS and a negative allocation to PSD). **In addition, we have an example of a CFS staff (Luc Dejonckheere) charging time against a World Bank regional project with similiar results.**

- CFS and FIAS staff can do cross support to PPIAF projects if requested by the PPIAF team manager and they can also apply for PPIAF funding for a specific project done through the application process.

2. Fees to External Clients

- PSD charges IDB $5,800 per staffweek including travel (90.78% goes to PSD which is equivalent to $5,265 and 9.22% goes to CRM $535).

- **CFS seeks to charge fees to the client that will cover IFC's forecast all-in costs (staff costs including overhead allocation @ $10,000/sw) plus a 20% return. However, actual fees depend**

on negotiations with the client. The proportion of fees between retainer and success fees, CFS seeks to charge 50% of its forecast direct costs (costed @ $5,000/sw plus travel expanese) in the retainer fee, and the remainder in the success fee. Hence, target success fee = total forecast all-in costs (@ $10,000/sw including overhead) + 20% return - retainer fee

- FIAS charges $6,500 per week excluding travel (the full amount goes to FIAS)

3. **Suggestions**
- PSAS should establish a uniform fee for external clients
- Determine who is charged VP sustaining (John, Stella, Danny - tell me your views re: VP sus - see above)
- Any other suggestions?
-

To: John Leber/Hq/Ifc@Ifc
Maria Pilar Z. Bowyer
Stella G. Franco
cc: Dale R. Weigel/Hq/Ifc@Ifc

Maria Pilar Z. Bowyer
02/29/2000 11:36 AM

Extn: 38608 PSDDR
Subject: Contracting Staff Across PSAS

STELLA, DANNY, JOHN - please feel free to edit/change/add (highlight in blue) and resend to me by 4 pm today ..... Thanks, Rica

1. SAP allows cross support across PSAS' three groups (PSD, CFS and FIAS). (PSD consists of IBRD staff, CFS consists of IFC staff, and FIAS have both IBRD and IFC staff. FIAS is a separate entity from IFC and is not within the administrative structure of IFC. Unlike CFS, FIAS does not receive an administrative budget to cover for indirect costs when they support other IFC Units. FIAS' shortfall is covered by Trust Fund.)

- Staff Time (through timesheets)
  PSD, CFS and FIAS staff can charge time to each other's projects and SAP automatically transfers the salary and benefit expense portion accordingly. Staff week cost for Salary and Benefits cost is calculated the same way: Salary + 50% Benefits divided by 44 staffweeks = Staff week cost. CFS has a different system for time recording, but any cross support time is entered in another system (???) and sent to SAP. (John can you please confirm this).

- Indirect Cost (Non-labor indirects)
  PSD, CFS and FIAS recover indirect costs (non-labor) at the rate of $500/staffweek, but in a slightly different manner. The indirect cost is automatically transferred when PSD and FIAS staff charges a CFS project. However, the indirects for CFS staff will be applied manually by CRM in March for the period July 1999 through February 2000 and at the end of the fiscal year for March to June. (Danny, I spoke to Ajay and he said FIAS has a separate arrangement with regards to Indirects. I know your thick administrative report shows indirects, but we can do a trial cross support between PSD/FIAS-IBRD, PSD/FIAS-IFC and vice versa so we can see what's reflected in the Cross Support report?)

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- We have a real life scenario of cross support between PSD and CFS - Michael Warlters (PSD charged time against a CFS project which was reflected in both books -- as an expense to CFS and a negative allocation to PSD.

- CFS and FIAS staff can do cross support to PPIAF projects if requested by the PPIAF team manager and they can also apply for PPIAF funding for a specific project done through the application process.

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- FIAS charges $6,500 per week excluding travel (the full amount goes to FIAS)

3. Suggestions

- PSAS should establish a uniform fee for external clients
- Determine who is charged VP sustaining (John, Stella, Danny - tell me your views re: VP sus - see above)
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To: Stella G. Franco
John Leber/Hq/Ifc@Ifc
Danilo Y. Anzures/Hq/Ifc@Ifc

Stella G. Franco
02/29/2000 09:37 AM

Extn: 34861 PSDDR
Subject: Edit in Blue

Maria Pilar Z. Bowyer
02/29/2000 08:28 AM

Extn: 38608 PSDDR
To: Stella G. Franco
Subject: Please edit as you wish before I send to John and Danny

1. SAP allows cross support across the three groups (PSD, CFS and FIAS). (PSD consists of IBRD staff, CFS consists of IFC staff, and FIAS have both IBRD and IFC staff. FIAS is a separate entity from IFC and is not within the administrative structure of IFC. Unlike CFS, FIAS does not receive an administrative budget to cover for indirect costs when they support other IFC Units. FIAS shortfall is covered by Trust fund.)

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  PSD, CFS and FIAS staff can charge time to each other's projects and SAP automatically transfers the salary and benefit expense portion accordingly. Staff week cost for Salary and Benefits cost is calculated the same way: Salary + 50% Benefits divided by 44 staffweeks = Staff week cost. I am not sure about this computation divided by 44 if done by CFS & FIAS. Note that CFS does not enter TRS for all staff. It is only done if they need to collect from outside their unit.

- Indirect Cost (Non-labor indirects)
  PSD, CFS and FIAS recover indirect costs (non-labor) at the rate of $500/staffweek, but in a slightly different manner. The indirect cost is automatically transferred when PSD and FIAS staff charges a CFS project. However, the indirects for CFS staff will be applied manually by CRM in March for the period July 1999 through February 2000 and at the end of the fiscal year for March to June. (Danny, do you agree with this? Perhaps we can do a trial cross support between PSD/FIAS-IBRD, PSD/FIAS-IFC and vice versa so we can see what's reflected in our reports) Per Danny, FIAS to Bank only Salary + Benefits are paid, Bank to FIAS - Salary + Benefits + Indirects are paid. This is contradictory to the email received from CRM.

- VP Sustaining (labor indirects)
  At present, there is no agreement to transfer VP sustaining cost ($1,060/staffweek) between IBRD and IFC. The recovery of VP sustaining is currently in place only for cross support between IBRD Regions and Networks. It is not applicable for cross support within the PSI Vice Presidency and among IBRD Networks.

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   - FIAS charges $6,500 per week excluding travel (the full amount goes to FIAS)

We suggest that PSAS should establish a uniform fee for external clients
Determine who is charged VP sustaining
Determine uniform manner of collecting indirects for both Bank & IFC
Can CFS & FIAS tap the PPIAF Trust fund.

To: Maria Pilar Z. Bowyer

Stella G. Franco
02/29/2000 03:06 PM

Extn: 34861 PSDDR
Subject: Re: Contracting Staff Across PSAS

Rica, It seems at present we only have transfer of expenses through creation of IOs to be able to pay out the VP sustaining costs from a Trust Fund. The bigger disadvantage is that it distorts expenses. If we are supported by our VPs office in requesting some flexiblity in the Trust Fund Unit, as Yunshin mentioned in our meeting, by sending a letter of request to ACTTF, this would be the better approach.

If it is paying VP sustaining out of Thematic Group budgets or Corporate Governance (Regular Budgets) - budget transfers are possible between Bank budgets only and not IFC. Does this mean we do the IO approach too?

My only suggestion is flexibilty in Trust Fund Accounting.

To: Maria Pilar Z. Bowyer
cc: John Leber/Hq/Ifc@Ifc
Danilo Y. Anzures/Hq/Ifc@Ifc

Stella G. Franco
02/29/2000 04:38 PM

Extn: 34861 PSDDR
Subject: Re: Contracting Staff Across PSAS

Rica, I would think that some uniform procedure should take place. VP sustaining from the Trust Funds are allowed but we do not have the resources from all regular budgets to pay this out. This has to be a management decision. Stella
Maria Pilar Z. Bowyer

Maria Pilar Z. Bowyer
02/29/2000 03:19 PM

Extn: 38608 PSDDR
To: Stella G. Franco cc: John Leber, Danilo Y. Anzures
Subject: Re: Contracting Staff Across PSAS

I have to check with Carol Bonney on how they plan to pay VP sustaining for TFs (that is TFs that allow this expenditure). Until then, we have no choice but to create an IO for VP Sustaining on the TF side and repost expenses from BB to TF.

Yes, if we agree to cover VP sustaining between CFS/FIAS/PSD, then we have to do the IO approach like TG budgets and Corp. Governance.

The bottom line is do you support VP sustaining?

Rica

Stella G. Franco

Stella G. Franco
02/29/2000 03:06 PM

Extn: 34861 PSDDR
To: Maria Pilar Z. Bowyer cc: John Leber, Danilo Y. Anzures
Subject: Re: Contracting Staff Across PSAS

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To: Maria Pilar Z. Bowyer
cc: John Leber/Hq/Ifc@Ifc
Danilo Y. Anzures/Hq/Ifc@Ifc

Michael U. Klein
02/29/2000 07:24 AM

Extn: 33293 PSDPP

Sent by: Jocelyn Tan Dytang

Subject: The State of PSAS

Please refer to the attached document.

- PSASFeb00.doc

Michael Klein
Director
Private Sector Advisory Services
Tel: (202) 473-3293; Fax: (202) 522-3181
Email: Mklein1@worldbank.org

To: Psas-Hl
Psas-Acs
cc: Nemat Talaat Shafik
Assaad Jabre/Hq/Ifc@Ifc
Alphonsus J. Marcelis
Anne Sahl/Hq/Ifc@Ifc

London, February 28, 2000

The State of PSAS

1. **The consultation process**. For two weeks in mid-February we have debated the potential changes in "the department formerly known as CFS, FIAS and PSD" (to use one expression coined during one of our consultation workshops). Valuable contributions were made from all parts of the department. ACS staff raised a number of important management issues (e.g. training, involvement in the project cycle, information sharing and transition to more knowledge management tasks). I am very grateful for the good preparation by the management team who contributed four excellent notes on product lines/competencies, advisory mechanism design, organisational options and trust funds/donor relations. It also appears that the 11 workshops with staff and the two with management were quite helpful in several ways, as was the department meeting on PSD strategy. They allowed participants to understand more about how other parts of the new department do business. They also helped generate views on organisational options. I also found that they allowed me to clarify my mind progressively. It was useful to consult with a broad range of staff. Of course, I am the only one to blame for the conclusions on how to go about effective departmental integration set out in the following.

2. **Product/practice groups**. There are three broad practice clusters. These clusters do NOT automatically translate into an organisation scheme. There is, in particular, strong substantive overlap in all areas of privatisation work among various parts of PSAS. On the one hand we need to exploit any possible synergies, on the other hand we need to retain clear lines of responsibility for particular products.

- Privatisation policy and transactions. Within this cluster falls the traditional CFS product line of transaction-specific interventions in investment banker mode. Generic issues of privatisation policy include those covered, for example, by the British Private Finance Initiative or issues such as privatisation in transition economies including mass privatisation.
- Private participation in sectors with complex regulatory and market design issues (infrastructure, social sectors and public services). This area includes policy, regulatory and institutional issues in the relevant sectors.
- Economy-wide interventions related to business environment, including foreign direct investment. Some work on business environment such as on property rights and competition policy may need to migrate to the regions depending on the new approach of the PSD family to work together on the whole PSD agenda.

Note that the SME group in PSD has become part of the new SME department under Harold Rosen. CGAP will report directly to our VPs.

3. **Key aspects of the future business model**.

- **Policy plus transactions.** A key feature of the department is joint attention to policy and the implementation of policy via transactions and institution building. Related to this is the ability to step back and look at problems from first principles, while understanding implementation problems. Getting this combination right is of very high value.
- **Practice groups of critical mass**. One of our core goals is to deliver free-standing non-lending services, partially fee-based. We thus need practice groups with critical mass. Given budget constraints and likely demand from regions we cannot build critical mass in all areas of private sector development.

- **Part of the "PSD family"**. In the past, central World Bank departments were meant to look after the whole agenda in their subject area. Today, as part of the "PSD family" we need to take a view on institutional priorities together with regional colleagues in the PSD sector board and create clusters of competence with critical mass in the anchor and/or the regions. This is to be discussed with sector board colleagues.

- **Responsibility for quality assurance of non-lending services**. In our department we will be responsible for management of fee-based transaction and policy advice and also continue to provide cross-support to Bank regions. For the advisory services we manage, we are charged with quality control and fiduciary responsibilities.

- **Working with WBG staff.** While we will endeavour to increase the number of transaction and policy advisory services, we do not intend to increase staff numbers in any significant way – in fact staff numbers in the former PSD are being reduced, as you know. Increase in the amount of work would be handled by contracting with other staff in the WBG and/or consultants. This would hopefully allow us to work together more with staff throughout the WBG and create incentives to develop non-lending services together – across regions and networks.

- **WBG funds for fee-based services**. Scaling up work as we are asked to will require additional funding from the WBG (in addition to trust funds). While we charge fees for a number of advisory assignments to establish a basic level of counterpart commitment, we do not charge full-cost covering fees – under current practice and policy. A new fee and funding policy will probably have to be developed this year or next. Until such time, the current funding mechanisms of CFS, FIAS and PSD would remain in place.

- **Experiment with new business model**. Scaling up without additional funding requires very different business models to complement existing ones. We are going to experiment with a "rapid response" system that builds on ongoing knowledge management efforts. The goal would be to develop a system of providing quick help to significant number of clients including "second opinions" that we can charge for, for example via retainers (could also be donor-funded).

- **"Separation" of programs and staff**. Existing programs like FIAS and the CFS transaction group will be maintained. The composition of teams to deliver under a program should become more flexible, particularly if we aim at taking on more assignments. Program funds and management would thus be distinguished from individual groups of staff to create extra flexibility. A clear separation of income and expenditure budgets would underpin this.

- **Multiple brands**. Given that some of our programs are carried out under specific agreements with donors, the brand names of these programs would remain for example FIAS and PPIAF.

- **Funding of staff.** During the consultation staff shared the view that – given the new department – over the medium term all members of the department should operate under like incentives, even if we have to drop pre-funding, although nobody wants the latter. This may well imply that all staff would shift from a fully pre-funded basis to at least partially a "pay-as-you-go" basis, as is currently the case for PSD staff carrying out cross-support. (See below discussion on when such a new system would be introduced). This will give more flexibility to staff to seek out desirable assignments, but also increase the need to market our products internally and externally. Let me stress, however, that employment security will not suffer compared to the current system. Employment contracts are after all with the Bank or IFC, not with PSAS.

What may affect staffing levels are general budget cuts or shifting priorities, not the funding approach.

4. **Approach to organisation.** Organisational "boxes" and processes will be adjusted to implement the above business model.

- In line with the key sentiment expressed during our consultations the basic **organisational scheme** would be **by practice groups** (not general pools). Even the three practice groups as set out above are quite large when translated into number of staff. I am, therefore, thinking in terms of about half a dozen organisational groupings covering somewhat distinct (sub)-topic areas under the three main product lines. This would create groups with a sensible number of staff per manager. Most staff would thus report to a practice manager, who would, in particular, be responsible for coaching and evaluation. Team composition would be flexible across practice groups. Practice groups would be inter alia responsible for keeping abreast of best practice in their area and for serving the rapid response system.

- Very clearly from all discussions we also need some form of **regional co-ordination** to manage i) relationships with PSD groups in the regions, with country directors in the Bank and regional directors in IFC, final clients and ii) cross-selling of the department's products. Responsibility for regional co-ordination may rest with practice managers or other staff.

- The programs that provide us with income would be set up in a special unit, which would also be responsible for **donor co-ordination**. A **central budget unit** for the department would hopefully allow us to exploit funding flexibility as best as possible while simplifying "contracting" across the department (and beyond).

- The **rapid response system** would be set up as a separate unit, but would rely on staff in the practice groups, other staff in the WBG and outside consultants for answering client questions.

- A small **committee** would take care of the key program/mandate approvals when and where director level involvement is need. This includes decisions required to safeguard the fiduciary responsibilities of IFC and the Bank.

5. **Other items.**

- As said before the department will continue to function for the **rest of FY 2000** in its current form.

- **Size reduction of PSD** continues. Solutions taking into account individual staff members' situations are being discussed currently with affected individuals. Hopefully we will be able to have a clear and complete program by April.

- The **hiring freeze** continues for the time being. CFS needs new junior staff with strong financial skills. PPI needs new specialist staff to meet current excess demand.

- Current directors (Andre, Dale, John) are now reviewing the **potential composition of the new broad practice areas**. In that context the immediate staffing needs will be tackled.

- Meanwhile the **budget for FY 2001** is being prepared along the lines you saw in my note of January 30, 2000. The budget will be integrated, although for now we will make three departmental submissions. (Andre, Dale, John)

- As the various new joint Bank/IFC groups integrate we will also take steps to carry out the **mechanics of integration (IT systems, accounting and budgeting etc.)** Given the issues involved including the need to adapt SAP to the new organisation it appears that this process will extend well into the next fiscal year (for example SAP adaptation would probably take six months or so).

- The budget officers from CFS, FIAS and PSD (John, Dani, Rica) are trying to find streamlined ways to allow **cross-departmental contracting** that can be implemented as soon as possible and well before full system integration.
- With the help of the directors Neil is reviewing options for an **integrated fee policy** such that we can make use of a window for presentation to the Board in late March if appropriate.
- **Workshops to help PSAS staff understand and market the full product line** of the department will be prepared including relevant materials that will eventually become marketing materials (brochure etc.) (responsible for the process: Reyaz)
- **Approaches to donors** to inform them about the changes and future programs are being prepared by Boris and Nadereh.
- Denise is starting to prepare **workshops for country/regional directors** on PSD strategy and PSAS offerings.
- Nadereh and myself are looking after the **corporate governance program**.
- **"PSD and poverty" strategy** inputs are being prepared by myself (covering the points presented in the department meeting on February 17)
- Syed Mahmood is now secretary to the **PSD sector board** and is preparing its work program, in particular on Bank-wide portfolio quality review.
- Denise and Warrick will try to use HD week to establish better understanding and contacts with **health and education** staff in the Bank
- Strategy for the **rapid response** system is being worked on by myself
- Clarification of the future role of our mini-**offices in Brussels and Sidney** is ongoing including review of scope for possible greater work from those time zones. (Pierre Guislain in Brussels; Andrew Proctor in Sydney)
- Nadereh is establishing a **calendar of events** that allows us to improve marketing to clients.

6. **Next steps**. I will be back in Washington from March 6-14 and from March 27 to April 6. My own key concerns for these periods are:

- Finalisation of new organisation structure and allocation of management responsibilities (including review of existing processes to map into a new structure)
- Budget proposal for FY 2001 including funding approach
- PSD and poverty strategy development
- PSD sector board program

So far integration is proceeding on the timetable set out in my memo of December 17, 1999. Yet, many of the important decisions still have to be taken. Key tasks such as a strategy for the rapid response system are yet to be undertaken. It is my hope that before we enter the new fiscal year all major decisions have been taken and that all staff have a good sense of where we are going.

7. The current process is hard for many in our department. Some are losing their jobs. Many are uncertain of where the whole process is going. Several are worried about what it all means for career prospects. Old institutional cultures are being upset.

8. But as far as I am concerned I took the job, because I have hope that in our new department we can further improve the service to our final clients. At the same time it can be really fascinating and rewarding, not least because the marketability of skills learned in this department is very high.

9. In recent weeks as best as I can tell the spirit in the department has been very constructive and positive – particularly considering the difficult outlook for so many. The management team has been a pleasure to work with, as have been the consultation sessions with so many of you.

10. Finally, the name of the department:

How about the following?

Private Solutions for Development

- A joint Advisory Service of the World Bank and IFC -

Motto: "*Opportunity and Service for the Poor*"

Look forward to seeing you soon

Michael

synopsis
Private Sector & Infrastructure Newsletter

Method behind the madness - taking stock of a big year - by Nemat Shafik
PSI upgrades input to Country Assistance Strategies
PSI Council/talks collaboration with DEC/agenda for future meetings
Update on joint Bank/IFC departments
Official names and acronyms for joint Bank/IFC departments

In case you are having a hard time finding the new names and acronyms, here they are:

Global Information and Communication Technologies Department (CIT)
Office of the Director (CITDR)
Policy Division (CITPO)
Investment Division (CITIN)
Information Development (CITID)
Credit Review and Portfolio Division (CITCP)

Oil, Gas and Chemicals Department (COC)
Office of the Director (COCDR)
IFC Oil and Gas Division (COCOG)
IFC Chemicals Division (COCPF)
Policy Division (COCPO)
Credit Review and Portfolio Division (COCCP)

Mining Department (CMN)
Office of the Director CMNDR)
Investment Division (CMNIN)
Policy Division (CMNOP)
Credit Review and Portfolio Division (CMNCP)

Private Sector Advisory Services (PSAS)
Office of the Director (PSADR)
Rapid Response (PSARR)
Corporate Governance (PSACG)
Private Provision of Public Services (PSAPP)
Business Environment and Foreign Investment (PSABE)
Business Environment and Foreign Investment (PSAFI)
Privatization Policy and Transactions (PSAPT)
Privatization Policy and Transactions (PSAPO)
Privatization Strategy and Policy (PSAGM)

Small and Medium Enterprise Department
Small and Medium Enterprise Department (CSM)
Small Enterprise Development (PSDSE)
Africa Project Development Facility (CFAAF)
Africa Management Services Company (CFAAM)
South Pacific Project Development Facility (CFASP)
Mekong Project Development Facility (CFAMP)
Balkans Enterprise Facility (CFABF)

Jocelyn Tan Dytang
02/08/2000 11:31 AM

Extn: 37161 PSDDR

Subject: Workshops - February 9 -16, 2000

Attached are the background notes for the working groups' meetings. If you have signed up to attend any of the sessions, you are encouraged to read these notes prior to the meeting.

1. Nature of the fee-based advisory mechanism(s)

MECHANISM-2-7-00

2. Approach to competencies, products and staffing

Products.doc CFS-Competencies. FIAS-competencies.d PSD-COMPETENCIES (revis

3. Approach to organisation, management structure and budgeting in the new department

Organizational Options.Budget Options.dPSAS_Budget Attachments

4. Donor relations and trust fund arrangements

NOTE ON DONOR RELATIONS-P

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PSAS Advisory Mechanism: Issues and Options

The advisory mechanism lies at the heart of PSAS. This note defines that mechanism as the broad institutional arrangement for responding to client needs for quality advice in areas of PSAS competence, including the scope of PSAS authority and the relationships between technical expertise, funding sources, and the broader WBG operating environment. Each dimension includes numerous options that may be packaged in different combinations.

PSAS will likely provide a range of advisory products to both internal and external clients. It may thus be necessary to adapt the mechanism to different products or clients, or to develop different mechanisms for different categories of products and clients.

A. AUTHORITY

What "authority" will PSAS enjoy in relation to advisory services within its area of competence? Will we enjoy some special rights and responsibilities, or be just one among numerous potential sources of advice within the WBG?

At present, PSAS units have no special rights, and all activities are contestable by other parts of the WBG. CFS has established a de facto monopoly over privatization transaction advice funded by clients through success fees, but other parts of the WBG provide such advice funded from Bank loans or other sources, and there is no formal impediment to others establishing similar user-pays models. FIAS's trust fund gives it advantages in providing advice in its field, but others may provide advice on FDI and related matters funded from other sources. PSD's influence rests primarily on the reputations of its staff in a field in which many other units claim competence on a regional or sectoral basis.

With the exception of legal matters, the WBG has not previously accorded special rights to particular units in the advisory area. However, other combined WB-IFC departments are asserting or proposing a range of special rights as measures to ensure quality and coordination (see Annex 1), which raises the question of what special rights PSAS might seek to obtain on the same grounds. The approach adopted may vary in relation to different categories of advice and products. For any particular advisory subject, key dimensions include:

- Advice to external vs. internal clients
- Advice funded from all sources vs. funded from particular resources or systems
- Right to provide advice from PSAS staff vs. exercise quality control over advisory activities undertaken by others.

In all cases, there would be the question of how the rights asserted by PSAS interacted with those asserted by other WBG units on the basis of sector or region.

B. TECHNICAL EXPERTISE

PSAS draws together staff with world-class expertise in PSD topics. We do not have a monopoly over all such expertise, however, and the relationship between PSAS staff and other sources of expertise needs to be addressed at two levels.

- *Role vis-à-vis staff from other parts of the WBG*: Several other parts of the WBG possess relevant expertise, including WB and IFC regional and central departments, the GPGs, and

MIGA. Even if PSAS can claim some special rights in relation to advisory work within its competence, to what extent and in what circumstances should it draw on expertise from other parts of the WBG (eg, joint teams)?

- *Role vis-à-vis private sector advisors*: Should PSAS seek to deliver the full package of advisory inputs from WBG staff? Or should we focus on managing the overall advisory relationship with the client, providing upstream strategic guidance, and supervising consultants who would undertake more detailed analytical work?

C. FUNDING SOURCES

There are three main funding sources for advisory services—client fees, donor trust funds, and WBG budgets. Experience of PSAS units with each source is summarized in Annex 2. Each funding source raises its own set of issues.

1. Client fees

In addition to being a potential source of funds, client fees serve as an indication of client commitment to the matter under advice, thus reducing incentives for supply-driven activity and improving the likelihood that the advice will be acted upon. Client funding raises several issues, which in some cases will vary according to the nature of the advisory service provided:

- *Fee retention*: At present, CFS and PSD face restrictions in retaining client fees. Should some form of trust-fund-like vehicle be developed to enable PSAS as a whole to retain client fees and carry them over to subsequent periods?

- *Fee levels:* Current WB policy is to charge full costs for non-lending advisory services. However, there might be two rationales for pricing at a subsidy: (i) presumed need—there may be a basis for price discrimination between level of income of client governments (eg, IDA vs. non-IDA); and (ii) global public good characteristics of some kinds of advice (eg, where the benefits of the advice are not sufficiently captured by the government through enhanced privatization proceeds or improved financing terms for new projects). Pricing at a premium to market might also be justified in some cases (eg, when the client is drawing on WBG's reputation in providing a second opinion on advice provided by others).

- *Fee structures*: Options include retainer, lump sum, and contingency or success fees. Would a proposal that PSAS retain success fees from privatization transactions create potential tensions between the advice we provide and our funding requirements, or create the perception of such conflicts? If so, how might this be managed?

- *Financing client fees from the proceeds of WB loans*: According to the WB's Legal Department, it is not permissible for clients to finance WBG staff from the proceeds of WB loans because of concerns relating to conflicting interests. These arguments might be challenged, but a practical constraint flows from the WB's requirement for competitive bidding, coupled with the prohibition on WBG participation in competitive bids.

2. Donor trust funds

There are three main limits on the use of donor funds to support PSAS advisory work:

- *Limits on paying for WBG staff:* In most cases, donors will pay only for consultants, rather than WBG staff, both to avoid administrative budgets being circumvented and to create opportunities for their national firms. The FIAS trust fund is an exception, and some other multi-donor facilities (eg, PPIAF) will pay for limited WBG involvement.

- *Donor appetite*: Donors face increasing demands on diminishing budgets. Some donors are also making the argument that as advisory services are now seen as a core part of the WBG's business, these services should be funded from administrative budgets.

- *Transaction costs*: Mobilizing and managing donor funding is resource intensive. Are additional multi-donor structures in the spirit of FIAS or PPIAF worth exploring (eg, a facility for private participation in the social sectors)?

3. WBG budgets

If there is a justification for subsidizing some types of advice, and donors are reluctant to finance involvement of WBG staff in this process, ongoing WBG budget support for PSAS is essential. In fact, WBG budgets currently represent the bulk of the income for all PSAS units. PSAS has access to several sources of WBG budgets.

- *Budgets held by PSAS units:* CFS is fully funded; FIAS is fully funded from its trust fund (about 40% of which comes from WBG); PSD receives no pre-funding for its advisory work, but receives a small allocation (around 20% of total funding in FY99) to support best practice work and other activities on behalf of Bank-wide thematic groups. Can funding levels be maintained or expanded in an environment of increasing budgetary stringency?

- *Budgets held by WB regions:* PSD's advisory work is funded primarily from budgets held by WB regions, usually taking the form of preparation and supervision budgets for particular lending operations. Access to this funding is largely dependent on the availability of relevant lending operations, and on the thematic priorities and staffing strategies of the regional departments. Are there opportunities to further develop Bank lending instruments to support PSD advisory work, such as packaging TA Loans, Learning and Innovation Loans, or Adaptable Program Loans together with more direct forms of client fees and trust fund resources? Can cross-support formulas be adjusted to relieve pressures on advisory units?

- *Other sources of WBG budgets:* As part of the initial FY01 budget proposal, a one-off allocation of $4 M has been requested to help develop the advisory service business. WBI budgets might also be available for certain PSD-related capacity-building initiatives.

D. LINK BETWEEN FUNDING SOURCES AND EXPERTISE

There are two main models for linking funding sources to technical expertise:

- *"Closed" model*: This model bundles funds with people; funds (or funding systems) are dedicated to use by particular units. Contracting-out is possible, but incentives to do so may be limited in a not-for-profit environment during periods of constrained budgets. The main advantage is (relative) budget stability, which can provide a more secure basis for investing in product and staff development. This is the arrangement for the small part of PSD's funding allocated for thematic group activities, and for the budgets of FIAS and CFS.

- *"Open access" model*: This model de-links funds from people; funds (or funding systems) are available to anyone who complies with defined criteria. Open contracting is the norm, subject to some process to determine priorities and ensure appropriate standards of quality and fiduciary control. The main advantage is that funds can (in principle) flow to their highest-priority use, and teams draw on the best expertise available, no matter where it is located. This is the arrangement for WB country budgets relied on by PSD; WB-wide trust funds such as PHRD, IDF, and ESMAP; and donor facilities such as PPIAF.

The "closed" model does not raise major issues from the standpoint of overall mechanism design—the key question becomes one of how best to manage dedicated resources within a consolidated PSAS. The "open access" model raises more questions. These include:
- To what extent, if any, should funds or funding systems under PSAS control be made subject to an open access arrangement?
- Should funds or funding systems subject to open access be earmarked for specific thematic areas, or be fungible across PSAS competencies?
- Who should have access to funds or funding systems that are subject to open access?
- What terms and conditions should apply to access to meet quality- and fiduciary-control objectives?
- Should any open access funds or funding systems be managed separately from PSAS delivery capacity?

These questions are explored in Annex 3.

E. RELATIONSHIP WITH BROADER WBG OPERATING ENVIRONMENT

PSAS does not operate in a vacuum. Among the broader issues to be considered are:

- *Should it be possible to undertake advisory activities outside the CAS?* Under current policy, all Bank non-lending services must be consistent with the CAS. Most CAS are written in broad and permissive terms, so this is not usually a significant hurdle. If the requirement for consistency with the CAS were thought to be a potential obstacle, is it feasible to adopt a more permissive test, such as no conflict with other WB programs or activities? FIAS has developed such an approach.

- *Who must sign-off on PSAS assignments, and through what process?* What are the respective roles of WB and IFC Country and Sector Directors and GPG Directors? Should approval of any or all of these persons be required and, if so, at what stage and through what kind of process?

- *Conflict of interest:* Is there a need to clarify gray areas in the new WBG Conflict of Interest Guidelines to ensure that there are no unnecessary disincentives for drawing on PSAS advisory inputs that are delivered with appropriate safeguards?

Annex 1

Examples of Rights Asserted by Other WBG Units in Relation to Advisory Work

The main rationales for conferring special rights on individual units are quality control and coordination. Examples of current and proposed rights asserted by other WBG units in relation to advisory work are summarized below. They illustrate the potential kinds of special rights that might be sought by PSAS, as well as some of the potential rival claimants.

WB Legal Department

The WB Legal Department insists on involvement in, or at least quality control approval of, all projects involving legal and judicial reform, as well as legal-specific inputs to all projects. This extends to the right to clear TOR and shortlists for the engagement of legal advisors, including as part of policy, regulatory, and transaction advice whether funded from WB loans or on a stand-alone basis.

Sector Departments

The new Global Product Groups insist on involvement in, or at least quality control approval of, all projects involving their respective sectors (Mining, Oil and Gas, Telecoms). This claim extends to work on PSD topics that is specific to or significantly affects their sectors, including policy and regulatory reform and privatization.

Other sector departments have not (yet) formally asserted the same rights, but probably have similar expectations.

Regional Departments

The East Asia Private Sector/IFC Department recently proposed a new arrangement for all PSD advisory work undertaken within East Asia. Key features include:

- EASPS is responsible for an elaborate system of quality control, including prior vetting of all proposed activities and close supervision during the life of the assignment.
- A senior member of EASPS must be on every task team, as must a member of the regional IFC department (except for very small assignments).

Other regional departments have not (yet) formally asserted similar rights, but may have similar expectations.

Annex 2

Overview of Main Funding Sources for PSAS Units

	Client Fees	Donor Trust Funds	WBG Budget Contribution
CFS	Substantial experience, collecting more than $4 M in success fees and $2 M in fixed fees in FY99. Fees cannot be retained.	Recourse to various donor funds for supporting ancillary work by consultants. Rarely pay for staff.	Fully funded from IFC budget.
FIAS	Around 20% of annual budget provided by client co-payments allocated to trust fund. Fees can be retained and carried over to subsequent FYs.	Around 40% of annual budget provided by donor contributions to trust fund. No restrictions on paying for staff.	Around 40% of annual budget provided by WBG contributions to trust fund.
PSD	Some experience with oil-rich countries in MENA, Malta, Chile, and Peru, as well as work for IDB. Fees can be retained, but with restrictions on being carried over to subsequent FYs.	Recourse to various donor funds for supporting ancillary work by consultants. Rarely pay for staff.	Advisory work funded from budgets held by WB regions through cross-support to particular operations. Around 20% of total funding allocated for best-practice work on behalf of WB-wide thematic groups.

Annex 3

Design Issues Associated with Open Access Systems

The design of an "open access" system for PSAS would raise many design issues. Some of the key questions are explored below.

1. To what extent, if any, should funds or funding systems under PSAS control be made subject to an open access arrangement?

In principle, open access arrangements might be applied to particular pots of money (eg, budgets or trust funds) and/or to particular funding systems (eg, mechanisms for recovering fees for clients). The notion of open access presupposes that PSAS has privileged access to some funds or funding systems. For example, it would not make sense to apply open access arrangements to the right to recover client fees unless PSAS had some special rights in this area.

Staff have an interest in a stable (and preferably growing) budgetary environment. There may also be concerns that open access arrangements are a guise for "poaching" budgetary resources. Accordingly, decisions on which (if any) categories of resources might be subject to open access arrangements should be based on a clear business justification.

The extent to which open access arrangements might be relevant to PSAS may depend on the nature of PSAS authority in its areas of competence, and the nature of the funds and funding systems under PSAS control. For example, the quid pro quo for PSAS receiving special rights over certain kinds of client- or trust-funded work might be that the corresponding mechanisms be accessible by other parts of the WBG on certain terms and conditions. Similar reasoning might apply if PSAS were given custody over some special budgetary resources for advisory work. In general, the broader the authority, and the larger the potential pool of funds, the stronger the case might be for establishing some form of open access arrangement in respect of some part of those resources.

In framing a decision on this question, possible dimensions include:

- *Nature of funding source*: For example, budgetary allocations might be treated differently than trust funds and the right to recover client fees. The proceeds of success fee arrangements might also be treated differently than other forms of client fees if there were concerns over the impact on incentives of pooling these resources.

- *New vs. existing funding resources*: Should access arrangements be limited to new funds or funding systems, or should they apply also to existing resources?

- *Transitional arrangements*: If existing closed funds or funding systems are to be subject to open access arrangements, what transitional arrangements are appropriate?

2. Should funds or funding systems subject to an open access arrangement be earmarked for specific thematic areas?

Funds or funding systems that are subject to open access might be earmarked for particular thematic areas (eg, privatization transactions, foreign investment), or might be available for any activity within PSAS competence. Should this depend on the source of funds? For example, should any success fees generated through privatization transactions that are subject to an open access arrangement be restricted to use for privatization transactions rather than for other PSAS activities? If cross-thematic pooling is contemplated, what mechanism should be adopted for determining priorities?

3. Who should have access to funds or funding systems subject to open access?

An open access arrangement assumes that persons other than PSAS staff might have access to the funds or funding systems. How large should this universe be? There are two main dimensions:

- *Task management*: Should task management be limited to PSAS, to PSAS plus regional PSD/IFC units, or to anyone in the WBG, subject to appropriate terms and conditions?

- *Task delivery:* Can these funds be used only for relevant categories of WBG staff, or also for consultants supervised by designated task managers? (Funding for consultants would normally be sought first from resources that will not pay for WBG staff—ie, trust funds and proceeds of WB loans).

Different categories of funds might be subject to different restrictions.

4. What terms and conditions should be imposed on access to ensure conformity with appropriate standards of quality and fiduciary control?

Any funds or funding systems that are subject to an open access arrangement would need to be governed by appropriate quality and fiduciary controls.

The nature of the quality controls may depend on who has access to the funds. If the persons seeking to use the funds are from outside PSAS, options might include one or more of the following:

- Ongoing involvement on task teams by appropriately qualified PSAS staff
- PSAS veto over leadership and composition of task teams, as well as over TOR for consultant inputs
- PSAS periodic monitoring and clearance of final advisory product
- Ex-post review by PSAS staff, QAG, or both.

The nature of the necessary fiduciary controls will depend on the source of the funding and who is responsible for task management. Work agreements may need to be developed for clarifying responsibilities. Financial monitoring and reporting may be possible through SAP.

5. Should funds or funding systems subject to open access be managed separately from technical expertise?

For open access systems to be credible, those responsible for controlling access to the funds or funding systems should be free of conflicting interests, including an interest in keeping their own staff employed. ESMAP was recently re-cast so that the program manager is responsible for managing access to the resources, but neither she nor her staff can deliver ESMAP-funded services. PPIAF, InfoDev, PHRD, and IDF illustrate the same approach. Should a similar approach be adopted for managing any open access funds or funding systems controlled by PSAS?

Products, competencies and staffing implications
Issues and Options

1. Within the PSD advisory field, this note looks at what business areas PSAS may want to be in, what products and services it will offer in these areas, the required competencies to deliver the products and services, and implications for staffing. Within its limited space, the note tries to make explicit some of the criteria and assumptions underlying the issues and options. This note builds on information presented on the current state of products, competencies and staffing in PSD, CFS and FIAS, herewith attached as annexes.

Business areas

2. In the past, some advisory groups tried to respond to incoming demands without serious concern for operational efficiency and sustainability. Such a strategy is not viable in an environment of reduced budgetary appropriations. We have to become more selective in allocating scarce resources. Moreover, we cannot be experts in everything. We must focus our efforts where we know we can provide tangible value added and be recognized as a center of excellence both within and outside the WBG. This means that we must have a well defined focus and niche ourselves in a few selected segments of the market.

3. In line with the above, business areas in which PSAS would intervene should be selected on the basis of criteria reflecting PSAS's primary mission. We believe the following criteria should be adopted:

- The business area has to be essential rather than marginal to the PSD in emerging market.
- There is an effective and sustainable demand [with growth] for advice in the business area, meaning *inter alia* that it is feasible to generate financial support to cover the costs of the advice from clients, donors, WBG, etc.
- PSAS has or can develop a comparative advantage, and become a center of excellence, within and outside the WBG in a selected business area. Comparative advantage stems from a number of areas, including linkages to other units within the WBG that deal with transactions in the private sector [mainly IFC and MIGA], and from the status of the WBG.

4. On the basis of the above and building on PSD's, CFS's and FIAS's strengths (*cf.* Annexes), PSAS may niche itself in the following four segments or business areas in the PSD advisory field:

- PPI [policy/regulatory and transactions]
- FDI [policy/legal/regulatory framework, investment promotion strategy/institution]
- Business environment [areas not covered by FIAS]
- Privatization [policy, regulatory and transactions]

5. These four business areas are subsumed in the two broad competency areas that Michael Klein has suggested, i.e., regulatory regimes, and property rights and markets.

Products and services

6. What products and services should we structure within the four business areas? One approach is to go along demand structure, that is we define and structure products and services to correspond to how demands for our services are formulated and by whom. The principal merit of this approach is a superior ability for client responsiveness both in terms of client relationship and in addressing client needs [in the overall majority of cases, the ultimate clients for advisory work are governments]. The other approach is to go by subject matter, that is all that concerns a certain sub-branch of economics, e.g., business environment, and subsumed advisory activities under it. The principal merit of this approach is the possibility of reducing overlap of products and services among business areas, and possibly a synergy within subject areas.

7. In line with the above, possible structures of products and services are:

- Option I: Along demand structure: There are four product lines in this option: PPI [policy and transactions]; Privatization [policy and transactions]; FDI [essentially current FIAS products]; and areas to be selected within Business Environment [e.g., corporate governance, business/private enterprises, etc.]

  Issues: a) CFS's transaction advice has been essentially focused on infrastructure. Should its products and services be subsumed under PPI, and possibly not have the privatization products and services line? Or should we have CFS cover both PPI and privatization transactions, and PPI expand it coverage to include privatization policy/regulatory?

- Option II: Along subjects: There are three product lines in this option: PPI [policy and transactions]; Privatization [policy and transactions]; and selected areas within Business Environment, which would subsume FDI. BE will include many, but not all of FIAS's current products.

  Issues: a) Weaker client responsiveness due to the loss of focus in the case of FDI, as a result of the weakening of the link between products and demand structure. That goes against FIAS's experience over the last 14 years, which has shown a need for a focus on FDI.

  b) Where and how do we cover investment promotion strategy and institutions?

8. Comments regarding the structuring of products:

- To be practical and effective, PSAS may want to adopt a hybrid approach to maximize its impact, reflect the realities of the market, and build on its strengths. For example, PSAS may take a demand approach for FDI, and a "subject" approach for PPI and privatization, i.e., one unit cover policy/regulatory framework for both, and another one covers transactions for both.
- No approach to structure can be fully satisfactory, and able to answer all of PSAS's needs and requirements. Organizational mechanisms will have to be used to complement any product lines arrangement to achieve some operational objectives, including to create synergies and avoid overlaps between products.
- Links to poverty alleviation, social and environmental concerns will most likely be built into current and future products.

9. There are issues concerning specific products:

- Corporate governance: Two issues: On the basis of agreed upon criteria for selecting business areas, should PSAS provide advisory services on corporate governance? To help the Bank fulfil its commitment to itself and others, should PSAS develop and house the Global Corporate Governance Forum, or should the Forum be housed somewhere else, e.g., in WBI? Of course the two issues are inter-related.
- Links to poverty alleviation, social and environmental concerns: there is a product development work to be done a) to identify what those links may be; b) to retrofit existing products to include such links or to create new products; and c) to develop corresponding competencies and expertise.

10. Knowledge-based services: In addition to the advisory products mentioned above, PSAS may want to consider providing two categories of interrelated knowledge-based services:

- External: Be a facilitator for information and other resources to clients, and deliver "on the spot" bits of advice to them.
- Internal: Within the WBG, continue to take the lead in the PSD Sector Board and in the PSD knowledge management.

Issues: a) We need to examine whether PSAS should be in the business of on the spot "quick advice" and "second opinions." We need to put it to the test against criteria, such as whether there is an effective demand for it, whether it may dilute PSAS's focus, or whether such services are better provided by the private sector [consultants].

b) To be in a position to provide such knowledge-based services, PSAS needs to structure itself to be able to develop, maintain and regenerate knowledge and expertise in its business areas. One of the surest ways to build this knowledge is to consider the development and delivery of advisory services to clients as the main job of PSAS staff. This does not exclude an open system for the delivery of advisory services.

c) The necessary infrastructure needs to be developed, e.g., database systems, web site, etc., and staff and other resources needs to be allocated.

d) How do we meet the effective demand criterion: that is, who is going to pay for such services? Is it feasible to provide the external services on a retainer basis? How about financing the internal services?

Competencies

11. The attached annexes describe the existing competencies of each of PSD, CSF and FIAS, and raise issues related to them. Here we need to distinguish two categories of competencies: a) those that are subject based, e.g., utility regulation, valuation techniques or investment promotion strategy; and b) those that are process-related, e.g., program and project development, quality assurance, contracting and managing consultants, and financial control and accounting. To be successful, PSAS needs both types of competencies, and it is important to recognize their respective value.

- Subject-based competencies: With perhaps a few exceptions all three units are currently able to cover their needs in subject-based competencies for the business areas proposed above for PSAS, either from within the unit and the WBG, or using consultants.
- Process-based competencies: Notwithstanding major differences in their modus operandi and experiences, all three units have such competencies, particularly at the level of management of projects and consultants, and departmental administration. At the same time, their differences are reflected in the presence or absence of other such competencies. For example, both CFS and FIAS have strong competencies to market to clients, including identification and development of projects, whereas PSD has stronger experience in "internal" marketing. FIAS manages regional programs, with direct contacts with client governments. Due to the differences in their funding and budgeting approaches, all three units have different competencies when it comes to financial control and accounting.

Implications to staffing:

12. Looking forward to PSAS operations, and on the basis of the options presented above, implications to staffing stems from the current staffing situations of each of CFS, PSD and FIAS. Essentially the implications are as follows:

- With the decision not to pursue a number of activities previously undertaken by it and experiencing budgetary problems, PSD is facing a substantial reduction in staff.
- FIAS doesn't have its full staff complement, and will need to expand it to meet demand in their respective business area. CFS has a need to balance the mix between senior and junior staff, by adding more of the latter, and will need to increase current staffing levels if its active transaction pipeline is to grow.
- An implication of the two points above is to what extent selected PSD staff may be able to switch their activities to those of FIAS and CSF? In such a case, what criteria and processes need to be put into place to provide fairness to both the staff and the institution?
- In relations to process-based competencies, the implications to staffing is on two levels: a) depending on what mechanisms are developed and adopted within PSAS, there will be a need to train or retrain ACS and HL staff to fit in with such mechanisms; and b) as part of a rationalization of the PSAS mechanism and processes, will PSAS find itself in the situation of excess staff, particularly ACS staff? If so, how to deal with this?

CFS Core Products and Competencies

Core Products

CFS provides transactional advice in privatization and corporate restructuring. More specifically, according to its original mandate, the department was established for the purpose of:

- Promoting, developing, and carrying out fee-based advisory activities in privatization and corporate restructuring;
- Developing specialized marketing, transactional and implementation expertise for privatization and restructuring;
- Carrying out technical and industrial audits; and
- Assisting corporate entities in their search for business partners.

CFS's involvement in the above advisory areas is not exclusive in that IFC's regional and industry departments are allowed to engage in advisory activities as well. However, the operational presumption is that CFS is to undertake all "sell-side" advisory assignments as opposed to the "buy-side" for the investment departments.

As part of its advisory activities, CFS may also assist corporate entities in international underwriting and the placing of securities. In such instances, it is expected to mobilize the required competencies by joint-venturing the assignment with IFC's Syndications and International Securities Group.

In recent years, CFS's transaction orientation has focused on privatization (80%), BTOs (15%), and corporate restructuring (5%). A review of completed transactions further reveals that, from a sectoral standpoint, CFS's advisory support has been almost exclusively extended to the privatization of infrastructure, with power and water accounting for about 55% and 20%, respectively of such transactions, as compared to 10% for transport, 10% for telecom and 5% for financial services. Corporate restructuring has thus far resulted to be a marginal advisory activity for CFS. Based on the current demand for the department's services, these trends are not likely to change in the near future.

Competencies

To promote and deliver its advisory services in the above market segments, CFS has developed a mix of skills which have encompassed the following core competencies and specialist areas:

- Marketing
- Program development, including transaction screening
- Strategic analysis and planning
- Accounting, auditing, financial analysis and financial modeling
- Structured finance
- Valuation techniques
- Social and environmental impact assessment

- Utility regulation, including structuring of sectoral policies and regulatory regimes
- Transaction design and management
- Sectoral knowledge and expertise
- Contracting and management of consultants
- Negotiations of contractual arrangements and preparation of related legal documents

Because of relatively low staff turnover, CFS has thus far been able to develop the above competencies through hands-on rather than structured training programs. Although broad-based, these competencies and related skills typically reflect the traditional phases of any CFS privatization transaction, namely: business development, diagnostic and structuring, and implementation. While the scope of these competencies matches well the requirements stemming from the current size of CFS pipeline, they are nevertheless not evenly spread across CFS staff and, as a result, occasionally lack the depth that one would expect to tightly manage on-going transaction processes. The identified deficiencies – which characterize both senior and junior staff – are particularly prevalent in the areas of financial modeling, structuring of sectoral policies and regulatory regimes, and sectoral expertise. Thus far, CFS has compensated for these deficiencies by mobilizing external expertise or drawing down needed competencies within the World Bank and IFC. Such approach is not viewed as sustainable if CFS is to expand its business volume beyond the size of its current active pipeline.

Staffing

CFS staff, which numbers 40, consists of 10 ACS staff and 30 professionals. Beside a director, two managers and a budget officer, the latter category includes 10 investment officers and 7 financial analysts. Among CFS investment officers, 13 have reached the seniority and/or level of expertise required to lead and manage transaction processes.

In line with the transactional nature of its activities, CFS has structured the delivery of its advisory services around transaction teams whose composition vary depending on the timeframe, skills demand, and the complexity of the transaction. On the average, it can be said that such teams are usually composed of three professionals consisting of a transaction leader, a junior investment officer and a financial analyst.

Based on the above data and taking into account the presence of a pipeline which includes 9 active transactions and 4 mandates under negotiations, CFS currently faces a serious imbalance between its senior and junior staff. In relation to the number of transaction leaders (13) or the number of active transactions (9), CFS's shortage within its junior staff currently stands at 6 and 2, respectively.

FIAS

1. Products

Types of Advisory Work

FIAS assistance in recent years has focused on eight general types of projects. They include:

- Diagnostics: Broad reviews of all aspects of the investment environment that may affect inflows of FDI. These cover policies, laws and regulations, procedures, and investment promotion strategies and institutions. Diagnostic studies often constitute the first FIAS advisory project in a country.

- Policy, Laws and Regulations: Reviews of the rules of the game are done for the purpose of recommending ways to enhance the FDI environment in a country. The issues addressed include entry restrictions and screening procedures, currency convertibility, access to land, and investment protection under national laws and international conventions.

- Administrative Barriers: Bureaucratic barriers do snarl and slow both investment and subsequent production. FIAS documents such barriers and pinpoints problems to help governments identify and eliminate counterproductive procedures, and streamline the necessary regulations that remain.

- Investment Incentives: Analysis of incentive systems ensures that they are competitive and cost effective in attracting investors.

- Investment Promotion: FIAS assists in the design of efficient institutions to both attract FDI and help manage FDI policy, adapting models that have proven effective elsewhere. Assistance also is given to such institutions in their formulation of promotion strategies, on national, regional, or sectoral levels, that identify competitive advantages and target specific opportunities.

- Building Linkages: Both to increase the benefits of FDI to the domestic economy and to enhance the FDI environment in a country, assistance is given to governments in the design of programs that foster supply and other relationships between foreign-owned and domestic companies.

- Foreign Investment in Infrastructure: In collaboration with IFC and the World Bank, assistance is provided to governments in creating suitable legal and regulatory regimes, and in promoting FDI in infrastructure sectors.

- Foreign Direct Investment Data Systems: FIAS assists governments in the design of non-intrusive systems for collecting and disseminating FDI data, including measuring the impact of investments on such key variables as job creation and export growth.

2. Competencies: FIAS has developed competencies in the following areas:

(a) Program development – the identification of advisory mandate relating to foreign direct investment policies, programs, and institutions – six regional program managers identify and structure projects.

(b) Advisory Substance – FIAS could claim substantial knowledge about FDI issues in the following areas:

(i) Identification of principle issues affecting FDI
(ii) Deregulation of foreign ownership restrictions
(iii) Identification of administrative barriers to investment and their reduction or elimination
(iv) Land issues affecting FDI
(v) Role of investment codes and other legal structures to govern investment and operations of foreign-owned enterprises
(vi) Investment incentives as they affect FDI
(vii) The structure and functions of investment promotion institutions
(viii) Construction of promotional strategies at several levels
(ix) Construction of programs to spread the benefits of FDI

(c) Developing multiples funding sources

(d) Techniques for managing project quality and quantity in a multi-product, multi-country program

(e) Financial control and accounting – FIAS has its own accounting system to track costs.

(f) Contracting and management of consultants

3. Staffing

(a) We have funding for eight and one-half ACS staff positions (seven and one-half filled) and funding for 18 E-I staff (16 filled)

- Six program managers (2 for Africa, Asia and Pacific, Europe, Middle East/Central Asia, LAC)
- General Manager and two Managers (one for Asia and Africa, another for Europe, LAC, MECA)
- Four experienced task managers
- Two relatively junior staff just joining
- One budget analyst

(b) Three E-I staff and one and one-half ACS staff are in our Sydney office

(c) We have always felt that 20 E-I staff would be ideal:

- GM and 2 Managers
- Six program managers
- Ten task managers
- One budget analyst

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PSD CORE PRODUCTS/SERVICES & COMPETENCIES

Based on a review of all PSD cross-support operations, as well as the "anchor" functions assigned to the department by the PSD Sector Board, the following picture on core products/services and competencies emerges:

1. Advice on Privatization/Enterprise Reform in the tradeables (i.e., non-infrastructure) sector - Still a major part of the PSD portfolio, covering everything from informing governments of the costs and benefits of divestiture, advising on and designing policies and legal and institutional frameworks to facilitate, implement and evaluate privatization, and assisting governments to deal with "post-privatization" concerns; e.g., business assistance services, enhancing access to financing, etc.

Privatization/Enterprise Reform Competencies:

- Review and assessment of international privatization experience
- Valuation
- Designing legal/institutional frameworks
- Capacity building to design and implement auction-based and case-by-case privatization transactions
- Insolvency/bankruptcy; building capacity for implementation
- Capital market linkages to privatization/enterprise reform
- Post-privatization issues
- Social impact of privatization and enterprise reform – to date, largely focussed on the impact on labor of privatization, and how governments can deal with redundancy issues

2. Advice on Private Participation in Infrastructure – A substantial part of the departmental portfolio, this component generates major cross-support income, with work on issues ranging from transactions to designing the enabling legal/regulatory environment.

General PPI Competencies:

- Utility regulation – institutional and policy issues, including tariff/subsidy issues, market-design, competition enhancement, pricing policy, etc.
- Various franchising options; i.e., leases, concessions, "affermage," etc.
- Transactions
- Project finance

PSD has also developed sectoral specializations in PPI, largely absent elsewhere in the Bank

- Postal reform
- Air transport

In terms of "traditional" infrastructure sectors, PSD has focussed on:

- Water and Sanitation

- Power

PSD to date has done relatively little on transport and telecommunications.

PPIAF, a separate non-Bank entity housed in PSD, will contract out its work to the best providers, private or within the Bank Group; the various parts of PSAS will, presumably, continue to provide support to PPIAF on its country framework reports and advisory needs in client countries.

3) Advice on Business Environment Issues – Covers issues and topics encouraging governments to adopt and implement pro-business policies; specific activities range from competitiveness enhancement to export development and financing, and training.
BE Competencies:

- Competition policy – advice on legal and regulatory frameworks, with emphasis on institutional strengthening for competition authorities
- Property rights
- Trade policy – focus on export development and financing
- Corporate assessments (see below)
- Enterprise training
- Technology policy

4) Micro-Finance/SME – Two diverse but related lines of business aimed at (a) providing the foundation for the provision of effective and recoverable financing to the smallest (and poorest) entrepreneurs in a society, and (b) finding new and cost-effective ways to cooperate with private financing to assist small and medium enterprises, the backbone of---and employment generators in---almost all modern economies. CGAP, the micro-finance unit, makes grants, not loans; its funding comes from the Bank's DGF and a consortium of donors. The new SME unit is seeking external funding. (Note: both of these units are likely to be separated from PSD and the new PSAS.)
MF/SME Competencies (many of the BE competencies will be relevant under this heading as well):

- Financial and non-financial assistance to MFIs and SMEs
- Design of MF facilities, including assistance to wholesale and retail programs/institutions
- Cluster programs

5) Corporate Governance – A rapidly developing line of business, bolstered by the Global Corporate Governance Forum, a partnership activity with the OECD
CG Competencies:

- Enterprise governance issues – focus on the protection of shareholder, creditor and other stakeholder rights, through the role of boards of directors, and a variety of other protective mechanisms
- Overall BE/legal and regulatory issues related to corporate governance
- Capital market linkages, e.g., listing/disclosure requirements
- Auditing/accounting standards

- Financial management systems

6) Knowledge Management – Now beginning to generate cross-support, KM has until recently been a service to Bank Group staff, country clients and interested analysts and observers. Utilizing a significant part of the PSD budget, the KM HelpDesk, training, partnership, and portfolio tracking and enhancement programs have become a critical and highly praised part of PSD's "anchor" functions:
Competencies:
- HelpDesk Services – connecting people and relevant resources
- Training coordination and delivery
- Portfolio tracking/quality enhancement, and review of Bank operations
- Partnership support (focus on GCGF, LARI, etc.)
- Cross-support on KM to client countries and other MFIs

At the outset of the Asian crisis, PSD also took on a **corporate restructuring** role, and assisted a group of affected countries (Korea, Indonesia, Thailand, Philippines, Malaysia) to deal with the corporate side of the financial crisis. The work involved constructing out-of-court, "fast-track" workout mechanisms to facilitate creditor/debtor agreements. A new mechanism to assess corporate vulnerability was also devised, and is now being tested in Ecuador. Competencies required in this line work ranged from macro-economist, to legal training, to management consultant skills.

STAFFING

It has been decided that PSD has had too many products and functions; starting in FY01 core activities will be reduced to:
- Private provision of infrastructure (perhaps expanded a bit to include privatization policy work. However, all transaction-related work would be left to CFS).
- A more focussed business environment effort, emphasizing competition policy, property rights issues, corporate governance, market design matters
- Knowledge management (quality control, information service to clients, internal and external, training and dissemination of best practice, etc.)

This means that a number of activities previously undertaken will not be pursued by the PSD portion of the new PSAS. Tentatively, these include technology and trade policy matters, taxation, corporate restructuring and corporate vulnerability, and transactions (the mandate of CFS). Several other "niche" functions filled previously are under review to determine if they fit in with the new business plan and approach of PSAS. To the extent that staff have been supplying operational support to regions, and have not possessed a special and unusual skill sought across several regions, and have not spent part of their time producing "best practice" notes and participating in training programs, they should transfer to Bank regional operational units where they have been in demand. As noted above, CGAP (the micro-finance group) and the new SME units should be separated from PSAS since they will probably both be primarily grant-giving units, as opposed to fee-based.

The sharp redrawing of PSD boundaries coincides with a severe budget problem, reinforcing the reductionist tendency. Thirteen higher-level staff on PSD's books in FY 00 will have departed by 6/30/00; an additional eight higher-level staff will leave before the end of calendar 2000; and discussions are underway with an additional seven to ten staff (term, ACS and long term consultants) that will likely result in some or most of these people leaving PSD, and PSAS, between now and the end of FY 01. Thus, PSD as a whole will shortly be about 30 persons smaller than it was at the end of 1999, a more than 25 % reduction.

Those retained possess the most marketable and cutting edge skills, as evidenced by education, training, background, experience, and a consistent record of superior performance—as assessed by management and as shown by a high level of client demand.

February 9, 2000

ORGANIZATIONAL AND MANAGEMENT STRUCTURE

A. INTRODUCTION

The appropriate organizational structure of the new Private Sector Advisory Services Department (PSAS) is necessarily a function of the products the Department aims to deliver. Since these are only now being discussed, this paper is, perforce, preliminary, although we believe the principles we discuss have general validity.

The paper sets out first, a number of principles around which the team felt PSAS should be structured, and some constraints on its operations. It then presents several models of how the Department might be organized. These alternatives are evaluated to see the extent to which they support the principles.

No explicit attention has been paid to the management structure. We believe this will largely flow from the organizational structure chosen for PSAS.

B. PRINCIPLES AND CONSTRAINTS

The following principles were identified as being key targets for the PSAS organization to achieve (in no particular order):

- *The ability, in dialogue with clients, to agree upon and offer the type of advisory support best suited to the client's circumstances.* One of the principal aims of integrating the Bank Group's advisory services is to avoid overlap (and, worse, contradictory advice) in dialogue with country clients. The PSAS group has to be able to offer its service menu in an even-handed manner, co-helping the client determine what is most appropriate;
- *the need to maintain critical mass and focus in areas of core expertise for PSAS.* The PSAS organizational structure should foster critical mass and business focus in its core areas; new core areas can be developed on a similar basis – simply put, we should build on our strengths in the areas we aim to be in. Critical mass is necessary, but not sufficient, to develop distinctive competencies;
- *The need to maintain/further develop acknowledged distinctive competence in a number of activities rooted in PSAS' core products and expertise.* The PSAS organizational structure should foster the development of distinctive competence in much the same manner that, in a consulting firm, individual partners or groups achieve prominence in their fields through expertise (e.g.gained from important assignments). Recognized distinctive competence is a key marketing tool, both for clients and to attract staff. This does not mean that *every* staff member has to be an expert in a particular chosen business area of PSAS. The organization should be built around a core group of *administrative* and *technical* leaders, who would lead/guide the work program in each product/service or core competency;
- *The need to be cost efficient in delivering the work program to the client.* PSAS teams should be delivering their products/services in the most cost efficient manner as possible. This requires the ability to: (i) deliver a given service within a shorter time period than the (internal or external) market (organizationally this would mean that we have appropriate central support structures within the organization to provide data, information, best practices, etc.), and undertake basic research and analyses and/or (ii) adopt flexibility in allocating resources to work program teams (senior resources vs. junior resources, use of staff with down time from other units, etc.). Such an approach is consistent with organizational arrangements in leading consulting firms;
- *the need to preserve flexibility and speed of response.* Responsiveness is a critical aspect of all client-service businesses; the organizational structure should foster this. A further aspect here is the approval mechanisms that will govern PSAS assignments – there is a danger of paralysis (and client dissatisfaction) if a consensus is sought across the institutions before any PSAS assignment is launched, in the absence of perfect co-ordination between the two institutions more broadly;
- *the need to maintain quality in the services provided.* The CFS and FIAS constituents of PSAS have established systems whereby, before any product goes out to the client, whether it is an advisory contract, a strategic report or a valuation, the quality is scrutinized by management or by senior staff. PSD staff, by contrast, largely work independently, though, since their clients are usually in-house, feedback from clients is easily generated. All advisory services need a quality control assurance;

- *the importance of appropriately booking liabilities arising out of advisory assignments as between the Bank and IFC (i.e. who should sign the contracts).* When contracting with external clients IFC assumes significant obligations and potential liabilities (due to the nature of the advice provided, this is less so for the Bank when it contracts with external clients). IFC liabilities should appropriately be booked in IFC, with due Management approval. The organizational structure should accommodate this and, to the extent possible, isolate the Bank from such IFC liabilities;
- *the importance of making rotations between IFC operations, Bank operations and PSAS attractive:* the organizational structure should facilitate rotation of staff between IFC advisory operations and PSAS. In most instances, the skills employed in providing advice are drawn from the expertise associated with IFC investments or Bank operations – facilitating staff rotation is important to bring in fresh experience and to provide career paths for PSAS staff originating from the two institutions;
- *the importance of ensuring consistency with donor objectives.* Trust fund donors may have specific objectives, and the organizational structure may need to reflect this, so as to assure donors that their funds are being used to achieve their stated objectives;
- *maintaining the current motivation and esprit de corps of staff* through a combination of team-building, work satisfaction, and opportunities to develop personal skills.

C. ORGANIZATIONAL ALTERNATIVES

There are three dimensions of the organization of the new PSAS: (i) how it relates to other WBG players involved in psd; (ii) which "overhead" or "central office" functions, are appropriate, and (iii) the alternatives for organizing, developing and executing assignments, the activity that will involve the majority of PSAS staff.

Organizational Relationships The relationship of PSAS to IFC, the Global Product Groups, Regional PSD units and the PS Board will be important in determining its organizational structure. Issues involving the first three include:

- to the extent that it can draw from the expertise of Global Product Groups (who are also charged with providing policy advice), the PSAS may be able to leverage up capacity and skills in new areas;
- IFC staff will want visibility with IFC management, suggesting the retention of CIC for mandate approval;
- Coordinating delivery with Regional PSD units will be important;

The Private Sector Board now has responsibilities that overlap some of those traditionally undertaken by PSD - for example, developing Private Sector Strategy for the Bank as a whole. It would not be expected that PSAS would continue to play this role in the future.

There are other issues related to the division of labor with the Board. Currently the Board has responsibility for HR issues for the Bank's Private Sector Family, approving promotions over grade 25, for example. IFC PSAS staff would not be comfortable with this arrangement, given that the Board comprises primarily staff unfamiliar with their work.

Central Office Functions. If PSAS is to be a center of excellence in providing advice on private sector issues, it would expect to take the lead on Knowledge Management of the databases involved in this. Relations with donors and finance-raising should also be centrally coordinated. Marketing could probably also be organized centrally, to avoid diffusion of effort, and reliance by marketers on the products they are traditionally familiar with.

Product Delivery Structures:

- *a Product-based organization* arranged in units which are characterized by the fact that they deliver the same or related product. One version of this is a simple agglomeration of FIAS, CFS and PSD into PSAS, with each unit continuing to provide its traditional products. A more likely variant (assumed in our evaluation) is to re-jig staff around single products, such as advice on transaction implementation, business environment advice, sector policy advice, regulatory advice, etc;

- *a Sector Structure* with sectoral units specializing in delivering the full range of PSAS services for their particular area of expertise. In practice this is a real possibility for the infrastructure sectors, and, looking into the future, possibly the social sectors, but probably makes little sense for the type of business environment advice that is provided by FIAS;
- *A Regional Structure* - ditto, by region. In this case, the individual regional unit would provide the full range of services, including business environment advice;
- *A Fragmented Pool Structure* - in which everybody is flung into a pool, and individuals are responsible for their own marketing and product development, creating teams if needed. This is effectively the current PSD system;
- *A Partnership and Differentiated Pool Structure* – as adopted by private consultancy firms, and investment banks, in which a senior officer (not necessarily a manager) is responsible for marketing, product development and quality control related to particular area of expertise, or client grouping, and he/she draws upon a pool to do the work, the pool typically being organized into people with like specialisms;
- *Functional Differentiation* – in which staff is grouped by the function they perform, separating e.g. marketing, knowledge management, financial modeling, report-writing, etc., into separate units.

We would like to emphasis that the options described above represent extremes, and in practice the organization chosen will undoubtedly feature a matrix pattern. For example: CFS today essentially operates a regional system with two regional managers, drawing from a common pool of investment officers. In practice, the sectoral and functional specialisms of staff (some are experienced in the water sector, some are good financial modelers) play a large part in how product delivery is organized. In any PSAS structure, there must necessarily be cross-cutting responsibilities. These models merely present options with respect to the *primary* cut.

Another broad issue which arises relates to internal clients: it was felt that it would be important to move to an understanding under which contracted services are the obligation of PSAS as a whole, rather than of individuals, as at present. This is assumed to obtain under all the above structures, except for the Fragmented Pool. This change, which may require some cultural adaptations is considered critical to foster internal cohesiveness and improve the quality of service, irrespective of organization structure.

D. ANALYSIS

The table below tries to analyze the extent to which the different proposed structures would abide by the principles indicated in section B.

The degree to which the different structures will result in clients being **offered the most appropriate product,** depends on marketing being carried out in an even-handed way. In the product-based structure this is unlikely to happen – business leaders will push their own products, to the confusion of the client. This may be a feature of partnership type models if partners have product-based responsibilities. The sectoral and regional approaches *would* ensure evenness amongst products. The sectoral approach, in particular, responds to how clients ask for advice - governments rarely ask for advice on e.g. . transactions, but often ask for the full range of support on e.g. the electricity sector. Alternatively the "marketing" function could be centralized within a product-based structure.

In both the product-based and the sector-based approaches, some sort of **critical mass of competency** is retained and can be developed. Organization by region makes the idea more diffuse. In practice, there will necessarily be cross-cutting competencies – even now, CFS and PSD have electricity specialists, airlines specialists, and people who know Africa. The question is, which competencies does the new Department wish to furnish? If transactions are not part of the intended product line, or advice on improving the FDI environment is out, then the sectoral breakdown is more indicated.

The building of **distinctive new competencies**, will depend as much on training and recruitment policy as it does on the underlying organizational structure. The Fragmented Pool system, whilst it maintains a critical "mass" in some ways, leads to a haphazard acquisition of skills, and less systematic knowledge transfer. For junior staff, the wide exposure is beneficial, but senior staff will enjoy the pool less, and develop their skills in a less focussed way.

Regarding **cost efficiency**, in general, the flexibility accorded by the pool-based structures should result in cost savings – by contrast, a rigid functional division risks a high fixed cost burden. However, this is likely to be offset (in some cases completely) by the benefits of specialization. PSAS should focus on high-quality, high value-added tailored product rather than on cost-based differentiation, however, and cost efficiency is not the principal driver of success. A key issue relating to costs is the staffing structure: use of junior analysts for transaction work, and ACS staff for knowledge management work, properly organized, could result in considerable cost savings.

Speed and flexibility of response is maximized in the pool-type situations, where teams are made up on an ad-hoc basis to suit the need. Product-based, sectoral or regional "Silos" limit this flexibility substantially, and since developing synergies is one of the purposes of the exercise, any silo-based model must have windows in it. Properly managed, overall flexibility and responsiveness are likely to be improved by having separate IFC and Bank windows for delivery of services, with internal co-ordination structured so as to maximize synergies.

For any given array of products, the speed of response will also depend on how well knowledge is managed. Terms of reference, contract documents, proposals, draft laws, policy papers and report frameworks must all be organized and available at a moment's notice. This argues for a knowledge management function fully tied into PSAS operations (probably reporting as a practical matter to service delivery units), whatever the mainstream organizational structure.

Quality Control is far easier when you're in a silo, and responsible for producing a standardized product. The product-based model offers this, as does the "Partnership plus Pool" type of model. Consistency of sectoral approach – ensuring the appropriate application of best practice in the provision of advice – necessitates some sort of sectoral level of quality control. This is a natural feature of a sectoral-based model, but could be overlaid on other models, with a sectoral quality control function playing a similar role to a credit department in a bank.

The issue relating to the **registering of contractual liabilities** is certainly clear under the current structure. Fundamentally this issue relates to the nature of the advice: transactional advice to external clients (a typical "IFC type" product) obviously contains more potential liabilities than policy work, although this will also depend on the nature of the contract. A clear distinction between IFC and Bank windows is desirable to address this issue. If in general, the desired direction is to move more towards fee-based advisory services, then this implies greater reliance on a range of contracts, with obligations and contingent liabilities associated with each. Is the Bank (legally) ready for this?

The issue of **attracting other staff** from IFC or the Bank to rotate in and out of the PSAS is one of the most delicate issues PSAS has to deal with. IFC mainstream staff will likely only consider rotating into PSAS if (i) they do not lose their identity as IFC staff, (ii) if they can reasonably be assured of professional development rooted in a greater variety of transactions, (which would use financial structuring and transaction implementation skills), combined with policy-related work, and; (iii) they are likely to have a reasonable level of exposure e.g. at CIC meetings. Attracting Bank staff, and staff from outside, is unlikely to be a problem provided PSAS develops a brand-name for quality.

Consistency with donor objectives in PIAFF, FIAS' own donor support and the various trust funds used by CFS, it is clear that the full range of current activities have considerable donor support, and, provided that the products remain on the menu and there is (via SAP) an adequate tracking mechanism, donors are likely still to support them, whatever the internal organization for delivering them. This is an empirical question, however, which can be answered by asking donors.

There is currently a high degree of **motivation** amongst managers and staff within all the constituent units, in spite of an incentive structure which does not offer large financial rewards. The rewards are job satisfaction, and recognition. Any reorganization should be careful not to undermine this – in itself an argument for evolutionary change. Most of the product delivery alternatives above are amenable to the retention of this degree of motivation and esprit de corps, except the Fragmented Pool system, which is likely to undermine the team spirit on which much of current success is based.

Corporate Finance Services

1) Current Org

CFS — 38 (9 ACS — 29 HL Reg.)

Budget Analyst
DIR < 2 MGRS / 1 MGR

2) FIAS 40% IFC/Bank → Pot = Bank Acct
Fee Income + Donors →

Budget Analyst

3) PSD

FUTURE

Messages

A. Marketing — Cross Selling ~~Align~~

B. Alignment — Synergies

1) Maintain Flexibility of CFS, FIAS & PSD They all can do each activity

* 2) Mechanism of Changing How will it work?

Global Products — Mgrs. *

Regional Managers

FEATURES OF PRODUCT DELIVERY AND STRUCTURES

Structure Feature	Product-Based Structures, inc. Status Quo	Sectoral	Regional	Fragmented Pool	"Partnership" and Differentiated Pool	Functional Differentiation
Offer Most Appropriate Service	Danger of fragmented marketing	Marketing by sector probably responds to what clients expect	Danger that not all services properly presented	Marketing necessarily a central function, not undertaken by pool	Partners responsible for marketing, and close enough to product delivery to do so effectively	Specialism in Marketing ensures good presentation of service menu
Maintain Critical Mass	Transaction policy & business environment advice have critical mass. PSD has to hive off some activities	In most infrastructure sectors there is critical mass initially.	Concept of critical mass less applicable.	Chaotic acquisition of skills, unless training and recruitment carefully managed	Partners tasked with managing training and recruitment..	Fragmentation of functions risks not have critical mass in many
Build Distinctive Competen-cies	The "silo" nature of this structure delivers strong specialization – but by product, rather than by sector or region.	Strong competencies by sector. Unclear how general business environment/FDI-related advice would fit.	Regional knowledge a premium, to the disadvantage of technical/sectoral skills.	De facto individual competencies, but would limit knowledge-sharing	De facto individual competencies, but would limit knowledge-sharing	Individual competencies compartmentalized. Knowledge-sharing very low.
Cost efficiency	Cost efficiencies will depend on the degree of flexibility in the way teams are put together, but benefit of specialization.	Cost efficiencies will depend on the degree of flexibility in the way teams are put together.	Cost efficiencies will depend on the degree of flexibility in the way teams are put together.	Reduced specialization and loss of any economies of scale	Flexibility in team composition combined with some benefits of specialization = better cost efficiency	Minimum flexibility, maximizes fixed costs. Staff pigeon-holed in particular functions.
Speed of response and flexibility	Limited range of traditional products. Moderate response times. Only gradual development of synergies and new products.	Not clear that would respond quicker or with greater flexibility.	Probably assist speed of response, but at the cost of splitting critical mass.	Most flexible and most responsive	Flexible and responsive	Minimum flexibility
Quality Control	Most reliable means of maintaining quality of product – major intermediate and all final products are overseen	Maintains consistency in application of best sectoral practice – quality of final produce is less controlled	Dispersion of responsibility means that neither product quality nor sectoral policy applied with maximum consistency	Quality control not assured by pool that rests on individual	Partners responsible for quality control, and have a direct incentive to do it.	Constitution and responsibilities of teams unclear – maintaining control more difficult.
Registering of liabilities	Clear responsibility for transactions lies with unit tasked with them.	Responsibility unclear	Responsibility unclear	Responsibility unclear	Less clear responsibility but probably manageable	Unclear responsibility
Encourage rotations in from other WBG	IFC staff will consider rotating in if (i) can be guaranteed to develop transaction skills (ii) can be guaranteed to retain "IFC" status	Loss of guaranteed transaction focus would result in atrophy of IFC rotations in. Probably not problematic for Bank.	Loss of guaranteed transaction focus would result in atrophy of IFC rotations in. Probably not problematic for Bank	No guarantee for staff rotating in as to nature of assignments = no IFC staff will join.	No guarantee for staff rotating in as to nature of assignments = no IFC staff will join.	Possibility that IFC staff will be interested in transaction management and financial structuring functions.
Consistency with donor objectives	Offers the possibility for FIAS to retain distinct identity and product for donors. Other services use various trust fund sources	Loss of distinct identity - but donors would probably adapt.	Loss of distinct identity - but donors would probably adapt.	Loss of distinct identity - but donors would probably adapt.	Loss of distinct identity - but donors would probably adapt.	Loss of distinct identity - but donors would probably adapt.
Maintain good "esprit de corps"	Maintains current levels of motivation	Team spirit can be developed but transition is an issue	Team spirit can develop but transition is an issue	Individuals try hard – team building and knowledge-sharing hampered	Individuals try hard – team building has to be closely managed by partners	Staff perceive prospects for personal development and broadening skills are limited.

Color codes: Green – Advantage; No color – Neutral/Unclear; Yellow – Slight weakness; Red – Weakness

FEATURES OF PRODUCT DELIVERY AND STRUCTURES

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February 7, 2000 11:19 PM

February 9, 2000

APPROACH TO BUDGETING

Funding Sources and Budget Situation Going Into PSAS

Funding for PSAS' activities may come from four sources[1]:
1. The Bank's budget
2. IFC's budget
3. Bilateral donor funds
4. Fees or cost recovery earned by delivering services to external clients

The FY00 budget for the units comprising PSAS amounts to a total of **$18.0 million** for **181 staff** ($15.0 million from IFC for 64 staff and $2.9 million from the Bank[2] for 117 staff), broken down as follows by unit:

- **PSD (117 staff, $2.9 million committed)**: in FY00 PSD is due to receive a further $16.2 million from the following sources: $0.76 million (New Spending Authority), $0.73 million (WBI Learning), $2.5 million (DGF), $2.6 million (Other Sources), and a projected $9.6 million expected[3] from contracting of PSD staff by Bank regional task managers and TF programs; PSD has been able to keep fees in the few cases in which fees were available as a result of World Bank framework agreements with high income client countries; PSD uses a variety of trust funds, but these are generally handled outside the PSD budget mechanism.
- **CFS (38 staff, $6.8 million committed)**: IFC Budget for CFS is committed annually, and is tied both to specific regions, and to specific people (i.e. to the CFS staff). CFS generates fees for its work, but these fees are booked by IFC, and are not part of the CFS budget, except that, within limits CFS is allowed to charge fixed term staff costs and staff travel against fee income from the relevant project, as provided in IFC's reimbursables policy. CFS uses IFC trust funds, but these are handled outside the CFS budget mechanism.
- **FIAS: (26 staff, $6.4 million committed[4])**: FIAS does not operate on a conventional budget-rather it is funded by a variety of sources which are deposited in a general trust fund. The trust fund is used to disburse salaries and other expenditures, including benefits, space, travel, consultant fees and travel, etc. The mechanism is very flexible because it can be used to receive funds from different sources. The funds can be co-mingled and do not lapse at the end of a fiscal year. FIAS also draws on funds that are specified for specific regions (e.g. Asia and the Pacific). These funds are administered outside the general trust fund.

The disparate funding arrangements of the PSAS constituent units represent a serious obstacle to the effective integration of work across the new department. Two main problems stand out:

- **Equality of treatment**: under current arrangements, staff in the three units face different levels of risk, even though all are staff members of the Bank Group. PSD staff face the highest risk because they are only partially funded by committed budget funds, and have to find cross support assignments to cover more than 50% of PSD's budget. CFS staff are less vulnerable, since their budgets are negotiated on a year to year basis as part of the IFC budget process. FIAS staff are subject to a different set of risks, in that contributions by the two parent institutions constitute only about 40% of the total budget. However, the FIAS funding mechanism and the diversity of funding sources allows for financial planning that provides some comfort that funding will be available for at least a two to three year period.
- **Flexibility of deployment**: funding tied tightly to individual groups reduces flexibility in putting together diverse teams. Furthermore, as explained below, the difference in funding arrangements between PSD staff and CFS staff acts as a serious obstacle to full integration.

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[1] A fifth source may be available, although it is unlikely to materialize in the short term: donor funding from significant private investors interested in good regulation, transparent transactions and good governance

[2] Excludes $16.2 million of PSD's other funding sources; also excludes CGAP

[3] Note that in FY00 total expenses for the PSD units joining PSAS are projected to exceed their budget by about $2.0 million (relative to the $ 9.6 million expected) due to a shortfall in contracting of PSD staff by Bank Regions.

[4] Comprising: $1.8 million from IFC for 18 IFC staff, and $1.0 million from the Bank for 8 Bank staff; $0.7 million from donor funds and $2.9 million from the FIAS trust fund. A further $1.8 million expected from fees earned included in the budget but is considered uncommitted.

Budget Approaches

Under the **Unified Budget Model** (see Diagram 1), PSAS would have a single budget into which all the sources of funds identified above would flow. Under this arrangement (very similar in fact to the current approach in FIAS) no budgetary obstacles to joint work exist since everyone is lumped together in one unit. In addition, all PSAS staff would be funded on the same basis – there would be no incentive problem associated with different funding bases as currently exist. However, the budget identity of each of the PSAS constituent units is lost, potentially putting the money tied to these units (particularly FIAS) at risk. A variant to this approach is shown in Diagram 2; again, a single PSAS budget would receive all the sources of funds, however, these funds would then flow to separate budgetary units organized along appropriate lines. This type of arrangement might help overcome donor objections to a fully unified budget.

Under the **Decentralized Model** (see Diagram 3) PSAS would have separate budget units, which receive funds from the various sources (essentially as at present). The staff in the different units are subject to different levels of risk, and this might make it more difficult to organize joint work. Hiring of staff between units for joint work is still possible under this approach (in fact, both FIAS and CFS have on occasion engaged PSD staff to work on their projects), but, as explained below, there are barriers to increasing both flexibility and integration of work across the PSAS units, as would be required to deliver the synergies sought in PSAS. The Alternative Model (see Diagram 4) shows a variant on the decentralized approach, with a general PSAS budget added to the structure. Under this variant, all of the individual units would have separate budgets and perhaps their own trust fund. In addition, each could also get an allocation from the general PSAS budget. This general budget would also fund PSAS departmental overhead. Under the Decentralized Model and its variants individual units would have a greater incentive to raise monies to support their operations.

Constraints and Mitigants

The funding of PSAS will be constrained by the restrictions on the overall World Bank Group budget envelope: there is unlikely to be any growth in funding for PSAS from the Bank, whose budget is set to decline by 8% over the next two years as a consequence of the Strategic Compact. Additional funding for PSAS may possibly come from IFC, although CFS' experience in FY00 suggests that advisory services are generally not a priority for IFC's Regions. Whether additional funding is available from donors is an open question, but it should be noted that such funds tend to be topic or region driven.

It would appear that the objectives of senior management for PSAS (flexibility, integration and synergy) are best served by implementing one of the unified budget models. However, the continuation[5] of pay-as-you-go funding for cross-support activities acts as an important further constraint which makes this approach unviable in its pure form. An example will help illustrate the difficulty: if PSAS embarks upon an agreement with the Government of Ghana to provide regulatory/policy support in conjunction with a privatization transaction in exchange for fees, the project manager would require a team comprised of both CFS staff (for the privatization transaction) and PSD staff (for the regulatory/policy work). As noted, the CFS staff are fully pre-funded (the funds to cover the IFC staff having already been agreed as part of the Regional budget at the beginning of the year), while the PSD staff will typically not be pre-funded. This leaves the project manager with a funding gap between staff and resources, unless he is able to obtain approval from the relevant Bank Country Director for the funds to cover the Bank staff required for the project. This scenario suggests that in many cases, PSAS will be in the unenviable position of requesting the approval of project funding at the beginning at the fiscal year from the IFC and again at the project's inception from the Bank.

The problem is exacerbated by the different structures of the Bank and IFC regions. The budget agreed with IFC's Regions at the beginning of the fiscal year is basically flexible on a country to country basis within the Region. In other words, it is easy within IFC to receive the Region's approval to substitute a project say in

[5] Larry Smucker informs us that a decision has already been made not to change the Bank's policy of pay-as-you-go funding for cross support.

Mauritania for a previously agreed project in Ghana that does not materialize. The IFC funds are already in place for the Ghana project and are simply redirected towards the Mauritanian project with the no objection of IFC's Africa Region. By contrast on the Bank side funding must be negotiated with the relevant Country Director. Therefore, if Bank funds are in place for the now defunct project in Ghana, these funds cannot simply be redirected to the Mauritanian project. To receive Bank funding for the new project in Mauritania, a whole new round of discussions must be held with the country director for Mauritania. It is not difficult to see how this may jeopardize PSAS's internal cohesiveness and responsiveness to clients. The problem is obviously further exacerbated if there are conflicting priorities between the IFC and Bank regions. The example emphasizes that as a general matter, any unit that is going to provide advice to external clients in a responsive manner will need to have flexible (i.e. reasonably independent) funding sources in order to do so. FIAS and, to a lesser extent, CFS have such funding; PSD, under the present arrangements, does not.

We believe it is possible substantially to mitigate the effect of the different funding bases between Bank and IFC staff through a change in the fee retention policy. Under current IFC policy, CFS is unable to use the fees it collects from clients to cover the staff costs (salary and benefits) of its "Open-Ended" staff. However, the other units comprising PSAS have the general permission (FIAS) or the precedent (PSD) to use the fee/cost recovery revenue from external clients to cover all categories of expenses. Changing the fee retention policy would also provide a stimulus for growing the level of advisory services PSAS is able to provide to its clients by allowing the fees collected from profitable areas of operation to subsidize work in areas deserving of subsidy. Furthermore, work would be incentivized on all projects for external clients for which the fees exceed costs-in particular, this is likely to stimulate work by Bank staff on transactional projects which have a significant fee-earning potential[6].

A further more technical constraint arises as a result of the need to track and reconcile Bank and IFC expenses. However, we are informed that this problem can be resolved through appropriate modifications of SAP[7].

Possible Way Forward and Other Considerations

In view of the foregoing, the following may be a way forward on the budget front:

1. Secure approval to allow PSAS to use the fees it receives to cover all categories of cost. This could be accomplished by seeking a general policy from IFC and Bank management to allow PSAS full use of any fees it receives for covering all types of cost through a Bank reimbursable budget set up for an activity described as "PSAS advisory services". Or (less flexibly), this could be handled on a project by project basis by allowing PSAS to use IFC reimbursable budgets to fund all costs related to a duly approved project. In either case, an approval mechanism would need to be established to govern the use of this funding option, and use of a flexible fee retention policy should be strictly limited to PSAS activities; and
2. Secure a budget increase sufficient to place the core (i.e. those remaining after the current restructuring of PSD is completed) PSAS staff on a firm budget basis. Such additional funding could come from IFC (as

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[6] A side effect of such a change in policy might be a gradual rebalancing of PSD's work profile away from concentration on internal clients, to a greater reliance on external clients.

[7] A new company would be created in SAP with budget contributions and staff from both IFC and the Bank. The work program would belong to this joint company. It would have a unified resource envelope and work program. However, staff identities and separate balance sheets would still be maintained. Expenses would be bulked and transferred to either IFC or the Bank by the end of the fiscal year, to close the books on each company according to current practice. To allow this Combined Entity [presented by Larry Smucker and Richard Moss, Sr. Manager CCBBP, in the Report of the Budget Task Force - October 1999] to work, there must be a mechanism in place to allow the Bank and IFC staff to charge their costs (salaries, benefits, travel and other overheads) to project, transaction, or advisory activity which they are working on. This mechanism must also allow for reporting of these costs in financial statements of the two institutions at the end of the FY. The creation of the combined entity will require the hiring of a team of SAP consultants to make the necessary modifications in SAP and allow for these type of transaction flows (Larry Smucker estimates the cost of this to be about $500,000 and deems it critical for allowing joint work in FY01).

noted above there seems little room in the Bank budget envelope) or from PSD top management as a means to put the new unit on a firm foundation to grow the advisory business of IFC and the Bank.[8]

If the above approach cannot be agreed, and given the limitations stated earlier (i.e. the Bank's budget envelope, and the continuation of pay-as-you-go funding for cross support), it would appear that only marginal improvements relative to the present budgetary arrangements would be available under PSAS.

Once the policy on these issues has been clarified, and after the "new company" is established in SAP, the number of PSAS budget units would have to be determined to allow for an efficient allocation of resources. The units could be set up to reflect the departments as they are now - one unit for CFS, one unit for FIAS, etc., or the structure could be divided by manager or by products. We would expect that the internal budget structure would largely follow the organizational structure implemented.

One final issue relates to the treatment in PSAS of the FIAS trust fund ($2.9 million). This fund has been built up from fees and donors to fund FIAS's work in FDI. It can be used to cover any costs associated with this activity including staff costs. If this fund is merged into the PSAS budget, the flexibility currently available through it would be lost, and consideration should be given to keeping it intact within the broader PSAS budget structure.

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February 7, 2000 10:40 PM

[8] This is justified because we assume that as a practical matter, staff costs are fixed – funding fixed staff costs on the basis of a variable budget can lead to disaster, as illustrated by PSD's present straits. Similarly, relying on inherently uncertain fee income to cover fixed costs is likely also to be troublesome. FIAS has successfully managed this balancing act, but it seems doubtful that this could be replicated on a large scale for PSAS; furthermore, a proposal to rely on fee income to cover a significant proportion of fixed costs must be considered very carefully in light of the mix of products to be offered, and clients to be served.

Alternatively, a longer-term approach is to secure more flexibility in staff costs by obtaining a waiver for PSAS to operate a more flexible consultant employment policy than the rest of the WBG.

Diagram 1

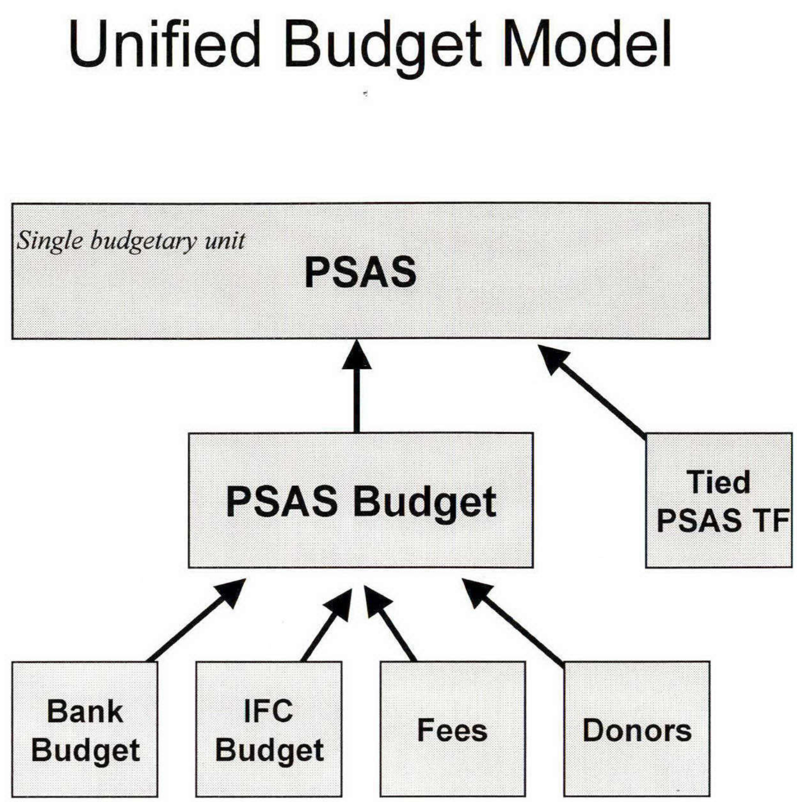


Diagram 2

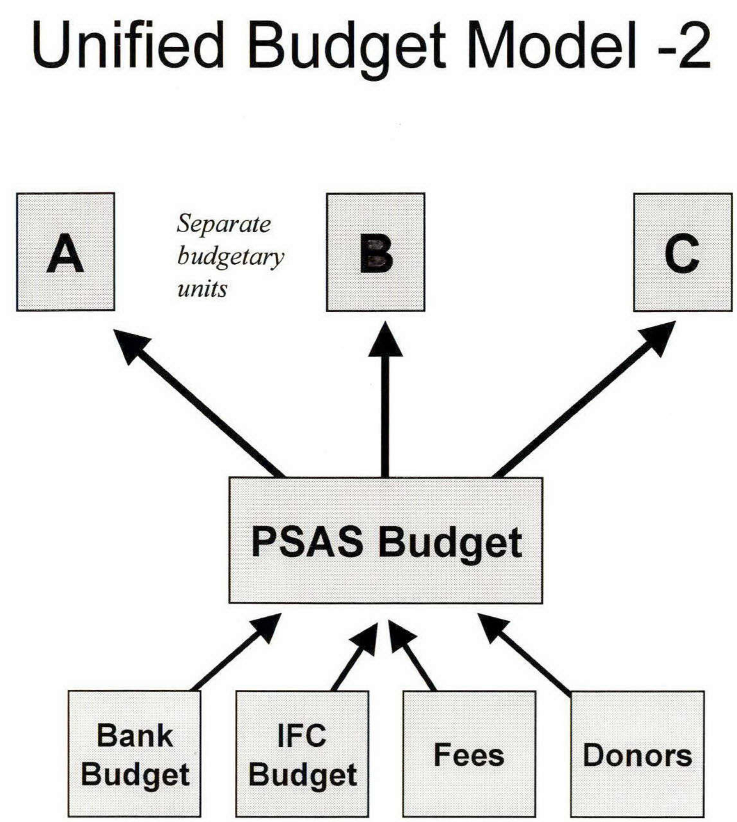


Diagram 3

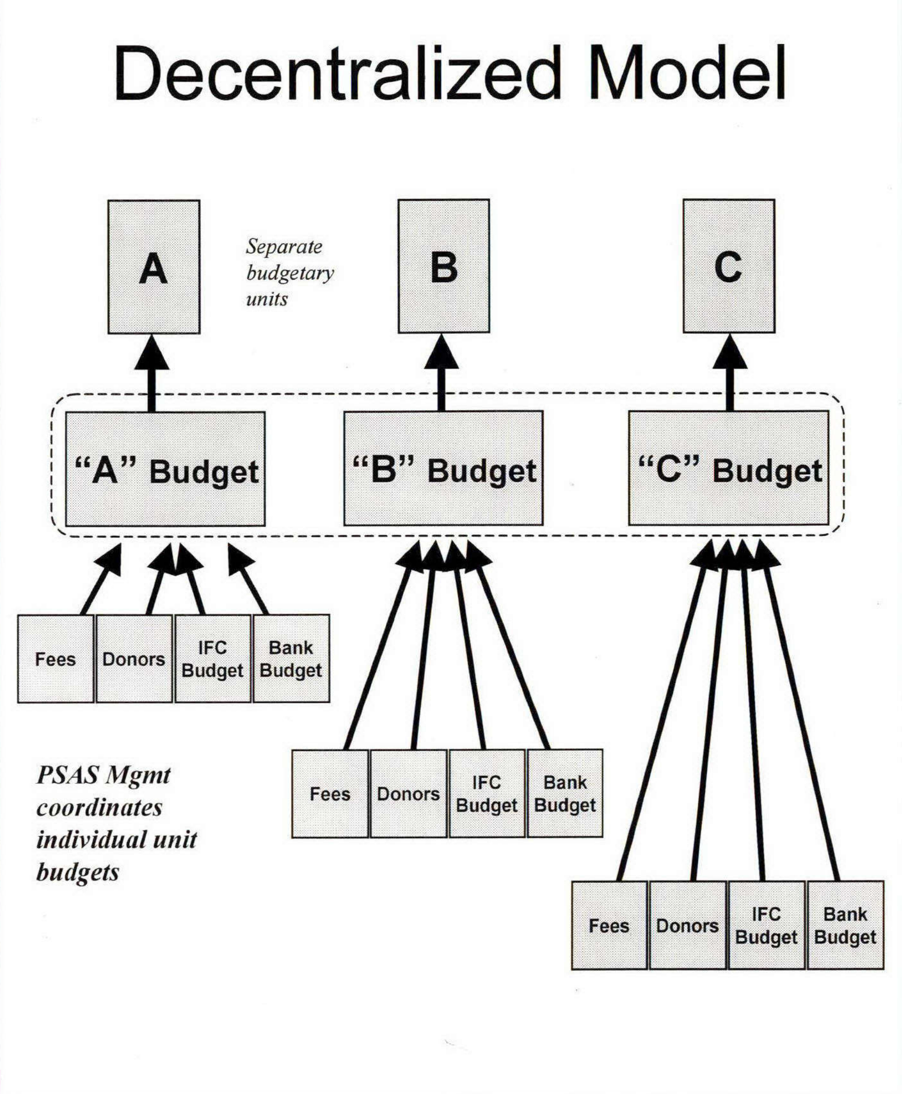
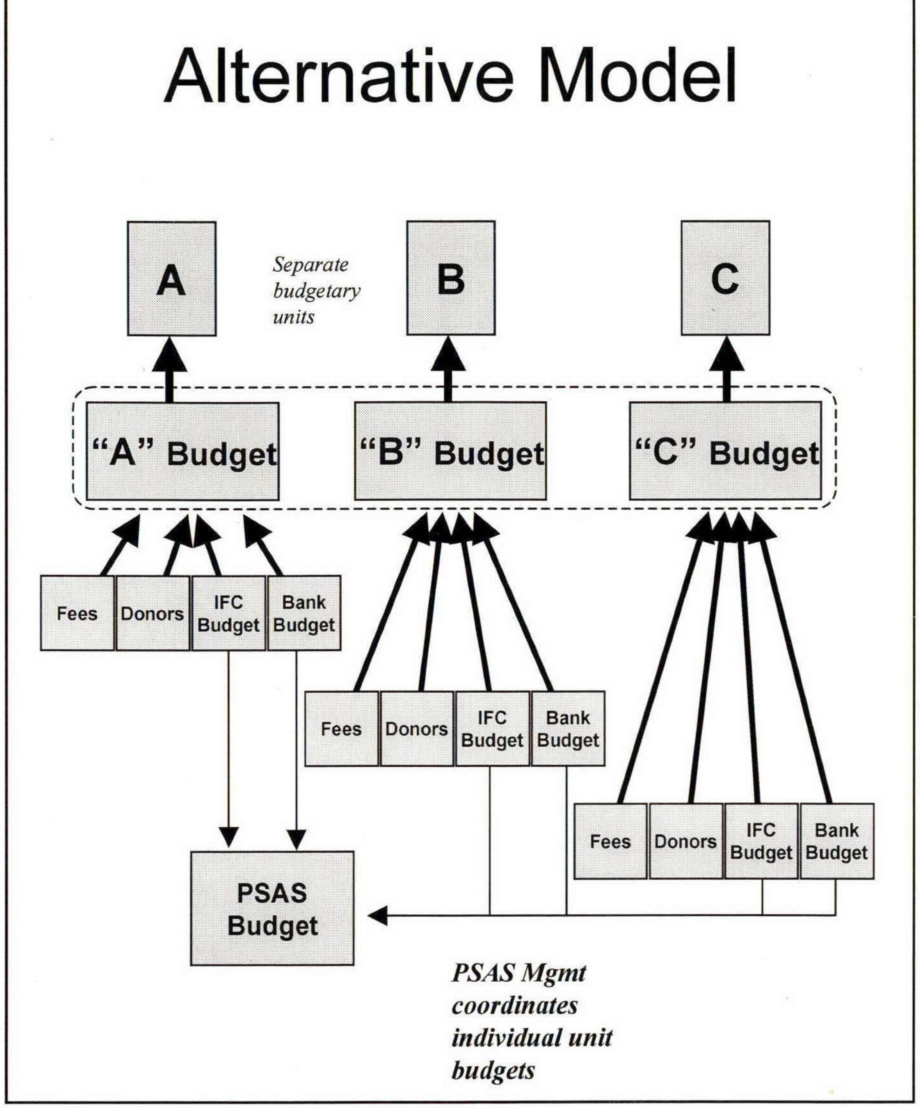


Diagram 4



DONOR COORDINATION/TF APPROACHES: ISSUES & OPTIONS

A. PRESENT STATUS

CFS

- CFS does not use donor funds to cover any staff-related expenses (these are entirely on the IFC budget).

- CFS uses a mix of IFC and donor trust funds to cover operational expenditures related to outside expertise at the project level.

- Over the past five years, donor support added about 20-30 percent to total budget resources (in FY99 amounting to about $1.5 million).

PSD

- PSD budget (own budget and the cross support) has been supplemented by two types of Donor funds:

  - Consultant Trust Funds in the Bank (about $4 million in FY99); and

  - Freestanding trust funds tied to a specific activity or agenda (about $14.3 million in FY99)

FIAS

- The principal vehicle for Donor funds is the general FIAS Trust Fund (FTF), set up with the Board's approval in 1987 as an integral part of the FIAS budget (i.e., covering all costs, including staff salaries).

- FTF is a multi-donor trust fund (at present there are eleven donor countries), untied and without restrictions on the type of expenses that it can fund.

- Grants are solicited on a three-year cycle (currently FY98-00). In FY1998-2000 funding drive, a total of $3.8 million was raised. Since the inception, a total of 14.4 million dollars has been raised.

- In FY99, about 24% of the budget came from the FTT. The balance was composed of IFC/World Bank contribution (43%), donor support for regional program (9%), and client fees (24%).

- Projected FTF balance at the end of FY2000 will be $5.3 million.

- In addition to FTF, FIAS has utilized other Donor funds:

  - Australia and New Zealand have been contributing funds for our Sydney Office in the past five years, and we have raised a total of $1.94 million. We just requested extension for one additional year (FY2001), and expect to get $340,000. Sydney office covers FIAS contribution in the Pacific and in Asia.

  - UNDP was a significant source of funding totaling $11.5 million since 1986. The funds were used for specific country or regional projects, and in a few cases for research. At present we have no such grants.

  - ADB has provided a grant of 200 thousand tied to the use of consultants for our work in the Pacific.

  - IFC Trust Funds covered on several occasions FIAS project specific consultants costs.

  - Bilateral Donors often cover client contribution costs (which is counted towards the portion of the FIAS Budget coming form the client fees; on average about 20% of the budget).

- A FIAS Manager has the responsibility to cultivate and maintain relationships with Donors. A Consultative Committee of Donors meets annually to review FIAS work and to discuss future direction.

ISSUES

- The structure of the PSAS budget and the role of donor funding therein.

- Types and the size of trust funds (e.g., one general PSAS Trust Fund and/or multiple sector/issue specific trust funds).

- The source of Donor funds (i.e., bilaterals, multilaterals, private sector).

- The modality and frequency of fundraising ("marketing" strategy).

- Acceptance of tied funds (e.g., tied to the nationality of consultants or a country of activity).

- Relationship and access of PSAS to the existing Trust Funds in the World Bank and IFC.

- Respect for the existing legal obligations (for example, the FIAS Trust Fund, PIAF, or the Global Corporate Governance Forum).

- Internal (PSAS) mechanism for managing Donor relations (including reporting on PSAS activities and their impact, "marketing" of PSAS to various stakeholders of a Donor, etc.) and structuring the governance of the trust funds. Will donor relations be decentralized within PSAS or managed by a Central Unit.

- Initial "selling" of PSAS to potential Donors.

B. OPTIONS AND CONCERNS

- With regard to the PSAS budgetary structure, there are two basic options:

  (i) FIAS model, i.e., a combination of IFC/World Bank allocations, donor funding, and client contributions;
  (ii) General PSAS budget consists of the Bank/IFC allocations for own-managed work, supplemented by contributions from donors and regions for project/region specific work.

  Concern: Potential size of the expected donor contributions could be high (depending on the size of IFC/Bank allocations), and thus possibly difficult to raise. However, option (i) should be more attractive for donors as PSAS would be perceived as more "value-added" to the Bank/IFC mainstream operations. Many donors would probably perceive option (ii) as a mechanism to subsidize mainstream WB work. In addition, contributions by donors and WB/IFC would strengthen the donor perception of commitment.

- With regard to the type of trust fund arrangements, one general PSAS-wide trust fund appears more attractive from the administrative and operational points of view. However, individual donors may have different preferences (which may change over time), making it easier for them to select from a PSAS menu of activities. The ideal situation would be a combination of a general PSAS-wide trust fund plus issue/sector specific trust funds.

- While bilaterals should be considered as the principal source, multilaterals (e.g., UNDP) might also be an important source for sector/issue specific trust funds. In addition, private sector options could be explored.

  Concern: Donor fatigue might be a problem. Thus it will be important to avoid donors perception that they are funding "mainstream" Bank operations.

- Tied funds (i.e., nationality of consultants) should be avoided, at least in the first round of discussions as they would limit PSAS operational flexibility.

- On the modality and frequency of fund raising options, they range from individual dialogues with donors to general pledging meetings/conferences. Such activities could be carried out on an annual basis or repeated less frequently (biannual or triennial).

  Concern: Donor fatigue often results in unwillingness by donors to sit in structured general meetings, particularly if they are done annually. Multi-year funding arrangements might therefore be preferable, especially if combined with continued individual relations. This would facilitate maintaining commitment and interest by all parties involved, including the management of the World Bank and IFC.

- "Double-dipping", i.e., the use of various trust funds by the same group could be a problem. As the proof of the PSAS added value, the group should rely on donor funds explicitly designated for PSAS. Thus, only under exceptional circumstances (to be determined) access to the existing Bank/IFC Trust Funds should be acceptable.

- Smooth relations with the existing donors will be the key to PSAS success. Thus, the existing commitments with donors should be honored.

- Donors complain more and more about the multiplicity of contacts across the WBG. PSAS should avoid making this mistake. In order to ensure proper donor relations, all donor contacts should either be through a Central fund-raising unit or should be coordinated by such a unit.

- In order to introduce PSAS to potential Donors, a meeting (half a day) should be considered (to be attended on our side by the Director and the two responsible Vice President).

Maria Pilar Z. Bowyer
02/04/2000 02:29 PM

Extn: 38608 PSDDR
Subject: Re: New Draft

--------------------- Forwarded by Maria Pilar Z. Bowyer/Person/World Bank on 02/04/2000 02:29 PM ---------------------------

Maria Pilar Z. Bowyer
02/04/2000 12:20 PM

Extn: 38608 PSDDR
To: John Leber cc: Larry F. Smucker
Subject: Re: New Draft

Note my changes in red...

PSASBudget.do

To: Stella G. Franco

February 4, 2000

Draft Budgeting Options for PSAS

Current Status

The FY00 budget landscape for PSAS is currently:

- A total budget envelope of $18.0 million ($15.0 million from the IFC and $2.9 million from the Bank) for 188 staff (84 from the IFC and 117 from the Bank. excluding CGAP).
  (Note: This amount excludes $16.2 million of PSD's other sources of income)

The breakdown by unit:

- CFS ($6.8 million, for 38 staff),
- FIAS ($8.2 million - $2.8 Million - $1.8 million (IFC) and $1.0 million (Bank) for 46 staff - ## IFC staff and ## Bank staff), donor funds ($0.7 million) and fees earned ($1.8 million) and FIAS trust fund ($2.9 million)
- PSD ($2.9 million from the Bank for 117 staff, plus $16.2. million from the following sources: .760m (New Spending Authority), .732m (WBI Learning), 2.5m (DGF), 2.6m (Other Sources), and $9.6 ("pay-as-you-go" which is dependent on the contracting of PSD staff by Bank regional task managers and TF programs)).

(**Note:** In FY00, it is expected that the PSD portion of PSAS will experience a shortfall of about $2.0 million. The following recommendations assume that this overrun is solved/isolated before the groups merge into PSAS.)

Budget Issue

The issue that needs to be addressed is: how should these various sources of funds be organized to ensure that PSAS is able to offer clients seamless advisory services?

The simplest and most conducive solution to the problem would be to adopt a single budgetary unit, lumping all these different sources together in one unified department. This has been coined the "FIAS model" (please refer to Attachment 1). However, this model has been deemed unfeasible for two key reasons:

1. The Board would not allow the Bank and IFC to simply report the rather large contributions to PSAS as single line items on their balance sheets (this is allowed for FIAS because of the relatively small amounts of money involved). The money contributed by IFC, the Bank and various donors could not be lumped together as is suggested in the FIAS model. The IFC and the Bank must be able to account for the various products and services this money provided.
2. The conclusion has been arrived at, that the Bank will not at the present time abandon its budgeting practice of funding "as-you-go" based on individual work programs. Therefore, the Bank Regions would not allow the full funding of the Bank staff portion of PSAS.

Combined Entity Option

Another solution is the Combined entity option[1], which was presented by Larry Smucker and Richard Moss in the Report of the Budget Task Force (October 1999). Under the

[1] Combined entity option

A new company would be created in SAP with budget contributions and staff from both IFC and the Bank. The work program would belong to this joint company. It would have a unified resource envelope and work

Combined entity option, a new company would be set up in SAP with an integrated resource envelope and work program. However, staff identities and separate balance sheets would still be maintained. To allow this to work, there must be a mechanism in place to allow the Bank and IFC staff to charge their costs (salaries, benefits, travel and other overheads) to project, transaction, or advisory activity which they are working on.

This mechanism must also allow for reporting of these costs to the balance sheets of the two institutions at the end of the FY. The solution - creation of the combined entity - will require the hiring of a team of SAP consultants to develop the aforementioned "new company" in SAP which would allow for these type of transaction flows (Larry Smucker estimates the cost of this to be about $500K and deems it critical for allowing joint work in FY01).

The Funding Gap Problem

The problem that still remains once the combined entity option is put into place is the funding gap between the IFC and Bank members of PSAS. With no change in the Bank's policy of non-full funding, there would be budgetary obstacles to overcome whenever joint work is required.

For example, if PSAS embarks upon a agreement with the Government of Ghana to provide regulatory/policy support in conjunction with a privatization transaction in exchange for fees, the project manager would require a team comprised of both CFS staff (for the privatization transaction) and PSD staff (for the regulatory/policy work). Under the current situation, the CFS staff are fully funded and the PSD staff are not funded. This leaves the project manager with a funding gap between staff and resources. The manager must then seek approval from the Bank Region for the funds to cover the Bank staff required on the project. The funds to cover the IFC staff have already been provided by the IFC regions and agreed to as part of a program at the beginning of the year.

Similarly, if PSAS is contracted to work for a Bank region on a project requiring both regulatory and transaction expertise, a team of both IFC and Bank staff would again need to be mobilized. The funding issue comes into play again. Since the IFC staff on the PSAS team are fully funded, an issue over incentives arises. Using IFC staff allows PSAS to generate additional funds for the unit. Using Bank staff on a Bank project does not generate any new funds for PSAS; it only covers the cost of the staff being used. The incentive for PSAS managers is to use more IFC staff for work on Bank projects because of the funds generated for the unit. However, the IFC regions have funded these staff to work on projects for IFC clients not for work done by the Bank regions.

Solutions

The administrative complexity of the funding situation will likely be turnoff to all involved (including Bank and IFC clients) as well as acts as a serious obstacle to providing the IFC and Bank clients with the service they require. In light of the aforementioned WB policy on staff funding, there are three solutions to overcoming this funding obstacle:

1. Allow PSAS to use the fees it receives to cover all staff costs. This is currently the practice in FIAS as well as in the Bank for several countrywide projects in Saudi Arabia and Malta. This could be accomplished by seeking a general policy from IFC and Bank management to allow PSAS full use of any fees it receives for covering staff costs through a Bank reimbursable budget set up for an activity described as "PSAS advisory services". Or, this could be done on a project by project basis by allowing

program. Expenses would be bulked and transferred to either IFC or the Bank by the end of the fiscal year, to close the books on each company according to current practice.

PSAS to use IFC reimbursable budgets to fund the full cost of staff working on the project. In either case, an approval mechanism would be established to govern the use of this funding option.

2. Request from the IFC regions, an increase in the FY01 budgets for CFS and FIAS to cover the funding gap for PSD staff. However, with an estimated funding gap of $17.0 million, the feasibility of this option is in serious doubt. If the IFC regions could cover the funding gap, this would allow PSAS to earn IFC an increased level of fees through a greater level of business.
3. Request from PSD management an allocation for the PSAS to put the new unit on a firm setting as it takes on its new endeavor to grow the advisory business of the IFC and the Bank.

It should be noted that both options two and three, provide only a short term solution to the funding issues facing PSAS. Option one on the otherhand provides PSAS with a long term means of dealing with the funding issues facing the unit.

Other Issues

Once the funding gap has been resolved, and after the "new company" is established in SAP, the number of PSAS budget units would have to be determined to allow for an efficient allocation of resources. The units could be set up to reflect the departments as they are now - one unit for CFS, one unit for FIAS, etc., or the structure could be divided by manager or by products. Ultimatley, the budget structure would follow the organizational structure which is implemented.

Alphonsus J. Marcelis
02/01/2000 03:15 PM

Extn: 30856 HRSN2
Subject: Workshops

To: Staff in Private Sector Advisory Services:

Invitation to working groups: RSVP

You are invited by Michael Klein, to participate in a series of **working groups,** set up to give you the opportunity to discuss your ideas and suggestions for the next steps in the integration of PSAS, and to share and discuss them with Michael Klein. **Participation is completely voluntary, but your input will be appreciated!**

To quote Michael's last E-mail:

> In February we will debate the future of our new advisory service department. To help prepare this I would like to feed back to you how I currently think about the new department following my intense days of learning in January. As you will see I do have a few views. Some are specific, some fairly general. I hope you will critique the views and add to them as appropriate. In addition to my views you will have in early February some basic thoughts presented by the managers in our department on four broad topics (nature of the fee-based advisory mechanism(s); approach to competencies, products and staffing; approach to organisation, management structure and budgeting in the new department; donor relations and trust fund arrangements)Based on these thoughts and your input we will sharpen our proposal for full integration of the new department, which would hopefully be essentially ready in mid-March for submission to our VPs and our Managing Director/EVP. As we go along in this process key points will already be fed into the budget story for next year.

Each of the working groups will be asked to discuss:

A) One of the four themes:

1. nature of the fee-based advisory mechanism(s);
2. approach to competencies, products and staffing;
3. approach to organisation, management structure and budgeting in the new department;
4. donor relations and trust fund arrangements.

(on each of these topics a brief issues note will be available)

B) Questions, concerns and proposals related to the ideas presented by Michael in his E-mail message (attached again for easy reference).

C) Any other issues participants want to bring up.

Each group will have around 2 hours to discuss and prepare, to then share and discuss the outcome with Michael in a final hour or so. On purpose, we will keep the groups small (8-12 people) , so there will be a real opportunity for discussion, rather than one-way traffic.

Each group will have the assistance of a facilitator, to help the process along, help record ideas and proposals and so on. All sessions will be held in the I-building, room I- 9-420.

Following dates and times will be available;
Please let us know your 1st and 2nd choice out of the following:

	Group A	Group B	
February 9	9:30-12:30	2:30-5:30	Nature of the fee-based advisory mechanism(s): in what form do we deliver service to our clients?
February 10		2-30-5:30	Competencies, products and staffing: what are the skills and products we will deliver?
February 11	9:30-12:30	2:30-5:30	Competencies, products and staffing: what are the skills and products we will deliver?
February 14	9:30-12:30	2:30-5:30	Organisation, management structure and budgeting in the new department
February 15	9:30-12:30	2:30-5:30	Organisation, management structure and budgeting in the new department
February 16	9:30-12:30		Donor relations and trust fund arrangements.

(depending on your interest, we may have more or fewer sessions on a particular topic - FYI **separate sessions are being organized for ACS staff** to share any concerns/proposals on Thursday, February 3, 2PM and on February 10, 9:30 AM - a separate invitation for these meetings will follow - ACS staff who are interested to participate in the working groups are welcome to do so as well)

RSVP please by cob Thursday, February 3 to Jocelyn Dytang

To: Psas-Hl
Psas-Acs
cc: Michael U. Klein
Nemat Talaat Shafik
Assaad Jabre/Hq/Ifc@Ifc
Ann E. Rennie-Hrs
Anne Sahl/Hq/Ifc@Ifc

Michael U. Klein
01/31/2000 11:23 AM

Extn: 33293 PSDPP

Sent by: Jocelyn Tan Dytang

Subject: Current Thoughts - Message from Michael

Please refer to attached note.

current thoughts.d

To: Psas-Hl
Psas-Acs

London, January 31, 2000

(Note from Michael Klein to PSAS staff)

In February we will debate the future of our new advisory service department. To help prepare this I would like to feed back to you how I currently think about the new department following my intense days of learning in January. As you will see I do have a few views. Some are specific, some fairly general. I hope you will critique the views and add to them as appropriate. In addition to my views you will have in early February some basic thoughts presented by the managers in our department on four broad topics (nature of the fee-based advisory mechanism(s); approach to competencies, products and staffing; approach to organisation, management structure and budgeting in the new department; donor relations and trust fund arrangements). Based on these thoughts and your input we will sharpen our proposal for full integration of the new department, which would hopefully be essentially ready in mid-March for submission to our VPs and our Managing Director/EVP. As we go along in this process key points will already be fed into the budget story for next year. (what we have said so far on the budget story is outlined in the following)

1. Staff in the new department is currently providing a range of advisory services to clients inside and outside the World Bank Group in the broad area of private sector development, or a little more precisely the area of public policy for the private sector, including advice on privatisation transactions.

2. The market in which we operate continues to grow. We operate under a strong brand name. We have unrivalled access to policy-makers in client countries. We have a special relationship with our Bank-internal clients. We have staff of high average quality. We are part of an institution that cannot be taken over and will not go bankrupt, because our owners would not want their callable capital called. In short, any private consulting company or investment bank operating in our market niches would love to be in this position.

3. Yet we operate under a set of constraints that is different from those facing private parties. We are supposed to do things the private sector does not want to touch, but which still make sense. The sensible things that the private sector does not want to carry out are limited. Some therefore think that we should play a role where clients need advice, but cannot afford to pay. That is a problematic view. If clients cannot afford payment, we should not offer subsidised service but give them the subsidy and let them be advised by private parties subject to the discipline of market competition. Affordability arguments will not carry us through eventually.

4. Our work must be based on a somewhat different rationale. Our advice must be in areas and of a type that our clients do not yet wholeheartedly embrace anyway, but that represent best practice internationally and would help the people in our client countries. We must help improve policy with clients that are willing to listen to us more than to others, because they are our owners and because our incentives to make money are weak, which can at times help reduce suspicions about the intent of advice. Our advice should help expand the scope for efficient and responsible private sector activity. As it does so, we must move on and change clients and/or emphasis.

5. One image capturing our role might be that of the functional equivalent of a corporate centre of a multinational company. A corporate centre typically provides several functions.

- It helps spread best practice across operations in different countries
- It helps answer questions of top management and also of various parts of the company, for which it would either be inefficient to contract an outside advisor or where some special level of trust is required and some level of continuity.
- In particular it helps review work of others and give second opinions. A key feature is the ability to help integrate individual proposals into overall strategy.
- It helps various parts of the company contract out complex contracts and monitor them
- It provides a place where rising stars of the company work for some years to get a view of the whole picture facing the company. (part of capacity building)

6. Nations by definition are structurally disadvantaged when it comes to deal with issues that involve transnational transfer of best practice. Advanced nations have OECD, which does two things – transfer best practice and provide some sort of mid-career academy for staff from member countries (most staff at OECD come from governments and are there for only three years or so and then go back to their home governments.) Developing nations do not have a clear equivalent of an OECD. The Bank is reasonably positioned to play at least some of that role.

7. I hope that looking at our role in that light is useful. If anyone has alternative ways of framing our role or special twists I would be interested. One consequence of such a view is that we should understand ourselves very much as a forum serving member countries rather than an institution issuing conditions. Another consequence is that an important legitimate source of funding should be retainer-type payments by member countries. Donors in advanced countries might pick up some of these payments.

8. In this spirit, we would

   - Continue to provide policy advice representing best practice
   - Continue to help clients contract with private parties
   - Build a system to provide quality controlled quick response services and "second opinions", hopefully at least partially retainer-funded
   - Investigate whether and how we might provide a "home" for promising staff from client countries to work in our topic areas for two to three years (funded by client governments or donors)

9. What we have said so far in the basic budget story we had to submit is the following:

*"The very core of the PSAS would be a **mechanism for PSD-related fee-based policy and transaction advice.** It would build on the existing mechanisms in IFC-CFS, FIAS and the World Bank.*

The mechanism would be responsive to client needs and be open to use by staff from throughout the World Bank Group under clear contractual disciplines

The mechanism would be enabled to function via a funding policy that provides clear scope and incentives to develop free-standing fee-based advisory services.

The advisory service would – according to current policy – not participate in direct competition with private providers.

The advisory services would focus on advice delivered with a clear arms-length public policy perspective. This would usually mean clients facing "frontier" issues (e.g. promotion of merchant power plants, concessions in tough country environments etc.) For this reason, advice would often not be fully fee-funded, but rather from a mix of WBG and trust fund contributions, while maintaining a fee for service element to establish basic country ownership.

In particular, a rapid response system with suitable quality assurance would be offered to clients delivering small "bits of advice" in response to client requests, partially on a retainer basis. (This (partially) web-based rapid response system would ideally dovetail with the WBG global gateway project and build on current knowledge management efforts.)"

10. To carry out our work we need to offer detailed products based on competencies we have. I like to think in terms of basic competencies. Based on solid core competencies we can then deliver an array of products – some that already exist and all the time new ones. The broad areas of competencies indicated in the basic budget story are as follows:

"Staff competencies in PSAS would be focussed on two major areas:

- *Design and implementation of regulatory regimes (including privatisation and contracting-out systems)*
- *Property rights (e.g. land rights, collateral systems) and markets (including promotion of equity investment - FDI and portfolio equity/corporate governance; entry, exit and anti-trust policies)*

In tackling these areas work would focus on ways to address poverty-related concerns by designing efficient product and service delivery systems in countries with weak governance systems and with particular benefits for poor members of society, including the design of market-compatible subsidy and insurance schemes for the poor."

11. This is a very broad definition, which leaves flexibility to get our act together. I believe in two things regarding our competencies. We should have a mix of finance specialists, economists and contract specialists. We should work on rules of the game (e.g. pricing arrangements, quality specifications), processes to establish, change and implement the rules (e.g. contracting processes or regulatory reviews) and the institutions required to do this work (e.g. foreign investment offices, regulatory agencies, privatisation agencies).

12. At the same time we need to focus. I question the following areas, which are currently worked on in the department, as suitable for future work in our department, notwithstanding their overall importance for countries and the Bank Group:

    - Technology policy (incl. vocational training, policy re clusters); Trade policy (incl. export finance); Taxation as a main topic (we do need to understand the relationship of tax policy to many of the things we do e.g. foreign investment promotion). These issues are properly located in PREM.
    - Lending for SMEs and micro-enterprises
    - Corporate restructuring (We need some competence for corporate restructuring of SOEs to prepare them for privatisation, but I would not see us working on SOE reform per se. SOE reform should be done in the public sector management groups in the Bank; corporate restructuring of private firms is only a serious policy issue when it threatens to have systemic consequences. Then assessment of corporate

vulnerability and work on policy approaches to corporate restructuring makes sense. But this should be done in the groups dealing with financial crisis prevention and management.)

13. While trying to focus we also need to reorient our substantive work a bit to leverage core skills in new areas. The main such area would be to help support privatisation efforts in the social sectors through our transaction and policy skills (e.g. design of regulatory regimes, which face very similar issues in health and infrastructure)

14. We also retain a responsibility to contribute to the Bank's PSD policy. This would include some work on corporate responsibility.

15. The basic budget story also emphasises the area of corporate governance, where we fulfil special institutional obligations:

"PSAS currently houses the Bank's corporate governance initiative (focussing on shareholder rights and the responsibility of board members in private companies within the context of broader societal governance issues). The program encompasses the following tasks:

- *As part of the efforts of the Bank and the IMF to support the development of the global financial architecture, PSAS would need*
  - *to produce 12 corporate governance assessments per year (under current obligations)*
  - *to help formulate and promote global "principles/guidelines" on corporate governance (initial target date: 2002)*
- *Under a memorandum of understanding with the OECD the Bank would*
  - *Help establish a Global Corporate Governance Forum*
  - *Conduct "Roundtables" on corporate governance issues around the world*
- *Finally PSAS would support work on corporate governance throughout the Bank Group."*

16. There currently remains a great deal of uncertainty about exactly what will actually be different in the future and how it will affect staff of the new department. Independently of the formation of the new department CFS has seen a significant budget reduction at the beginning of the current fiscal year. PSD is facing a budget overrun of possibly US$ 2 million in this fiscal year. FIAS has been isolated from such problems and fears being drawn into them.

17. To deal with the legacy issues in PSD and to help avoid contamination of CFS and FIAS by those issues the following approach has been suggested in the basic budget story:

"The former PSD department has a serious legacy problem with a potential budget overrun of up to US$ 2 million (based on current SAP generated information). To manage this significant staff reductions appear necessary to be funded where necessary and possible from the compact MAS and redundancy funds. Implementation would extend through FY2001.

In particular, this would likely involve cessation of work in areas without critical mass of staff (e.g. technology policy, trade policy, taxation etc.). Many such areas may be better placed in PREM. It may also be desirable to transfer the responsibility for systemic work on corporate restructuring to the financial sector vice-presidency, while discontinuing *enterprise level work on the matter. CGAP and the proposed new SME program may be set up independently of PSAS as they are driven by lending business not fee-based advice."*

18. Trying to insulate CFS and FIAS from PSD legacy problems does not mean that things will not change in CFS or FIAS. It is clear that in the latter two units a number of things can be done to improve basic systems including "knowledge management. In general we must think about the organisation of people as separate from funding arrangements. For example, FIAS is first and foremost a trust fund arrangement. It is not necessary to have a set of people who are "FIAS", likewise for the other parts of the department.

19. Also, it must be possible to get some better utilisation of staff across the new department. All parts of the department can draw on staff from other parts. We will make it practical. Some of the current vacancies in CFS and FIAS may sensibly be filled with good performers currently in PSD. This is one of the areas we are currently looking into. Some fear that this means "PSD problems" will be "solved" on the back of CFS or FIAS. I may not be able to avoid that perception completely. But the risk of such perception must not prevent us from exploiting real synergies. As one of you wrote very convincingly to me, we must stop bad-mouthing "the other department". Most of us can do good work, most of us can learn. As a German national I believe in what Rudyard Kipling said about us Germans: "Highly organised mediocrity". Given the average quality of our staff, we can do great things with a bit of focus, responsible budget management and decent organisation. But we have to solve the PSD legacy problems decisively and with due respect to the individuals who may be involved and their special circumstances.

20. In the Bank group as it evolves we need to be part of a whole and not a separate group. A key mechanism to help us accomplish that is the sector board. The basic budget story says:

"PSAS currently provides the chair of the PSD sector board and its secretariat. The sector board is to be made more broadly relevant for the World Bank Group. This encompasses support for the work of thematic groups and institutional functions such as portfolio quality management and strategic PSD staffing issues."

21. Yet even if we move ahead at a steady pace with our integration a lot of things remain to be done. Our products and mode of operation remain to be defined more clearly. The integration of three departments operating under different budget systems, with different administrative practices with different IT systems also poses some challenges, which have yet to be tackled. Some of these issues have direct implications for the nature of our jobs, the way we are funded or the way we have to sell our services. On the one hand we still have to work this out. On the other hand we have to concretise the budget proposal in parallel with our deliberations. Therefore, the basic budget story proposes to leave the current budget systems in tact into FY2001:

- *"Given a number of unresolved issues about business model and consequent budget system integration, I propose to leave the current three budget systems (for CFS, FIAS and PSD) in tact for FY 2001.*
- *The current system of "pre-funding" staff in CFS and FIAS should stay for the time being. Equally the PSD "pay-as-you-go" funding system would also remain in principle."*

22. To push ahead with building our advisory service we also have proposed that the current budget levels for the department be maintained in real terms and

supplemented with special funds to allow an expansion of fee-based advisory services. My hope is that we find a way that allows us to double fee-based advisory services in our areas of work over the next three years or faster. However, I believe we should do so under an open system in the sense that we draw on competent staff throughout the Bank group and do not try to deliver all work with our own staff. By implication I also do not see us expand staff numbers.

23. Finally, the name of our department, private sector advisory services is not terribly nice or telling. I would welcome proposals for a better name or names (and logos). My unconvincing attempts so far:

- Public policy for the private sector ("3PS")
- Privatisation and markets ("PRIMA")

I am sure someone can do better.

Neil D. Roger
01/31/2000 01:48 PM

Extn: 38720 PSDPP
Subject: Issues/Options Working Groups

Folks...... John Nellis asked me to circulate this note FYI. It sets out the process for the four issues/options groups referred to in Michael's current thoughts EM this morning. Regards...... Neil

---------------------- Forwarded by Neil D. Roger/Person/World Bank on 01/31/2000 01:46 PM ---------------------------

Neil D. Roger
01/21/2000 07:14 PM

Extn: 38720 PSDPP
To: Reyaz Ahmad, Joseph Battat, Loup J. Brefort, Nadereh Chamlou, Andre J. Cracco, Rughvir K. Khemani, Denise Leonard,
Subject: Issues/Options Working Groups

Folks

I would like to try to clarify some issues about the scope, process and timing of the four small working groups to explore issues and options regarding PSAS integration. The topics and cast (which have changed a little at Dale's request) are as follows:

- Products, competencies and staffing implications -- Andre Cracco (lead), Joe Battat and John Nellis
- Advisory mechanism design, including funding models -- Warrick Smith (lead), Denise Leonard and Boris Velic
- Donor coordination/TF approaches -- Boris Velic (lead), Nadareh Chamlou and Gary Bond
- Organizational structure, management structure and approach to budgeting -- Reyaz Ahmad (lead), Dale Weigel and Kumar Ranganathan

Ann Sahl and Fons Marcelis are available for support on staffing and competencies issues.

Each of the groups should define the scope of their area, and not be concerned about some overlap. The spirit of the working groups should be to "clarify confusion" by exploring relevant issues and options in each area to inform further discussion in February. Be as innovative and controversial as you like. The groups are not expected to come up with specific proposals or recommendations. The groups should consult as they see fit both within PSAS and with relevant outsiders -- in person, by EM, by telephone or however they like. Each group will provide a 2-4 page note by February 8, 2000 -- the designated lead person will be responsible for the output (please be reasonable on margins and fonts!). Some may choose to circulate early drafts for comment.

The four notes will be an input to two types of discussions in February (see Michael's Next Steps EM of 12/17/99). The first will be a half-day "retreat" with the management team (and a few others) which will be held from 2-6pm on Tues, Feb 8, 2000 in I8-300. The second will be discussions with staff to develop their ideas on these four areas and indeed any other area they so choose. Fons Marcelis will organize this process and advise on details later. There will also be a follow-up half-day "retreat" with the management team again which will be held from 2-6pm on Wed, Feb 16, 2000 in MC4-800. Hopefully this second session will help narrow down the options.

These discussions will form the background for Michael to provide a draft plan for integration of PSAS for discussion in March.

Please feel free to share this note with staff.

Regards...... Neil

To: Psdhl
Psdsl

Peter Woicke@IFC
12/17/99 07:44 PM

Subject: MESSAGE

1999 is drawing to and end and so is my first year at the World Bank Group. During my initial interviews here in DC, I was infected by Jim Wolfensohn's passionate belief that if any institution could make a dent in poverty, it would be the World Bank Group. I am now more convinced than ever before that this is true. But I have also learned how daunting the task is going to be. During my first year I have tried to familiarize myself with as many field operations and clients as possible, but have not yet succeeded to visit the Subcontinent, parts of Asia, Latin America and Central Asia. What I have taken home – other than meeting interesting and terrific people – is the distinct feeling that our knowledge, expertise and willingness to invest are badly needed. I am also convinced that the work performed by PSD and IFC is making an impact, whether it is on privatization advice, structural reforms, infrastructure and financial market development or Micro and SME finance. Our biggest challenge in the years to come will be to replicate success stories much more quickly. The role of the Private Sector will continue to grow, delivery of public services will increasingly be "outsourced" to the Private Sector; but the success of the markets will only prevail if equity is better distributed, if our private sector clients pay not only attention to shareholder value but also to shakeholders. We have the great advantage of not being seen to have an agenda (except developmental), we are perceived as objective, and as such we can hopefully make a contribution to a more benign capitalism. In short, we have many exciting challenges, which we will master much better by working together, sharing knowledge, passing on expertise to our younger colleagues, and leveraging the strengths of the Bank, IFC and MIGA for the benefit of clients. Hence, I was very pleased about this week's Board endorsement and approval of our PSD direction. I wanted to let you know that I have had an extremely exciting year, in fact the best and most rewarding of my professional career. I wanted to thank you for the support, your hard work, and I can promise you that it will not become easier next year. There is simply so much for us to do.

Last not least, I wanted to wish you a wonderful holiday season, lots of fun at however you celebrate the arrival of the new millenium and all the best for you and your families for the year 2000.

Sincerely,

Peter

To: Ifc All (Hq & Field Offices)
Psistaff

Michael U. Klein
12/15/99 02:37 PM

Extn: 33293 PSDPP

Sent by: Jocelyn Tan Dytang

Subject: Greetings

Dear colleagues, greetings from London to all of you!

As you know, the new integrated IFC/WB approach to global product and service delivery is to become a reality starting in January. I look very much forward to working with you and making the new outfit a success. At this point, allow me to make a few remarks on the process that will unfold.

We have some rather interesting opportunities

- First, to create new approaches to service delivery that will help the World Bank Group as a whole meet its objectives. (In doing so we are lucky to be able to build on proven and promising models of service delivery and funding in FIAS, CFS and PSD.)
- Second, to push frontiers in terms of countries we serve, types of deals, deal structures and approaches to maximise the potential for efficiency gains, innovation and contribution to social equity in private participation. (Also, delivering first rate advice helps us grow and remain "marketable" both inside and outside the Bank.)

We face some clear challenges.

- All of you can tell very plausible stories about "death by a thousand knots", in which we could tie ourselves (one staff member aptly headlined this risk "from matrix to maze"). "Harmonisation" of systems between FIAS, CFS, PSD for its own sake is not the way to go.
- We need to develop a business model that allows us to improve service (quality and coverage) and to fund it. (There is no shortage of ideas on what to do, but viability of some ideas remains an issue.)

To deal with these challenges our basic goals and business model will need to be clear. If we know where we want to go we can escape the death by a thousand knots, cut through them and define what type of harmonisation we need. (A miraculous solution where all falls into place tomorrow sounds rather unlikely).

Next Steps.

Between now and early January, I would appreciate opinions and suggestions on matters that help provide direction for the new advisory service and its business model. In particular, I would be interested in views on existing or latent demand in client countries that we should/could serve and on the strengths and weaknesses of our new outfit. In responding, please keep your contributions to one page - maximum (normal fonts!). Please, understand that I will not read any submissions longer than that, trust that I understand concise arguments and that I will ask questions, if need be. Also, please no anonymous contributions. (My e-mail: Mklein1@worldbank.org)

From January to April, I will spend half my time in Washington and half in London. As of May 1, I will be in Washington more or less full-time.

Hope to see you all soon.

Michael Klein

To: Psdhl
Psdsl
Ccf
Cfafi
cc: Peter Woicke/Hq/Ifc@Ifc
Assaad Jabre/Hq/Ifc@Ifc
Jemal-Ud-Din Kassum/Hq/Ifc@Ifc
Nemat Talaat Shafik
Psivp Group

Peter Woicke@IFC
12/14/99 05:27 PM

Subject: Staff Announcement

We had a good discussion with the Board today on some of the implementation issues for our private sector development strategy. The Board expressed its support for the strategy and for the organizational changes we are proposing to implement the strategy.

You will recall that last month, we announced an organizational change being implemented for the East Asia Region, as one of several initiatives we have under way to improve the effectiveness of the Bank Group's private sector development work. The purpose of this note is to further update you on the other elements of our private sector development strategy – combining IFC/Bank departments in selected global industries, improving advisory services, improved support for small and medium enterprises (SMEs), selection of a Director of Infrastructure, and our plans to strengthen the IFC's presence in Europe.

As you know from my message of October 4th, we are creating combined Bank/IFC global product groups in industries where there is a strong interface between policy and transactions, specifically in the Telecommunications; Oil, Gas and Petrochemicals; and Mining sectors. Each of these three industry groups will be led by a Director who will report jointly to IFC's Vice President of Investment Operations, Jamil Kassum, and the Bank's Vice President for Private Sector Development and Infrastructure, Nemat Shafik, and to Assaad Jabre, IFC's Vice President for Portfolio Management and Advisory Services, on IFC portfolio matters. The three groups will each include both a policy unit and a transaction unit.

We advertised these Global Product Group Director positions in early October, and identified other candidates through the Bank's succession planning process as well as through discussions with staff about possible internal and external candidates. The Search Committee has met several times to review against the established criteria the credentials of the 55 people who applied or were identified as possible candidates for these three positions.

We are also consolidating the advisory expertise across the Bank Group, as a way to increase the effectiveness of our advisory support to client countries. A similar selection process was conducted to consider the 35 people who applied or were identified as possible candidates for Director, Private Sector Advisory Services. This Director will lead and manage the consolidation of advisory services provided by Corporate Finance Services in IFC, Private Sector Development in the Bank, and FIAS; and will report jointly to the Bank's Vice President for Private Sector Development and Infrastructure, Nemat Shafik, and to IFC's Vice President for Portfolio Management and Advisory Services, Assaad Jabre.

Global Product Groups

Mining – I am pleased to announce the appointment of James Bond, a French national, to the position of Director, Mining. James is currently Director and Sector Board Chair of Energy, Mining and Telecommunications at the Bank, where he has focused on energy and infrastructure-related development efforts in emerging economies, raising the profile of energy work both inside and outside of the Bank. Under James' leadership, the Sector Board manages Bank operations for the electric power, oil and gas, and mining and telecommunications sectors. Prior to his current position, he worked in the Industry and Energy Department where, as Division Chief, he restructured the Bank's telecommunications and information technology lending and advisory business and created *info*Dev. He also served as Energy Unit Head in the Africa Technical Department. James has a Doctorate in Economics from the Universite de Pantheon-Sorbonne (Paris) and a Master of Science degree in Petroleum Economics and Finance from the French Graduate Petroleum School.

Oil, Gas and Petrochemicals – I am pleased to announce the appointment of Rashad Kaldany, a U.S. and Syrian national, to the position of Director, Oil, Gas and Petrochemicals. Rashad is currently Director of IFC's South and Southeast Asia Department, resident in New Delhi, India. As one of IFC's first Directors based in the field, he has implemented a flexible resource management approach within the department, with an emphasis on development of local recruits and enhanced field presence. He has also increased cooperation with industry groups particularly in the infrastructure sectors, and has expanded investments and improved relations with governments in the region. He has also taken a lead role in corporate initiatives, such as the task force on country office HR issues and the trust-funded study of opportunities for IFC involvement in the information technology sector. Since joining the IFC in 1988, Rashad has worked in the Africa, MENA, and Asia investment departments, and as Special Assistant to two Executive Vice Presidents. Rashad has a PhD in Molecular Biology and Biophysics from Columbia University, and an MBA from Stanford University.

Telecommunications – I am pleased to announce the appointment of Mohsen Khalil, a U.S. national, to the position of Director, Telecommunications and Informatics. Mohsen is currently Director of IFC's Central Asia, Middle East and North Africa Department. He has led the CAMENA Department through a difficult period of change, while at the same time diversifying new investments, strengthening IFC's program in Central Asia particularly for SMEs, and improving portfolio quality and overall quality standards. Mohsen has a strong background in telecommunications. He began his career at the Bank Group in 1986 working in the telecommunications sector in the Bank's Industry Department and then the Africa Region. He was Chief Investment Officer for telecommunications in the IFC Infrastructure Department before taking up his current assignment in CAMENA. Mohsen has a PhD in Engineering/Communications Systems from the University of Southern California and Masters of Science degrees from the MIT Sloan School of Management and the University of Wisconsin, Madison.

Private Sector Advisory Services

I am pleased to announce the appointment of Michael Klein, a German national, as Director, Private Sector Advisory Services. Michael is currently on a staff exchange from the

Bank to the Royal Dutch/Shell Group, where he is Chief Economist. In this position, he is advising on worldwide economic developments and industry issues such as structural shifts in markets for gas and electricity, as well as contributing to long-term global, regional and business scenarios. Before leaving the Bank for this assignment, he was Manager of Private Participation in Infrastructure, focusing on market structure, regulation, privatization and project finance in the telecommunications, transport, energy and water sectors. His previous experience also included working at the Bank as an economist on oil and gas projects, trade and industrial policy, financial sector reform and macro-economic analysis, and at the OECD, where he was head of the unit for non-OECD economies in the Economics Department. Michael has a PhD in Economics and a Masters in Economics from the University of Bonn.

The Bank Group is currently providing a great deal of advisory support to clients on such areas as privatization and private provision of infrastructure policies within agreed country strategies; implementation of advisory programs in frontier countries and privatization advisory assignments; organization of corporate restructuring, including corporate governance initiatives; and creation of business environments which encourage private investments. By leveraging the combined expertise of staff in these departments under Michael's leadership, we have a tremendous opportunity to strengthen our support to client countries looking to foster the role of the private sector in their economies.

Small and Medium Enterprises (SMEs)

We can have a huge developmental impact if we are successful in helping our client countries finance SMEs. With this as our goal, we have undertaken a special initiative to expand SME support within the Bank Group that will be housed in the Private Sector Advisory Services. Ira Lieberman is directing this important initiative, reporting to Nemat Shafik, Bank Vice President for Private Sector Development and Infrastructure. Ira has demonstrated intellectual and technical leadership in enterprise reform and privatization, post-privatization restructuring and technical assistance, both within and outside of the Bank. He joined the Bank in 1985 as an Industry Specialist, and left in 1987 to set up a consulting business on industrial restructuring, industrial policy and competitiveness and privatization in developing countries, primarily in Latin America and Central Europe. Since his return to the Bank in 1993, he has worked as a Senior Manager in the Private Sector Development Department on restructuring, privatization, micro-finance and small and medium enterprise development. He was also responsible for the CGAP Secretariat as its CEO since its inception in 1995 until August of this year. Ira has a PhD from Oxford and an MBA from Columbia University.

Director, Infrastructure - Bank

I am pleased to announce the appointment of Frannie Leautier, a Tanzanian national, as Director of Infrastructure. Frannie, who was awarded by the Staff Association with a Best Manager Award, is currently Sector Director of the South Asia Infrastructure Sector. In addition to being an excellent manager, she is recognized both within and outside the Bank as a leading expert in infrastructure strategy formulation in developing countries. She has been working on a number of change initiatives within the Bank, including identifying ways of strengthening the matrix; building partnerships with the Asian Development Bank for infrastructure delivery in South Asia; and building cohesive global teams that rely on the comparative advantage of co-location and skill location within the Bank Group. Since joining the Bank in 1992, she has worked as a Transport Economist in the LAC and South Asia Regions, and as a Research Economist in the Development Economics Department. Prior to joining the Bank, she taught at the Center for Construction Research and Education at MIT. Frannie has a PhD in Infrastructure Systems and a Masters in Transportation Systems from MIT.

Director, European Affairs - IFC

It has become increasingly clear that IFC must strengthen its presence in Europe to support our operational needs as well as our expanding relationship with member governments and the investor community. With this in mind, I am pleased to announce the appointment of Philippe Lietard, a French national, to the new position of Director, European Affairs. In this new position, Philippe will be responsible for coordinating IFC's activities, strengthening our relationship with both the private sector and member governments, and developing a strategy for IFC in Europe, in close collaboration with the Bank. Philippe has extensive experience in both the Bank and the IFC and has played a key role in developing IFC's advisory activities. As the current Director of IFC's Oil , Gas and Mining Department, Philippe has maintained a high quality of investments and portfolio management, as evidenced by awards received by the Department for project finance deal of the year and quality supervision work.

These organizational changes will be effective January 1, 2000.

I look forward to working with this team, as they begin to manage the changes needed to successfully implement our private sector development strategy. We are counting on your support of their efforts to build and foster alliances across the Bank Group in service to our clients and in support of our mission.

Peter L. Woicke

To: Ifc All (Hq & Field Offices)
Psistaff

JOHN R. NELLIS
11/16/99 04:50 PM

Extn: 37482 PSDDR
Subject: New appointments

PSD Colleagues,
At her Directors' meeting today, Nemat Shafik announced the following managerial appointments. All are subject to Board approval, so the official notice will not be on the Kiosk until Friday:

Global Product Groups	
Telecom	Mohsen Khalil
Oil & Gas	Rashad Kaldany
Mining	James Bond
Infrastructure	Frannie Leautier
Joint Advisory Services	Michael Klein
SME Initiative	Ira Lieberman

Michael's appointment is wonderful news for all of us in PSD; Ira's appointment was already known, but is equally good news. Congratulations to them both.
All these appointments are effective January 1, 2000. Starting then, Michael will spend half his time here and half in London (where he is presently Chief Economist of Shell) until May 1, when he comes on board full time.
John

To: Psdhl
Psdsl

ADMIN.

Michael U. Klein Subject: process

11/29/2000 07:59 PM
33293 PSADR

One of the follow-up items from our retreat was to work on practical ways to integrate better the privatization work across the department. The relevant managers met yesterday to discuss issues raised in a paper by Denise. The upshot is this:

- We will integrate management of **training activities, databases, best practice review etc**. at the department level. Penelope Brook is the overall co-ordinator. There are a few practical immediate issues:
  - The concession course being prepared by Mauro: Mauro, please, consult with Alan Townsend and Penelope to make sure that the extensive work on concessions done in the PPI group is adequately used/taken into account and that the course design reflects the department's capability and that the right audience(s) are targeted - beyond transaction staff. I would like to review by end-January what you have all cooked up.
  - The PSAPT marketing database is to be integrated into the department's knowledge management system. Penelope to oversee how that should happen.
  - We should collect existing privatization manuals and then decide where we should add new pieces. Anybody who knows of existing manuals should inform Denise and Penelope what exists and how to get hold of it. (Pierre, you may a number of suggestions e.g. the old EBRD manual)
  - The consultant databases should also be integrated (Penelope to oversee)
  - A clinic on regulation of infrastructure in systems with weak governance is to be held (Warrick to appoint organizer)

- We will have **lead persons for certain sector or topic areas.** In many cases two people are named below. The first person is responsible to take the intiative that the tasks outlined below are undertaken. The second person is not "inferior" and should be involved in relevant matters and help out when the other one is out. We will se how this works and either later move to a single person system or to one with back-ups for all areas. We may also streamline the areas. (Those of you who feel strongly that they would like to talk about the proposed assignment before accepting it, please talk to Neil) For now the scheme is as follows:

  - Tasks in each area:
    be on top of knowledge management and training activities
    ensure support to the rapid response system
    participate in deal/project/assignment reviews
    other as may be determined
  - Areas and those responsible (no special order)
    healthcare (Rob Taylor)
    education (Phil Gray)
    power (Alan Townsend, Luc Dejonckheere)
    water (Bernard Portier, Dirk Sommer)
    ports/airports/airlines (Mauro Chiesa, Jordan Schwartz)
    telco (Karina Izaguirre, Keba Keinde)
    municipal services (David Donaldson, Edgar Saravia)
    capital markets/project finance (Solomon Quaynor, Mierta Capaul)
    privatization, bidding processes (Pierre Guislain, Isabel Marques de Sa)
    regulatory regimes (Warrick Smith)

Marketing.

- We are designing marketing materials: a mother brochure/folder on PSAS (Suzanne Smith); a Transaction brochure/insert and a FIAS brochure/insert (co-ordinated by Suzanne)
- Marketing leaders will be appointed for transactions by Denise/David. There will be regular meetings

of these marketing leaders (starting bi-monhtly) on the program with department management and the FIAS program managers.

Review of transaction work.

We will have a review process with special reviews at entry and mid-stream when key issues arise. Special emphasis will be on team composition, policy components and budget. (David/Denise to design details of process)

Clinics

Every two weeks we will have a "clinic" on transactions. Neil will schedule. Staff on the assignment should attend as well as the lead persons for the special sector/topic areas concerned. Other staff may attend. When issues of confidentiality arise, the team leader is to flag this such that we can either not touch upon confidential issues or restrict attendance appropriately.

During the other weeks other clinics will run, including FIAS clinics.

Staffing

The position of Reyaz will be advertised shortly. (Neil to lead)

Two new junior/intermediate level staff will be hired on the transaction side (Denise to lead)

Warrick will advertise for regulatory specialists.

Approach to transactions

As you well know the "business model" for the transactions work is rather hard to implement. There are clear generic issues that you all know (related to the no-competition issue and the difficulty to get deal flow and funding for true "frontier transactions"). We need to get a generic solution. That is my goal.

Next round in the discussion will be around the note that David is preparing on the topic. After discussion in the department in January, I will go back to senior management with any proposals that may require new interpretations of policy or adjustments of the same.

I am going to be away for December trying to explain the new department to donors and to raise funds for FIAS and the Corporate Governance program and the PSD sector Board.

Please, refer suggestions/concerns/questions to your managers.

Let me also use the occasion to say, how much I appreciate the very hard and successful work that all parts of the department currently perform.

See you again shortly before Christmas.
Michael

Michael Klein
Director
Private Sector Advisory Services
Tel: (202) 473-3293; Fax: (202) 522-3181
Email: Mklein@worldbank.org

To: Psas-Acs; Psas-Hl

Stella G. Franco

11/17/2000 03:39 PM
34861 PSADR

Subject: Black Books (White Books) for Budget Files

Dear Ladies: Attached is a file of the content of 3 BBooks for the budget transactions you will be handling. Please let me know if you have any questions. As discussed in our last meeting, you will be keeping uniform books for each of your units. The labels will be forwarded to you in another email.
Rica, For PSADR, Jocelyn has been giving me the files of the transactions she has done, we can continue doing it this way since we are kept in the loop in the Front Office and the volume of transactions is low. Let us know if you think this is okay.
Thanks, Stella

WHITE BOOKS FOR BUDGET FILES.(

To: Amy T. Chan; Jocelyn Tan Dytang; Vannee K. Dalla; Gracia P. Sorensen; Maria Honrado; Maria Pilar Z. Bowyer

WHITE BOOKS FOR BUDGET FILES- FY01-LIME GREEN

1. TRUST FUNDS
   -Request/Application CTF
   -IBTF – other Trust Funds
   -Approval Email, Letter of Agreement
   -TOR, CVs, Contract/Appointment Letter
   -Invoice – Billing – SAP file
   -Consultants (Same files as Consultant BB)
   -Procurement (Same files as Procurement BB)
   -Travel (TOR/SAP Trip Facts/Copies Receipts)
   -Output/Product – Copy of BTO, etc.
      - Write down WBS/TF SOF on document
   -Background EMs

2. CONSULTANTS/TEMPS/ FIRMS (BB)
   -CV-TOR-SAP Appointment Request
   -Letter of Appointment/Contract-P.O.Firm
   -Billings-Invoices/SES/SAP
   -Others: Individual – Workpermit if Non-U.S.
   Firms – Vendor Registration (New firms)
      - Consultant Req. Form (SAP)
      - End of Contract – Proof of Closed P.O.
      ** Separate Tab for all WBI transactions

3. MATERIAL MANAGEMENT – PROCUREMENT (BB)
   -NB – Regular requisition-SAP printout, Invoice, Billing, Work Order, etc.
   -Quik P.O.- SAP, Invoice
   -MERR-Receipts, etc.
   -Pcard – Statement signed by Manager
   -2167 – Invoices, Billing, etc.
   -Revenue – Explanation for external checks received

Stella G. Franco
10/02/2000 08:41 AM

Extn: 34861 PSADR
Subject: Re: Retreat- Choice

1st choice Cluster 3- Rapid Response Activities
2nd choice Cluster 1- Performance Based aid
3rd choice Cluster 3 - Investment climate/corporate governance

Jocelyn Tan Dytang 09/29/2000 03:43 PM

Jocelyn Tan Dytang 09/29/2000 03:43 PM

Extn: 37161 PSADR
To: Stella G. Franco
Subject: Retreat

Stella,

Re your email to Neil, please let me know which session you would like to attend. You only mentioned about clusters.

Thanks.

****
Jocelyn Dytang
Office of the Director
Private Sector Advisory Services
Room I9-039
Tel: (202) 473-7161; Fax: (202) 522-3181
Email: jdytang@worldbank.org

To: Jocelyn Tan Dytang

WBS/IOs

Caroline S. Levenson 10/26/2000 03:46 PM

Extn: 31141 PSICS
Subject: Re: PRSP Process Group No.

As per our discussion at the meeting today, I hadn't read this EM from Anne Lamond on PRSP coding. Does anyone see a problem with her suggestion? Please let me know. Thanks, Caroline

---------------------- Forwarded by Caroline S. Levenson/Person/World Bank on 10/26/2000 03:45 PM ---------------------------

Anne E. Lamond
10/26/2000 01:47 PM

Extn: 31263 CRMDR
To: Caroline S. Levenson cc: Katrina M. Sharkey
Subject: Re: PRSP Process Group No.

There is a product line for PRSPs, generally these costs are collected through WBS rather than IOs. There is no way we can create a new processing group on the IO side as well; therefore what I would propose is that you use process group 11 (provide development data services) but instead of business process DDSE, you use CPRS which is poverty reduction strategy support. This will enable us to pull up all PRSP work (Ios and WBS) using the business process CPRS.

Please let me know if this is OK (Katrina do you have any thoughts). If so we will update the process group matrix accordingly and notify the other networks to follow the same coding structure
Caroline S. Levenson 10/26/2000 09:58 AM

Caroline S. Levenson 10/26/2000 09:58 AM

Extn: 31141 PSICS
To: Anne E. Lamond
Subject: PRSP Process Group No.

Anne: You'll be thrilled I'm sure to hear that I can follow instructions (somewhat) and have printed out the existing IO process groups.

The group list, though, has not yet been updated for PRSPs. PRSP work is being coded by the Regions as:

CPRS under product line PR

and projects and WBS elements are to be created in the Region.

The networks do support this work, but may not be invited to charge directly to the Regional project. Hence, PSIVP needs to set up its own IOs for PRSP work.

What would be the process group no. for this activity? Would it fall under country operations support, #7, or something else? Appreciate your guidance on this. Caroline

To: Maria Pilar Z. Bowyer
Margaret M. Walsh-Fernandes
Andres Londono
Francoise Aubry-Kendall
Maria-Teresa Rodrigo
Norma E. Silvera
Carmen C. Severino-Jones
Hanifa Monawer
Mariam Abdelkerim
Violeta Wagner
Larissa Vovk/Hq/Ifc@Ifc
Elee9@Ifc.Org
Xiaodong Zeng/Hq/Ifc@Ifc
Yunshin Kim Byrne
Amy T. Chan
Carmencita B. Clay
Chesaline M. Cuffley
Stella G. Franco
Maria-Teresa Rodrigo
Patricia Roldan
Kim Thi Tran
Agnieszka Grudzinska
Maureen P. Blassou
Jehanne Sansaricq
Josefina Regino-Suarez
Vonica Ann Burroughs
Ramon Cabo/Hq/Ifc@Ifc
Danilo Y. Anzures/Hq/Ifc@Ifc
John Leber/Hq/Ifc@Ifc
German Mundarain
Fikerte Solomon
Ioanna Paniara
Leo M. Tayamen
Rene Y. Salvio
Nyambura Thande

ACS - Cross Support Charge

Maria Pilar Z. Bowyer
09/27/2000 10:39 AM

Extn: 38608 PSADR
Subject: NEW Code for ACS

There is now a new IO to capture work done by ACS on cross support projects that cannot be billed to the Regions, Networks or other WB Units. Instead of dumping this type of work to "ACS Office Administrative Support IO", use the following IO created for your Unit which is also charged to your Unit's budget.

Of course, our priority is still to charge Regional/Network codes so we can get reimbursed for our time (especially if there is agreement between PSA TM and Regional/Network TM). However, in times when the Regions or Networks flatly refuse to accept ACS billing, use the following:

IO	Activity Name	Source of Funds
2025369	ACS Client Program Support_PSADR	BB - PSADR (Front Office)
2025370	ACS Client Program Support_PSARR	BB - PSARR (Rapid Response)
2025371	ACS Client Program Support _ PSACG	BB - PSACG (Corporate Governance)
2025372	ACS Client Program Support_PSAPP	BB- PSAPP (Private Provision...)
2025375	ACS Client Program Support _ PSASP	BB- PSASP (Strategy Policy)

To: Amy T. Chan
Vannee K. Dalla
Stella G. Franco
Jocelyn Tan Dytang
Andrew Vernon
Maria Honrado
Victoria Joseph

WBS/10

Maria-Teresa Rodrigo 09/25/2000 11:18 AM

Extn: 39429 PSICS
Subject: Enhanced Fund Assignment-Budget structure Report - for Regional TF data clean-up

FYI - This report will soon be operational. MT

--------------------- Forwarded by Maria-Teresa Rodrigo/Person/World Bank on 09/25/2000 11:17 AM ---------------------------

Joseph Michael Welch
09/25/2000 10:43 AM

Extn: 80745 ACTTF
To: Maria-Teresa Rodrigo
Subject: Enhanced Fund Assignment-Budget structure Report - for Regional TF data clean-up

FYI

--------------------- Forwarded by Joseph Michael Welch/Person/World Bank on 09/25/2000 10:17 AM ---------------------------

Poyyapakkam Ravi
09/25/2000 10:13 AM

Extn: 84260 ACTTF
To: Joseph Michael Welch
Subject: Enhanced Fund Assignment-Budget structure Report - for Regional TF data clean-up

--------------------- Forwarded by Poyyapakkam Ravi/Person/World Bank on 09/25/2000 10:13 AM ---------------------------

Poyyapakkam Ravi
09/21/2000 05:44 PM

Extn: 84260 ACTTF
To: Hartwig Schafer cc: Venkateswarlu Kalicheti, James D. Garfield, Goretti C. Lau, Brian P. Quinn, Robert John Lawrence,
Subject: Enhanced Fund Assignment-Budget structure Report - for Regional TF data clean-up

Hart:

Thanks to ISG, the "Fund Assignment & Budget Structure Report" has been enhanced with the following changes. (the report can be run in TST mode and once you give your OK - with any suggestions on announcements/timings - if any etc.., we will move this into production. I have cced other interested parties, to the extent I am aware of.

Fred, Nancy - Any comments?

a) The report prints out the Locked status of WBS or Internal order - previously the Locked status was ignored. the idea is that if the status is Locked (since in many isntances, users cannot close the IO or WBS), then the assignment/conflict info is not important for correction.

b) the report also identifies Commitment Item group based restriction conflicts for Benefits and Indirects. That is, if the WBS/IO assignments is marking benefits or indirects to the TF, but the CIG does not allow benefits or Indirects, then, the reports identifies this as "IND CEL(s) not in Commit grp" or "BEN CEL(s) not in Commit Grp" with appropriate detail text explaining the reason on the click.

c) The report also prints the first assignment CEL as SAL whenever it finds default assignment to TF (i.e., blank cost element group in Fund assignment) or specifically finds the FMBAS01 cost elemnt group in fund assignment. The assumption here is that CIG restriction conflict is most material (and can be figured out) only for TRS related assignments.

Thanks.
here is a sample print out:

Fund Assignment & Budget Structure Report

List Edit Goto System Help

udget Structure Report
und Center, Fund

nd Center: 7017; Fund: TF*

t	Budget Str Fctr	Commit. Grp	Error Description
	7017 -INFWP	TFCON2	IND CEL(s) not in Commit Grp
	7184 -INFAW	TFCON2	IND CEL(s) not in Commit Grp
	7182 -INFAE	TFCON2	IND CEL(s) not in Commit Grp
	7182 -INFAE	TFCON2	Fund Ctr Conflict
	7184 -INFAW	TFCON2	Fund Ctr Conflict
	7017 -INFWP	TFCON2	BEN CEL(s) not in Commit Grp
	7184 -INFAW	TFCON2	Fund Ctr Conflict
	7182 -INFAE	TFCON2	Fund Ctr Conflict
	7017 -INFWP	TFCON2	
	7182 -INFAE	TFCON2	Fund Ctr Conflict
	7184 -INFAW	TFCON2	Fund Ctr Conflict

udget Structure Report
und Center, Fund

nd Center: 7017; Fund: TF*

t	Budget Str Fctr	Commit. Grp	Error Description
	7017 -INFWP	TFCON2	IND CEL(s) not in Commit Grp

Start | SAP Lo... | Saplpd... | Fund ... | Micros... | Chang... | New M... | World ... | Fund A...

To: Maria Pilar Z. Bowyer
Margaret M. Walsh-Fernandes
Andres Londono
Francoise Aubry-Kendall
Maria-Teresa Rodrigo
Norma E. Silvera
Yunshin Kim Byrne
Amy T. Chan
Carmencita B. Clay
Chesaline M. Cuffley
Stella G. Franco
Maria-Teresa Rodrigo
Patricia Roldan
Kim Thi Tran
Agnieszka Grudzinska
German Mundarain
Fikerte Solomon
Ioanna Paniara
Leo M. Tayamen
Maureen P. Blassou
Jehanne Sansaricq
Josefina Regino-Suarez
Vonica Ann Burroughs
Carmen C. Severino-Jones
Hanifa Monawer
Violeta Wagner
Larissa Vovk/Hq/Ifc@Ifc
Rene Y. Salvio
Xiaodong Zeng/Hq/Ifc@Ifc

Maria Pilar Z. Bowyer
08/23/2000 04:18 PM

Extn: 38608 PSADR
Subject: FY01 TRS Codes for Coporate Governance (OUI 207)
REVISION I

Please note revisions in italized red...

WBS or IO	**Activity Name**	**Source of Funds**	**Comments**
SP-P070387-CSS-BBNSA4	CG Template and Assessments (FY00)	Compact Funds	Only July time should be recorded under this code
SP-P072359-CSS-BBNSA4	CG Template and Assessments (FY01)	Compact Funds	This code will be used for work done on FY01 Template and Assessments starting Aug 2000
KE-P065118-KNMS-BB	Global Corp Gov Forum (GCGF)	Regular Budget	Forum and Roundtables (OECD)
KE-P065118-KNMS - BBSPL	Global Corp Gov Forum (GCGF)	DGF	Forum and Roundtables (OECD)
KE-P065118-KNMS - TF039593	GCGF - CACG Workshop - Director Training	TF039593 *(Sweden Non-National)*	For consultant use only
KE-P065118-KNMS - TF039435	GCGF - CACG Workshop - Cntr of Excl - South Asia	TF039435 *(Sweden National)*	For consultant use only
KE-P065118-KNMS - TF039436	GCGF - CACG Workshop - Cntr of Excel - Africa	TF039436 *(Sweden Non-National)*	For consultant use only
2007175	Management _ PSACG	Regular Budget	For Olivier and anyone acting as Manager
2008346	ACS Office Administrative Support _PSACG	Regular Budget	Regular work of ACS staff
2009660	HR Services_PSACG	Regular Budget	For Olivier
2015200	Training Received External_ PSACG	Regular Budget	
2015826	Training Receivved Internal_PSACG	Regular budget	
2018000	Administrative Support _PSACG	Regular Budget	*General Departmental/Unit Meetings*
2015422	*External Partnership_PSACG*	*Regular Budget*	

To: Olivier P. Fremond
Anne Simpson
Mierta Capaul
Daochi Tong
Vannee K. Dalla
Kakanang Assantajai

cc: Stella G. Franco
Maria Honrado

Maria Pilar Z. Bowyer
08/23/2000 04:10 PM

Extn: 38608 PSADR
Subject: FY01 TRS Codes for RAPID RESPONSE (OUI 7166 - PSARR)

--------------------- Forwarded by Maria Pilar Z. Bowyer/Person/World Bank on 08/23/2000 04:10 PM ---------------------------

Maria Pilar Z. Bowyer
08/17/2000 07:53 AM

Extn: 38608 PSADR
To: Penelope J. Brook, Suzanne Smith, Graeme B. Littler, Gracia P. Sorensen, Mina Nafahati Salehi, Gloria Orraca-Atayi
Subject: FY01 TRS Codes for RAPID RESPONSE (OUI 7166 - PSARR)

Below is a list of WBS/IOs for Rapid Response work. Please note that these are for network activites (own financed work). As in last fiscal year, please contact the Regions, other Networks or other World Bank Units for **cross support codes.**

When we have the **WBI program** in place, I will send another list of WBS specifically for this source of fund (BBLRN).

Please review your timesheets for July and August. If you entered a WBS or IO other than what's on the list, please contact me or Stella. If needed, we will add new codes to this list as the year progresses.

If you need clarification on any of the codes below, please do not hesitate to call me.

Rica

WBS or IO	Activity Name	Source of Funds	Comments
2007624	Management_PSARR	BB	For Penelope or anyone acting for her as Manager
2008925	ACS Office Administrative Support _ PSARR	BB	ACS staff
2010224	HR Services _ PSARR	BB	For Penelope
2015093	Training Rec'd Internal _PSARR	BB	
2015199	Training Rec'd External _PSARR	BB	
2015727	External Partnership	BB	
2018004	Administrative Support	BB	Departmental and Unit Meetings
KE-P058499-KNMS-BB	RR - Website	BB	Graeme (1/3), Suzanne, Chandra
KE-P058688-KNMS-BB	RR - Short Notes	BB	Penelope, Suzzane, Chandra
KE-P059022-KNMS-BB	RR - Help Desk	BB	Mina
KE-P059024-KNMS-BB	RR - Database	BB	Chandra, Mina, Gloria, Andrew V
FIAS-01800919-TF020240	PSA Front Office	FIAS (TF)	Penelope/Graeme/Gracia = 1/3

IFC-00505402-BB	PSA Front Office	CFS (IFC)	Penelope/Graeme/Gracia = 1/3

To: Stella G. Franco
Maria Honrado

Maria Pilar Z. Bowyer
08/14/2000 03:47 PM

Extn: 38608 PSADR
Subject: FY01 TRS Codes for Corporate Governance (OUI 207)

Below is a list of WBS/IOs that you can charge for Corporate Governance Work. Please note that these are for network activites (own financed work). As in last fiscal year, please contact the Regions, other Networks or other World Bank Units for **cross support codes.**

Please review your timesheets for July and August. If you entered a WBS or IO other than what's on the list, please contact me or Stella. If needed, we will add new codes to this list as the year progresses.

If you need clarification on any of the codes below, please do not hesitate to call me. It's better to get our codes straight from the start of FY01.

WBS or IO	**Activity Name**	**Source of Funds**	**Comments**
SP-P070387-CSS-BBNSA4	CG Template and Assessments (FY00)	Compact Funds	Only July time should be recorded under this code
SP-P072359-CSS-BBNSA4	CG Template and Assessments (FY01)	Compact Funds	This code will be used for work done on FY01 Template and Assessments starting Aug 2000
KE-P065118-KNMS-BB	Global Corp Gov Forum (GCGF)	Regular Budget	Forum and Roundtables (OECD)
KE-P065118-KNMS - BBSPL	Global Corp Gov Forum (GCGF)	DGF	Forum and Roundtables (OECD)
KE-P065118-KNMS - TF039593	GCGF - CACG Workshop - Director Training	TF039593	For consultant use only
KE-P065118-KNMS - TF039435	GCGF - CACG Workshop - Cntr of Excl - South Asia	TF039435	For consultant use only
KE-P065118-KNMS - TF039436	GCGF - CACG Workshop - Cntr of Excel - Africa	TF039436	For consultant use only
2007175	Management _ PSACG	Regular Budget	For Olivier and anyone acting as Manager
2008346	ACS Office Administrative Support _PSACG	Regular Budget	Regular work of ACS staff
2009660	HR Services_PSACG	Regular Budget	For Olivier
2015200	Training Received External/Formal_PSACG	Regular Budget	
2015826	Training Receivved Internal/Formal_PSACG	Regular budget	
2018000	Administrative Support _PSACG	Regular Budget	Meetings

To: Olivier P. Fremond
Anne Simpson
Mierta Capaul
Vannee K. Dalla
Daochi Tong
Kakanang Assantajai

cc: Stella G. Franco
Maria Honrado

Stella G. Franco
07/13/2000 08:49 AM

Extn: 34861 PSADR
Subject: RE: PSDCR --PSAGM--PSASP (Change in Acronym & SAP Approver)

Caroline, Per attached request from Rica, PSDCR (OUI 7438) was first changed to PSAGM (Global Mandates) but should be changed to PSASP (Privatization Strategy & Policy).

In SAP PSAGM is still appearing but according to Jocelyn, TISC indicated that PSAGM did not exist but they found PSASP (this was in reference to the PAF requests).

Please advise what should be done to finalize this.

What would need urgent attention now is to remove Gerald Meyerman as approver from PSAGM or SP. He should be replaced by Neil Roger.

Thanks, Stella

---------------------- Forwarded by Stella G. Franco/Person/World Bank on 07/13/2000 08:18 AM ---------------------------

Maria Pilar Z. Bowyer
07/13/2000 08:17 AM

Extn: 38608 PSADR
To: Stella G. Franco
Subject: Change in MOC (just one)

---------------------- Forwarded by Maria Pilar Z. Bowyer/Person/World Bank on 07/13/2000 08:17 AM ---------------------------

Maria Pilar Z. Bowyer
06/28/2000 08:44 AM

Extn: 38608 PSDDR
To: Caroline S. Levenson cc: Jocelyn Tan Dytang, Neil D. Roger
Subject: Change in MOC (just one)

Caroline,
We are changing the name and new acronym for Global Mandates (MOC 61280/OUI 7438/Old Acronym PSDCR).

New name: Privatization Strategy and Policy
MOC: 61280
OUI: 7438
Old Acronym: PSDCR
New Acronym: PSASP

Since this is a minor change, hope Margarita can push this to be effective July 1.

Thanks, Rica

To: Caroline S. Levenson
cc: Jocelyn Tan Dytang
Maria Pilar Z. Bowyer
Neil D. Roger

Jocelyn Tan Dytang 07/13/2000 07:42 AM

[redacted]

Extn: 37161 PSADR
Subject: FY01 -SAP Approvers Change Requested-PSA (OUIs indicated)

Neil wants to know the status of our request to Caroline. Apparently, Gerry became the approver for PSASP staff, which needs to be fixed ASAP.

Thanks.
Jocelyn

--------------------- Forwarded by Jocelyn Tan Dytang/Person/World Bank on 07/13/2000 07:41 AM ---------------------------

Jocelyn Tan Dytang 07/12/2000 09:53 AM

[redacted]

Extn: 37161 PSADR
To: Stella G. Franco
Subject: FY01 -SAP Approvers Change Requested-PSA (OUIs indicated)

Please follow-up with Caroline if the request has been done.

Thanks.

--------------------- Forwarded by Jocelyn Tan Dytang/Person/World Bank on 07/12/2000 09:53 AM ---------------------------

Stella G. Franco
07/11/2000 01:34 PM

Extn: 34861 PSADR
To: Caroline S. Levenson cc: Maria Pilar Z. Bowyer, Neil D. Roger, Jocelyn Tan Dytang, Danilo Y. Anzures
Subject: FY01 -SAP Approvers Change Requested-PSA (OUIs indicated)

Caroline, I added info re OUIs & FIAS highlighted in red.

--------------------- Forwarded by Stella G. Franco/Person/World Bank on 07/11/2000 01:13 PM ---------------------------

Jocelyn Tan Dytang 07/11/2000 07:41 AM

[redacted]

Extn: 37161 PSADR
To: Caroline S. Levenson cc: Maria Pilar Z. Bowyer, Stella G. Franco, Neil D. Roger
Subject: SAP Approvers

Caroline,

Rica informed me that you have already updated our SAP approvers for FY01. However, some of our staff SAP requests are still ending up in Gerry Meyerman's inbox. He should be removed as approver immediately.

Below is the list of SAP approvers in PSAS:

PSADR (1873) Neil Roger, Michael Klein (Sept onwards) - both should receive SAP requests simultaneously
PSARR (7166) Penelope Brook
PSACG (207) Olivier Fremond (Corporate Governance)
PSASP (7438) Neil Roger (Gerry Meyerman should not be an approver)
PSABE (7076) Rughvir Khemani

PSAFI (1844) Joseph Battat
PSAFB (175) Joseph Battat (See his email to Larry below)

Neil should be the backup approver for all other units.

Penelope Brook does not have the profile as approver since she has not taken the Approver course, therefore Neil should be the approver for PSARR until requirement is met.

Please update our SAP approvers profile ASAP and let us know when it's done.

Thanks for your immediate attention.

Jocelyn

* *

Jocelyn Dytang
Private Sector Advisory Services
Room I9-039
Tel: (202) 473-7161; Fax: (202) 522-3181
Email: jdytang@worldbank.org

Jocelyn Tan Dytang 07/11/2000 11:36 AM

Extn: 37161 PSADR

To: Stella G. Franco
Subject: FIAS-SAP Approvers

FYI.

--------------------- Forwarded by Jocelyn Tan Dytang/Person/World Bank on 07/11/2000 11:36 AM ---------------------------

Jocelyn Tan Dytang
06/16/2000 09:20 AM

Extn: 37161 PSDDR

To: Maria Pilar Z. Bowyer
Subject: FIAS-SAP Approvers

FYI.

--------------------- Forwarded by Jocelyn Tan Dytang/Person/World Bank on 06/16/2000 09:21 AM ---------------------------

Joseph Battat@IFC
06/15/2000 11:16 PM

To: Larry F. Smucker, Allen F. Shapiro cc: Richard Moss, Sylvia Zulu, Michael U. Klein, Neil D. Roger, Jocelyn Tan Dytang, M:
Subject: FIAS-SAP Approvers

With Dale Weigel's retirement last month, Michael Klein has asked me to act as FIAS 's General Manager until further notice [see attached email]. Moreover, the FIAS group will see minor changes in its staff composition: four people will be assigned outside it and three people from the old PSD will join it.

To reflect this new arrangement, I would appreciate it if you would arrange to have the following people have their SAP requests be channeled to me for approval:

IFC Staff

Gokhan Akinci
Teresa Andaya
Kelly Johnson
Nora Mangalindan
Barbara Mayers
Jacques Morisset
Andrew Proctor
Margo Thomas
Frank Sader

IBRD Staff

Carl Aaron
Geeta Batra
Nessa Busjeet
Zai Thangi Fanai
Monte Feghali
Jacqueline Coolidge
Loretta Matthews
Benjamin Rowland
Xiaofang Shen
Andrew Stone

In addition, SAP transactions regarding **consultants** will need to be directed to me for approval.

I wish to bring the following to your attention:

1. Larry: As I am an IFC staff, is there a need to make some adjustments in the system to allow SAP requests from Bank staff in my group to come to me?

2. Allen: Prior to the latest vice-presidential reorganization, FIAS was reporting to CPRVP [under Assaad Jabre]. Post reorganization, I understand that PSAS [including FIAS] now reports to CIOVP [currently under Assaad]. As of a day or two ago, the SAP system showed that FIAS still reports to CPRVP. Is my information correct? If so, would it be possible for your office to make the needed adjustments?

The current SAP approval set up does not reflect our situation, and is impeding our daily operations. Your help in introducing the adjustments I have requested above would be very much appreciated.

Plse let me know if you have any questions.

Joe Battat

Michael U. Klein @ WORLDBANK 06/01/2000 08:33 AM

Michael U. Klein @ WORLDBANK 06/01/2000 08:33 AM

To: Nemat Talaat Shafik/Person/World Bank@WorldBank, Assaad Jabre/HQ/IFC@IFC
cc: PSAS-HL, PSAS-ACS, EAs - IFC, Official Documents Desk/Service/World Bank@WorldBank

Subject: Delegation of Authority

Starting June 1, 2000, Mr. Joseph Battat will be Acting General Manager for FIAS until further notice.

Pursuant to paragraph 2 of Annex C to Administrative Manual Statement 1.30, Mr. Battat is thereby designated to sign in the name and on behalf of the Bank/IFC/Association.

Michael Klein
Director
Private Sector Advisory Services
Tel: (202) 473-3293; Fax: (202) 522-3181
Email: Mklein@worldbank.org

* *

Jocelyn Dytang
Private Sector Advisory Services
Room I9-039
Tel: (202) 473-7161; Fax: (202) 522-3181
Email: jdytang@worldbank.org

* *

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* *

Jocelyn Dytang
Office of the Director
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To: Stella G. Franco

Record Removal Notice

The World Bank Group Archives & Records Management

File Title	Barcode No.
PSAS - Set-Up Information - Fiscal Year 2001	30233592

Document Date	Document Type
June 28, 2000	Email hardcopy

Correspondents / Participants
Joceyln Tan Dytang, Private Sector Advisory Service; Maria Pilar Z. Bowyer, PSDDR

Subject / Title
Changes of acronyms, OUIs for PSD staff

Exception(s)
Personal Information

Additional Comments

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

Withdrawn by	Date
Kim Brenner-Delp	7/25/2023

Maria Pilar Z. Bowyer
06/01/2000 05:58 PM

Extn: 38608 PSDDR
Subject: Re: Unit Changes - Acronyms, new OUIs, etc.

Caroline,

All Divisions/Units listed below will fall under PSAS (MOC 61200/OUI 1872) :

Rica

Units/New Name	MOC Number	OUI (Division)	OUI (Unit)	Old Acronym	New Acronym
Office of Director	61205	1873		PSDDR	PSADR
Rapid Response	61250	7166		PSDKM	PSARR
Corporate Governance	61210	207		PSDPS	PSACG
Private Provision of Public Services	61230	7075		PSDPP	PSAPP
Business Environment & Foreign Investment #1	61240	7076		PSDBE	PSABE
Business Environment & Foreign Investment #2	09860	1844		CFAFI	PSAFI
Business Environment & Foreign Investment #2a	09861		7661 (under 1844)	CFAAP	PSAAP
Business Environment & Foreign Investment #3	61006	175		PSIFI	PSAFB
Privatization Policy & Transactions	08605	96 (Parent, will have no staff - for rolling up purposes only)		CCF	PSAPT
Privatization Policy & Transactions #1	New		New (under 96)	New	PSAPO
Privatization Policy & Transactions #2	New		New (under 96)	New	PSATT
Global Mandates	61280	7438		PSDCR	PSAGM

To: Caroline S. Levenson
cc: Neil D. Roger
Stella G. Franco

Jocelyn Tan Dytang
02/07/2000 08:54 AM

Extn: 37161 PSDDR
Subject: Workshops - February 9 - 16, 2000

This is to confirm your participation to the Working Groups' Meetings for February 9 - 16, 2000. Please refer to the table below for your attendance.

Please note that all meetings will be held in **I9-420**. Fons Marcelis will be the facilitator for these meetings.

Date	Time	Themes	Participants
Feb 9	9:30 - 12:30	Fee Based Advisory Mechanisms	Jackie Coolidge Dhiraj Mathur David Donaldon Shyamadas Banerji Denise Leonard Gerald Meyerman Heidi Mattila Maria Pilar Bowyer Stella Franco Tony Clamp C. Woodruff
	2:30 - 5:30	Fee Based Advisory Mechanisms	Susan Hume Jordan Schwartz Boris Velic Hong Tan Syed Mahmood Alexander Amuah Krystina Brice Shyam Khemani Warrick Smith
Feb 10	2:30 - 5:30	Competencies, Products and Staffing	Hong Tan David Donaldson Brenda Gbolie Syed Mahmood Alexander Amuah Omer Karasapan Barbara Mayers Joseph Battat Manjula Luthria Tony Clamp Rana Karadsheh
Feb 11	9:30 - 12:30	Competencies, Products and Staffing	Susan Hume George Nugent Robert Taylor Margo Thomas Denise Leonard Sunita Kikeri Geeta Batra Shyam Khemani
	2:30 - 5:30	Competencies, Products and Staffing	Mauro Chiesa Jacques Morisset Carl Aaron Michele Positano Xiaofang Shen Gerald Meyerman Shinji Yamamoto Roy Pepper

Feb 14	9:30 - 12:30	Organization, Management structure and budgeting	√ Yvonne Henry √ Jacques Morisset √ Rica Bowyer √C. Woodruff √ Stella Franco √ Nicola Tynan Robert Taylor √ Brenda Gbolie Margo Thomas Denise Leonard √ John Leber CFS
	2:30 - 5:30	Organization, Management structure and budgeting	Carl Aaron Andrew Proctor Peter Wright James Crittle Hong Tan Omer Karasapan Vivian Cherian Dale Weigel Rana Karadsheh
Feb 15	9:30 - 5:30	Organization, Management structure and budgeting	Teresa Andaya Danilo Anzures Ben Rowland Joseph Battat Sunita Kikeri
	2:30-5:30	Organization, Management structure and budgeting	Javier Calvio Isabel Marques-de Sa Madan Gera Marie-Ange Saraka Yao Frank Sader Krystina Brice Amy Chan Roy Pepper
Feb 16	9:30-12:30	Donor Relations/TR Coordination	Mauro Chiesa Jackie Coolidge Boris Velic Andrew Proctor Jackie Coolidge Denise Leonard Alan Townsend Marie-Ange Saraka Yao Frank Sader Hong Tan Maria Pilar Bowyer Stella Franco

****

Jocelyn Dytang
Private Sector Advisory Services
The World Bank
Room I9-039
Tel: (202) 473-7161; Fax: (202) 522-3181
Email: jdytang@worldbank.org

Neil D. Roger
09/25/2000 09:55 AM

Extn: 38720 PSADR
Subject: retreat

Folks...... Further to Michael's note regarding the retreat (attached), we would like each of you to provide your first, second and third preferences for which of the breakout sessions you would like to join. We will try to accomodate your preferences, but obviously we will have to make the whole thing add up. Please provide your preferences by the end of this week.

--------------------- Forwarded by Neil D. Roger/Person/World Bank on 09/25/2000 09:51 AM ---------------------------

Michael U. Klein
09/15/2000 12:33 PM

Extn: 33293 PSADR
To: PSAS-ACS, PSAS-HL
Subject: retreat

After receiving feedback from some of you and discussion in the management team and some further discussion with Neil and Fons (our facilitator), I am proposing the following scheme for the retreat.

===
======

To restate the purpose of the retreat:

We should get :

- to know each other better across the department
- a better appreciation of the overall direction that the department is likely to move in
- a better understanding of the spirit to reign in the department
- a better view of the new product ideas that are around and maybe where to look for further ones

I would like the retreat about where we could be, not about where we are. Obviously we need to take into account where we are, but what matters is what could be.

===
=========

Prior to the retreat we will have three meetings (Vanee/Jocelyn to schedule):

- one for ACS staff facilitated by Fons Marcelis (w/o my presence so that all issues can be put on the table without inhibition - I hope). At the retreat we will pick up the key messages during the final session.
- A presentation of the state of the rapid response system for all staff (by Penelope and Graeme)
- A meeting of all staff with special tasks for the meeting (see names below where session assignments are given) with Fons Marcelis to discuss how to run the retreat.

===
======

Management team (plus overseas staff depending on number of rooms available) leaves from office after lunch October 11

Rest of department follows by bus at 8 am on October 12

Start of retreat at 9:30

Session one (9:45 to 11:15): I present an overview of PSD/PSAS strategy followed and/or interrupted by discussion.

Session two (11:30 to 12:30): We split into nine working groups. In each working group there would be two discussion leaders to kick off/facilitate/record the discussion. The objective of the discussions is to explore potential business for PSAS and how we should tackle it. The groups would be:

Cluster 1 (rapporteur: Sunita Kikeri)	discussion leaders/recorders
• Performance-based aid	(Penelope Brook, Alan Townsend)
• Water (urban, irrigation, water resource management...)	(Dirk Sommer, Javier Calvo)
• Social Sectors	(Rob Taylor, Warrick Smith)
Cluster 2 (rapporteur: Luc Dejonckheere)	
• Privatisation transactions/global mandates	(David Donaldson, Edgar Saravia)
• Property rights/privatization policy	(Pierre Guislain, Jacques Morisset)
• New markets	(Roy Pepper, Phil Gray)
Cluster 3 (rapporteur: Olivier Fremond)	
• Special approaches in weak governance systems	(Russel Muir, Igor Artemiev)
• Investment climate/corporate governance	(Joe Battat, Mierta Capaul)
• Rapid response activities	(Suzanne Smith, James Crittle)

The three rapporteurs are supposed to float in their cluster and report back during the last session. The reports will be discussed with Fons during/after the lunch break.

13:00 Lunch, siesta, play, walks ...

Session three (15:30-16:30)

Reports from the cluster discussions plus general discussion

Session four (16:30 -17:30)

Summary/lessons from the day/directions/actions to be taken presented by myself plus discussion

17:30 return to DC by bus.

==

Michael Klein
Director

Private Sector Advisory Services
Tel: (202) 473-3293; Fax: (202) 522-3181
Email: Mklein@worldbank.org

To: Psas-Acs
Psas-Hl

Michael U. Klein
09/15/2000 12:33 PM

Extn: 33293 PSADR
Subject: retreat

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17:30 return to DC by bus.

===
=======

Michael Klein
Director
Private Sector Advisory Services
Tel: (202) 473-3293; Fax: (202) 522-3181
Email: Mklein@worldbank.org

To: Psas-Acs
Psas-Hl

Michael U. Klein
08/21/2000 06:58 PM

Extn: 33293 PSADR
Subject: retreat

Dear colleagues,

As you know, on October 12 we will have a retreat at the Wye River Conference Center. This em sets out my current thoughts on how to structure the retreat. I **would appreciate your reactions** to this so as to be able to take your preferences into account.

- I hope the day helps discuss and shape the "story" for PSAS - why and in what way the department can become more than the sum of its parts.
- The day should help us to get to know each other better.
- The day should help clarify the organisational issues that we continue to face.

Altogether, the PSAS management team should go away from the retreat with a clear agenda that needs to be tackled.
The **management team will meet on October 11** already for the afternoon at Wye (including staff from overseas offices) . All others will join the next morning.

Suggested timetable for October 12:

Departure from the office building (by bus):	8 a.m.
Arrival Wye	9:30
Session 1 - the PSAS story/strategy	9:45 - 11:15
Session 2 - new ways of service delivery ("rapid response")	11:30 - 13:00
Lunch	13:00 - 14:30
Session 3 - organisational challenges	14:30 - 16:00
Session 4 - play - e.g. Elian Gonzalez memorial bike ride	16:00 - 17:30
Departure	17:30
Arrival at office	19:00

A special **session for ACS staff issues** (in the morning?) may be advisable. **(I would like ACS staff views on this)**

Some time ago at a department meeting there was a sentiment that we should have a **facilitator** for the meeting. Given my mixed experience with facilitators I am easily tempted to go for better food rather than paying for a facilitator. However, I would like to go with your wishes, particularly if you feel that a facilitator would make for fairer and more meaningful discussion. We may also go for facilitation of only one or two sessions - e.g. the ACS session. **Please, let me know your preferences.**

Once we get closure on the overall structure of the retreat, I will come back to you with more detailed suggestions for the main sessions.

Michael Klein

Director
Private Sector Advisory Services
Tel: (202) 473-3293; Fax: (202) 522-3181
Email: Mklein@worldbank.org

To: Psas-HI
Psas-Acs

Michael U. Klein 08/25/2000 11:39 AM

Extn: 33293 PSADR

Sent by: Jocelyn Tan Dytang

Subject: PSAS AWS Guidelines

The Management Team has discussed the introduction of AWS for the whole department. The introduction will be effective from beginning of October. Meanwhile, each group will work out implementation details.

PSAS GUIDELINES FOR ALTERNATIVE WORK SCHEDULE (AWS)

- Participation in AWS is voluntary.

- Staff on AWS work 9 hours Monday through Thursday (excluding lunch); on Friday staff work 8 hours bringing the total work hours worked over a 10 day period to 80 hours (the same as for a staff member on a normal work schedule). The AWS non-working day should be agreed with your manager for the *same* day every two weeks.

  Example of hours : First week: 44 hours (Monday through Friday)
  Second week: 36 hours (Monday through Thursday)
  This gives a total of 80 hours in two weeks

- The presumption for PSAS is that the AWS day off will be Friday or Monday to reduce disruption. The AWS day off can only be changed with your manager's agreement.

- AWS is a privilege not an entitlement. You may be required to come in on your AWS off due to meetings or deadlines. For PSAS we will start with the condition that you can only claim that day up to the end of the following week. If you don't take it the following week, then you lose it.

- If your AWS falls on a Bank holiday, LARS will automatically credit 8 hours to your annual leave.

- If your AWS day occurs during your operational travel, you lose it. You do not get credit or compensatory leave upon your return from mission.

- Overtime is limited to 8 hours in every two week period for ACS.

- For Bank staff LARs has been installed to reflect AWS. Approved sick/annual leave, holidays, mission days will be adjusted accordingly by LARS. AWS hours will also be reflected in the time recording system. For IFC staff we will have to see how the time recording system will work.

- As most staff are on AWS, departmental/unit meetings and parties are normally not scheduled on Fridays.

- Each unit will have Team A, B and C. Team A and B will be staff on AWS, each taking their AWS off on alternate week. In order to better coordinate work in each team, it is recommended that ACS staff and their supervisors be in the same team (Team A and B should have equal number of staff). Team C is staff on non-AWS.

- Following is the schedule for staff on AWS and regular work hours.

Alternative Work Schedule Hours (Team A & B)	Regular Work Hours (Team C)
7:30 - 5:00	7:30 - 4:00
8:00 - 5:30	8:00 - 4:30
8:30 - 6:00	8:30 - 5:00
9:00 - 6:30	9:00 - 5:30
9:30 - 7:00	9:30 - 6:00

Michael Klein
Director
Private Sector Advisory Services
Tel: (202) 473-3293; Fax: (202) 522-3181
Email: Mklein@worldbank.org

To: Psas Staff

Record Removal Notice

The World Bank Group
Archives
& Records Management

File Title PSAS - Set-Up Information - Fiscal Year 2001	**Barcode No.** 30233592
Document Date July 20, 2000, August ~~8~~ 9, 2000	**Document Type** Email hardcopy

Correspondents / Participants
Joceyln Tan Dytang, Private Sector Advisory Service; Caroline S. Levenson

Subject / Title
PSAS Travel Specialists

Exception(s)
Personal Information

Additional Comments

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

Withdrawn by	Date
Kim Brenner-Delp	7/25/2023

Archives 01 (March 2017)

Jocelyn Tan Dytang 07/17/2000 08:04 AM

Extn: 37161 PSADR
Subject: Re: SAP Approvers for FIAS staff

FYI.

---------------------- Forwarded by Jocelyn Tan Dytang/Person/World Bank on 07/17/2000 08:02 AM ---------------------------

IFC SAP Profile Changes@IFC
07/13/2000 05:17 PM

Sent by: Sylvia Zulu@IFC

To: Jocelyn Tan Dytang cc: Caroline S. Levenson
Subject: Re: SAP Approvers for FIAS staff

Jocelyn,

Further to our discussion please note the following:

- SAP transaction workflow is determined by the unit that the individual who has submitted the transaction belongs to. The transactions will flow to whoever is set up as the approver for that unit. Therefore, it is not possible to have transactions originated by staff in a given unit to automatically flow to a different approver for each staff. The transactions for the staff in a particular unit will all flow to the same approver(s).

- If Boris Velic's status as approver/manger for PSAFI is taken away then his requests for approval will flow to Joseph Battat, i.e,. Mr Velic will join the pool of PSAFI staff in the way that his transactions are handled by SAP. Maintaining him with approver/manager status ensures that his transactions flow to Michael Klein.

Caroline, I explained to Jocelyn the arrangement that we have in place for handling of SAP requests relating to GPGs. I request, therefore, that you act as the contact point for Jocelyn hereon.

Thanks and regards,

Sylvia

Jocelyn Tan Dytang @ WORLDBANK 07/13/2000 07:41 AM

Jocelyn Tan Dytang @ WORLDBANK 07/13/2000 07:41 AM

To: IFC SAP Profile Changes@ifc
cc:
Subject: Re: SAP Approvers for FIAS staff

Sylvia,

Attached is the updated list with the correct Acronym and OUI associated to staff. Let me know when it's done.

SAP Approvers.xls

Thanks for your help.

Jocelyn

* *
Jocelyn Dytang
Office of the Director
Private Sector Advisory Services
Room I9-039
Tel: (202) 473-7161; Fax: (202) 522-3181
Email: jdytang@worldbank.org

To: Joseph Battat/Hq/Ifc@Ifc
Boris Velic/Hq/Ifc@Ifc
cc: Nora Mangalindan/Hq/Ifc@Ifc
Danilo Y. Anzures/Hq/Ifc@Ifc
Maria Pilar Z. Bowyer
Neil D. Roger
Stella G. Franco

IFC Staff	Dept/Div	OUI	Approver	Dept/Div	OUI
Akinci, Gokhan	PSAFI	1844	Joseph Battat	PSAFI	1844
Andaya, Teresa	PSAFI	1844	Joseph Battat	PSAFI	1844
Johnson, Kelly	PSAFI	1844	Joseph Battat	PSAFI	1844
Mangalindan, Nora	PSAFI	1844	Joseph Battat	PSAFI	1844
Mayers, Barbara	PSAFI	1844	Joseph Battat	PSAFI	1844
Morisset, Jacques	PSAFI	1844	Joseph Battat	PSAFI	1844
Proctor, Andrew	PSAFI	1844	Joseph Battat	PSAFI	1844
Redpath, Mary	PSAFI	1844	Joseph Battat	PSAFI	1844
Sader, Frank	PSAFI	1844	Joseph Battat	PSAFI	1844
Thomas, Margo	PSAFI	1844	Joseph Battat	PSAFI	1844
Aaron, Carl	PSAFB	175	Joseph Battat	PSAFI	1844
Batra, Geeta	PSAFB	175	Joseph Battat	PSAFI	1844
Busjeet, Nessa	PSAFB	175	Joseph Battat	PSAFI	1844
Coolidge, Jacqueline	PSAFB	175	Joseph Battat	PSAFI	1844
Fanai, Zai Thangi	PSAFB	175	Joseph Battat	PSAFI	1844
Feghali, Monte	PSAFB	175	Joseph Battat	PSAFI	1844
Matthews, Loretta	PSAFB	175	Joseph Battat	PSAFI	1844
Rowland, Benjamin	PSAFB	175	Joseph Battat	PSAFI	1844
Shen, Xiaofang	PSAFB	175	Joseph Battat	PSAFI	1844
Stone, Andrew	PSAFB	175	Joseph Battat	PSAFI	1844
Anzures, Danilo	PSAFI	1844	Neil Roger	PSADR	1873
Battat, Joseph	PSAFI	1844	Michael Klein	PSADR	1873
Gera, Madan	PSAFI	1844	Boris Velic	PSAFI	1844
Velic, Boris	PSAFI	1844	Michael Klein	PSADR	1873

Record Removal Notice

The World Bank Group Archives & Records Management

File Title	Barcode No.
PSAS - Set-Up Information - Fiscal Year 2001	30233592

Document Date	Document Type
July 17, 2000	Email hardcopy

Correspondents / Participants
Joceyln Tan Dytang, Private Sector Advisory Service to Tisc Requests

Subject / Title
Change of Acronym/OUI

Exception(s)
Personal Information

Additional Comments

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

Withdrawn by	Date
Kim Brenner-Delp	7/25/2023

Stella G. Franco
07/11/2000 01:34 PM

Extn: 34861 PSADR
Subject: FY01 -SAP Approvers Change Requested-PSA (OUIs indicated)

Caroline, I added info re OUIs & FIAS highlighted in red.
---------------------- Forwarded by Stella G. Franco/Person/World Bank on 07/11/2000 01:13 PM ---------------------------

Jocelyn Tan Dytang 07/11/2000 07:41 AM

Extn: 37161 PSADR
To: Caroline S. Levenson cc: Maria Pilar Z. Bowyer, Stella G. Franco, Neil D. Roger
Subject: SAP Approvers

Caroline,

Rica informed me that you have already updated our SAP approvers for FY01. However, some of our staff SAP requests are still ending up in Gerry Meyerman's inbox. He should be removed as approver immediately.

Below is the list of SAP approvers in PSAS:

PSADR (1873) Neil Roger, Michael Klein (Sept onwards) - both should receive SAP requests simultaneously
PSARR (7166) Penelope Brook
PSACG (207) Olivier Fremond (Corporate Governance)
PSASP (7438) Neil Roger (Gerry Meyerman should not be an approver)
PSABE (7076) Rughvir Khemani
PSAFI (1844) Joseph Battat
PSAFB (175) Joseph Battat (See his email to Larry below)

Neil should be the backup approver for all other units.

Penelope Brook does not have the profile as approver since she has not taken the Approver course, therefore Neil should be the approver for PSARR until requirement is met.

Please update our SAP approvers profile ASAP and let us know when it's done.

Thanks for your immediate attention.

Jocelyn

* *

Jocelyn Dytang
Private Sector Advisory Services
Room I9-039
Tel: (202) 473-7161; Fax: (202) 522-3181
Email: jdytang@worldbank.org

Jocelyn Tan Dytang 07/11/2000 11:36 AM

Extn: 37161 PSADR

To: Stella G. Franco
Subject: FIAS-SAP Approvers

FYI.

---------------------- Forwarded by Jocelyn Tan Dytang/Person/World Bank on 07/11/2000 11:36 AM ---------------------------

Jocelyn Tan Dytang
06/16/2000 09:20 AM

Extn: 37161 PSDDR

To: Maria Pilar Z. Bowyer
Subject: FIAS-SAP Approvers

FYI.

---------------------- Forwarded by Jocelyn Tan Dytang/Person/World Bank on 06/16/2000 09:21 AM ---------------------------

Joseph Battat@IFC
06/15/2000 11:16 PM

To: Larry F. Smucker, Allen F. Shapiro cc: Richard Moss, Sylvia Zulu, Michael U. Klein, Neil D. Roger, Jocelyn Tan Dytang, M
Subject: FIAS-SAP Approvers

With Dale Weigel's retirement last month, Michael Klein has asked me to act as FIAS 's General Manager until further notice [see attached email]. Moreover, the FIAS group will see minor changes in its staff composition: four people will be assigned outside it and three people from the old PSD will join it.

To reflect this new arrangement, I would appreciate it if you would arrange to have the following people have their SAP requests be channeled to me for approval:

IFC Staff

Gokhan Akinci
Teresa Andaya
Kelly Johnson
Nora Mangalindan
Barbara Mayers
Jacques Morisset
Andrew Proctor
Margo Thomas
Frank Sader

IBRD Staff

Carl Aaron
Geeta Batra

Nessa Busjeet
Zai Thangi Fanai
Monte Feghali
Jacqueline Coolidge
Loretta Matthews
Benjamin Rowland
Xiaofang Shen
Andrew Stone

In addition, SAP transactions regarding **consultants** will need to be directed to me for approval.

I wish to bring the following to your attention:

1. Larry: As I am an IFC staff, is there a need to make some adjustments in the system to allow SAP requests from Bank staff in my group to come to me?

2. Allen: Prior to the latest vice-presidential reorganization, FIAS was reporting to CPRVP [under Assaad Jabre]. Post reorganization, I understand that PSAS [including FIAS] now reports to CIOVP [currently under Assaad]. As of a day or two ago, the SAP system showed that FIAS still reports to CPRVP. Is my information correct? If so, would it be possible for your office to make the needed adjustments?

The current SAP approval set up does not reflect our situation, and is impeding our daily operations. Your help in introducing the adjustments I have requested above would be very much appreciated.

Plse let me know if you have any questions.

Joe Battat

Michael U. Klein @ WORLDBANK 06/01/2000 08:33 AM

Michael U. Klein @ WORLDBANK 06/01/2000 08:33 AM

To: Nemat Talaat Shafik/Person/World Bank@WorldBank, Assaad Jabre/HQ/IFC@IFC
cc: PSAS-HL, PSAS-ACS, EAs - IFC, Official Documents Desk/Service/World Bank@WorldBank

Subject: Delegation of Authority

Starting June 1, 2000, Mr. Joseph Battat will be Acting General Manager for FIAS until further notice.

Pursuant to paragraph 2 of Annex C to Administrative Manual Statement 1.30, Mr. Battat is thereby designated to sign in the name and on behalf of the Bank/IFC/Association.

Michael Klein
Director
Private Sector Advisory Services
Tel: (202) 473-3293; Fax: (202) 522-3181
Email: Mklein@worldbank.org

* *

Jocelyn Dytang
Private Sector Advisory Services
Room I9-039
Tel: (202) 473-7161; Fax: (202) 522-3181
Email: jdytang@worldbank.org

* *

Jocelyn Dytang
Private Sector Advisory Services
Room I9-039
Tel: (202) 473-7161; Fax: (202) 522-3181
Email: jdytang@worldbank.org

To: Caroline S. Levenson
cc: Maria Pilar Z. Bowyer
Neil D. Roger
Jocelyn Tan Dytang
Danilo Y. Anzures/Hq/Ifc@Ifc

Jocelyn Tan Dytang 07/11/2000 07:41 AM

Exttn: 37161 PSADR
Subject: SAP Approvers

Caroline,

Rica informed me that you have already updated our SAP approvers for FY01. However, some of our staff SAP requests are still ending up in Gerry Meyerman's inbox. He should be removed as approver immediately.

Below is the list of SAP approvers in PSAS:

PSADR	Neil Roger, Michael Klein (Sept onwards) - both should receive SAP requests simultaneously
PSARR	Penelope Brook
PSACG	Olivier Fremond
PSASP	Neil Roger
PSABE	Rughvir Khemani

Neil should be the backup approver for all other units.

Please update our SAP approvers profile ASAP and let us know when it's done.

Thanks for your immediate attention.

Jocelyn

* *

Jocelyn Dytang
Private Sector Advisory Services
Room I9-039
Tel: (202) 473-7161; Fax: (202) 522-3181
Email: jdytang@worldbank.org

To: Caroline S. Levenson
cc: Maria Pilar Z. Bowyer
Stella G. Franco
Neil D. Roger

Stella G. Franco
07/14/2000 11:03 AM

Extn: 34861 PSADR
Subject: RE: PSDCR --PSAGM--PSASP (Change in Acronym & SAP Approver)

Caroline, Thanks for taking care of the request to TISC to remove G.M. Is it correct to understand that once the MOC manager list is updated by TISC, changes in SAP approver list can follow as such? Jocelyn, please take care of the PAF request of Meyerman as mentioned in Caroline's email below. Thanks, Stella
Caroline S. Levenson 07/14/2000 10:28 AM

Caroline S. Levenson 07/14/2000 10:28 AM

Extn: 31141 PSICS
To: Stella G. Franco cc: Maria Pilar Z. Bowyer, Jocelyn Tan Dytang
Subject: RE: PSDCR --PSAGM--PSASP (Change in Acronym & SAP Approver)

Ladies: I cannot remove Gerry Meyerman from PSASP approvers. I have added Neil Roger, because the system allows me to do that, but Gerry is shown as manager of 7438 (the old CR) according to HR books and SAP will not allow me to alter his approval role.

As I had mentioned before, it is the unit responsibility to request PAF changes and to note changes on the MOC Manager list. For this case, I will send a request to TISC to remove Meyerman from manager of 7438, but please be sure that a PAF has been requested to move him out of the new PSAS. Thank you.
Caroline

To: Caroline S. Levenson
cc: Maria Pilar Z. Bowyer
Jocelyn Tan Dytang
Neil D. Roger

Jocelyn Tan Dytang 07/06/2000 04:31 PM

Extn: 37161 PSDDR
Subject: FYI: OUIs and Acronyms

Folks,

Got this list from Rica. Please inform you staff if your Acronym/OUI has changed.

Vicky/Yvonne: Former CR and PS staff are now mapped under PSASP. Their SAP requests go to Neil for approval.

Brenda: Please check with John about your OUI. They were not ready when Rica sent this to me.

Any questions on OUIs and Acronyms should be referred to your budget staff.

Units/New Name	OUI (Division)	OUI (Unit)	New Acronym
Office of Director	1873		PSADR
Rapid Response	7166		PSARR
Corporate Governance	207		PSACG
Private Provision of Public Services	7075		PSAPP
Business Environment & Foreign Investment #1	7076		PSABE
Business Environment & Foreign Investment #2	1844		PSAFI
Business Environment & Foreign Investment #2a		7661 (under 1844)	PSAAP
Business Environment & Foreign Investment #3	175		PSAFB
Privatization Policy & Transactions	96 (Parent, will have no staff - for rolling up purposes only)		PSAPT
Privatization Policy & Transactions #1		New (under 96)	PSAPO
Privatization Policy & Transactions #2		New (under 96)	PSATT
Privatization Strategy and Policy	7438		PSASP

Thanks.

* *

Jocelyn Dytang
Private Sector Advisory Services
Room I9-039

Tel: (202) 473-7161; Fax: (202) 522-3181
Email: jdytang@worldbank.org

To: Mary Redpath/Hq/Ifc@Ifc
Azeb Melaku/Hq/Ifc@Ifc
Nora Mangalindan/Hq/Ifc@Ifc
Madan M. Gera/Hq/Ifc@Ifc
Brenda Gbolie/Hq/Ifc@Ifc
Yvonne Monica Henry
Amy T. Chan
Patricia Roldan
Vannee K. Dalla
Zai Thangi Fanai
Victoria Joseph
cc: Stella G. Franco
Maria Pilar Z. Bowyer
Danilo Y. Anzures/Hq/Ifc@Ifc
John Leber/Hq/Ifc@Ifc

Jocelyn Tan Dytang 07/05/2000 04:40 PM

Extn: 37161 PSDDR
Subject: Travel/Leave Calendar and Engagements Database

As discussed at our last departmental meeting, Michael would like us to start using the following databases beginning FY01.

Links to Travel/Leave Calendar -- This form allows staff to enter the projected leave/travel schedule and acting assignment information. The form is simple and self-explanatory. Andrew Vernon will send a reminder to all staff on a monthly basis.

Links to Engagements Database - This database will be used as a tracking tool of where staff have been engaged during the last three years and onwards. It will provide institutional memory for PSAS.

All these databases will be available on your lotus notes workspace. Should you have questions on how to use these forms, please contact your unit coordinator(s).

Unit	Travel/Leave Schedule Coordinator(s)	Engagements Database Coordinator(s)
PSADR	Andrew Vernon	Jocelyn Dytang
PSARR	Andrew Vernon	Grace Sorensen
PSAPP	Monika Kosior/Amy Chan	Vivian Cherian/Rosario Bartolome
PSAFI/PSAFB/Sydney's office/PSABE	Loretta Mathews/Monte Feghali/ Alison Lykissas/Zai Fanai	Nora Mangalindan/Nessa Busjeet/ Zai Fanai
PSACG	Assantajai Kakanang	Vannee Dalla
PSATT/PSAPO	Crystal Nixon/Martine Owen	Crystal Nixon/Martha Rodriguez
PSASP	Victoria Joseph	Victoria Joseph

Thanks.

* *

Jocelyn Dytang
Private Sector Advisory Services
Room I9-039
Tel: (202) 473-7161; Fax: (202) 522-3181
Email: jdytang@worldbank.org

To: Psas-HI
Psas-Acs

Jocelyn Tan Dytang 07/05/2000 02:06 PM

Extn: 37161 PSDDR
Subject: ACS Assignments for PSADR and PSARR

Following are the arrangements for ACS in PSADR and PSARR, including administrative functions.

EFFECTIVE JULY 5

Jocelyn	Michael Klein Neil Roger
Andrew	Alfonso Revollo Malcolm Rowat Syed Mahmood Graeme Littler
Grace	Penelope Brook Suzanne Smith

ADMINISTRATIVE FUNCTIONS:

	Primary	**Backup**
Time Recording	Jocelyn/Grace	Andrew
Transaction Processor*	Jocelyn/Grace	Stella Franco
Leave and Attendance	Jocelyn/Grace	Andrew
Travel Specialist	Andrew	Jocelyn/Grace
Training Coordinator	Grace	Jocelyn
Procurement (Supplies)	Andrew	Jocelyn/Grace
Filing System	Andrew	Jocelyn/Grace
Telephone Billing/ICBS	Andrew	Jocelyn/Grace
Mail Distribution/Faxes	Andrew/Grace	Jocelyn

Neil will be the approver for PSADR leave and attendance, and Penelope for PSARR. Please make sure to revise this change in your LARs preferences.

If you have any questions, feel free to get in touch with me or Grace.

Thanks.

* *

Jocelyn Dytang
Private Sector Advisory Services
Room 19-039
Tel: (202) 473-7161; Fax: (202) 522-3181
Email: jdytang@worldbank.org

To: Alfonso Cristobal Revollo
Malcolm D. Rowat
Syed A. Mahmood
Glittler@Worldbank.Org@Ifc
Suzanne Smith

cc: Michael U. Klein
Neil D. Roger
Penelope J. Brook
Gracia P. Sorensen
Andrew Vernon
Stella G. Franco
Maria Pilar Z. Bowyer
Gloria Orraca-Tetteh
Mina Nafahati Salehi

Stella G. Franco
06/30/2000 09:45 AM

Extn: 34861 PSDDR
Subject: PSAS Europe- Request of OUI - Pierre Guislain

Caroline, This is the information needed to create Pierre's OUI for PSAS Europe (PSAEU). Kindly confirm. Thanks, Stella

---------------------- Forwarded by Stella G. Franco/Person/World Bank on 06/30/2000 09:42 AM ---------------------------

Pierre A. Guislain
06/30/2000 09:31 AM

Phone: 586+634 PSDPP
To: Stella G. Franco cc: Michael U. Klein, Alphonsus J. Marcelis, Maria Pilar Z. Bowyer
Subject: PSAS Europe

Stella:

I talked to Michael and this is what we agreed on:

- Name of Unit: PSAS Europe
- Acronym: PSAEU
- My title: Program Manager
- Effectiveness: July 1, 2000

To: Caroline S. Levenson
cc: Maria Pilar Z. Bowyer
Pierre A. Guislain

Jocelyn Tan Dytang 06/01/2000 02:51 PM

Extn: 37161 PSDDR
Subject: URGENT: SAP Approvers

---------------------- Forwarded by Jocelyn Tan Dytang/Person/World Bank on 06/01/2000 02:51 PM ---------------------------

Jocelyn Tan Dytang 06/01/2000 02:30 PM

Extn: 37161 PSDDR
To: Caroline S. Levenson, Maria Pilar Z. Bowyer cc: Neil D. Roger
Subject: URGENT: SAP Approvers

Neil came to inform me that PSDPS SAP approver has not been fixed yet. Please remove Kumar Ranganathan's name as PSDPS approver ASAP. Let me know when it's done so that I can inform Edgar.

Thanks.
Jocelyn

---------------------- Forwarded by Jocelyn Tan Dytang/Person/World Bank on 06/01/2000 02:27 PM ---------------------------

Jocelyn Tan Dytang 05/24/2000 11:52 AM

Extn: 37161 PSDDR
To: Maria Pilar Z. Bowyer cc: Neil D. Roger, Stella G. Franco
Subject: URGENT: SAP Approvers

Rica,

We need to update the SAP Approvers ASAP, especially for PS group. As of today, Kumar is still showing as approver for PS group. He should no longer be the approver as he is on special leave.

Neil wants the following approvers mapped properly at least until June 30, 2000. He will let you know of any change once he finalizes the new mapping for PSAS.

PSDBE	**Rughvir Khemani**
PSDCR	**Gerald Meyerman**
PSDDR	**John Nellis**
PSDKM	**Neil Roger**
PSDPP	**Warrick Smith**
PSDPS	**Edgar Saravia**

Neil will be the backup approver for all units. Please arrange this with Caroline ASAP.

Thanks.

****

Jocelyn Dytang
Private Sector Advisory Services
The World Bank
Room I9-039
Tel: (202) 473-7161; Fax: (202) 522-3181

Email: jdytang@worldbank.org

* *

Jocelyn Dytang
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* *

Jocelyn Dytang
Private Sector Advisory Services
The World Bank
Room I9-039
Tel: (202) 473-7161; Fax: (202) 522-3181
Email: jdytang@worldbank.org

To: Stella G. Franco

Jocelyn Tan Dytang 05/24/2000 08:40 AM

Extn: 37161 PSDDR
Subject: IMPORTANT : SAP Guidelines

Folks,

As Neil has been getting requests from most of your staff to approve SAP travel/SOEs, please follow the guidelines below when sending SAP request to him.

(1) a copy of your Terms of Reference;

(2) an email from the task manager authorizing your trip with the correct charge code;

(3) a message in the SAP long text/additional information section should include the following:

EXAMPLE:	Purpose of the trip/Project Name
	TOR/Trip was cleared with Aldo Baietti, task manager on [date].
or	TOR/Trip was cleared with Marilou Uy, Sector Director on [date].

(4) If your SOEs expenses exceed the limit, normally you will get a warning from SAP, please include a brief explanation/reason in the long text/additional information section.

In cases of urgent travel, please make sure to inform him or me so that your SAP request will be approved promptly.

In order to avoid delays in approving your trips and SOEs, please follow the above guidelines.

Thank you for your cooperation.

* *

Jocelyn Dytang
Private Sector Advisory Services
The World Bank
Room I9-039
Tel: (202) 473-7161; Fax: (202) 522-3181
Email: jdytang@worldbank.org

To: Psdps
Psdkm Roster
Psdcr Group
Psdbe Roster
cc: Neil D. Roger
John R. Nellis

Jocelyn Tan Dytang 05/22/2000 02:45 PM

Extn: 37161 PSDDR
Subject: Transition in PSDPS

Edgar,

I had a meeting with Monika and Brooke this morning to discuss some administrative functions in your unit.

We came up with the following arrangements.

- **SAP/IDF/LARs:** Monika will continue to assist on SAP transactions (contractual services, payments), and LARs, with instructions ONLY from you, Kumar and Stella. As Monika has been officially transferred to PSDPP today, I don't want her to be overwhelmed with her other functions in PPI group.

- **Computers/Laptops:** Brooke will send me a list of your computers and laptops. Anything that is kept in your storage room will be returned to GSD, so that your group will stop paying for the lease. I was told that April and Marie-Ange still have your leased laptop; I will send an email asking them to return it ASAP.

- **TRS:** I am asking CR group to have Vicky send a reminder to your staff, and print the reports for Stella.

- **ICBS:** Monika will run the monthly ICBS report. I will assist her in cleaning up your inventory/charges.

- **Projects Files/Sen Gupta Files:** Monika is checking with the Archive group to see if she could send all your projects files for archiving. You and Kumar should be responsible in telling Monika and Brooke which files you want to keep for your own reference. **After June 15, Monika will send everything to Archive group.** Same arrangement will be done for Mr. Gupta.

- **Temporary Assistant:** I am arranging a temporary assistant with Yvonne. She will let me know, in the next few days, as to who will sit in your unit when Brooke leaves on June 2. In the meantime, please inform your staff that they will only have minimum assistance during this transition. I understand that one of your existing staff do not have voice mail, ie. John Speakman. I will ask Brooke to request one for him. From now on, your staff should depend on the voice mail, as there won't be a receptionist to answer phone calls.

Please let me know if you have any questions. Your help in making this smooth transition is appreciated.

Thanks.

****

Jocelyn Dytang
Private Sector Advisory Services
The World Bank
Room I9-039
Tel: (202) 473-7161; Fax: (202) 522-3181
Email: jdytang@worldbank.org

To: Edgar Saravia
cc: Neil D. Roger
Monika Kosior
Brooke Caplan
Stella G. Franco

Jocelyn Tan Dytang 05/22/2000 12:48 PM

Extn: 37161 PSDDR
Subject: Admin Assistance

Yvonne,

I had a meeting with Monika and Brooke this morning, and we came up with the following arrangements, but I would need your staff to help during the transition.

- LARS/SAP/IDF - Monika will continue to do SAP under Stella's supervision, and monitor staff LARs.
- ICBS - Monika will run the ICBS report. I will clean up the list by the end of this week.
- TRS - Could I ask Vicky to help on this. Brooke will change staff preferences and put Vicky's name as backup. She will print the report for Stella and make sure staff enter their time properly.
- "0" line - could we transfer the "0" line to your unit when Brooke leaves at 2:00pm every day until June 2.

I really appreciate your help and cooperation during this difficult transition.

Thanks.

****
Jocelyn Dytang
Private Sector Advisory Services
The World Bank
Room I9-039
Tel: (202) 473-7161; Fax: (202) 522-3181
Email: jdytang@worldbank.org

To: Yvonne Monica Henry
cc: Monika Kosior
Brooke Caplan
Amy T. Chan
Stella G. Franco
Edgar Saravia

Yvonne Monica Henry
05/22/2000 01:46 PM

Extn: 37105 PSDCR
Subject: Team Meeting to DiscussTransition

I have scheduled a meeting of our team for tomorrow (Tuesday) at 10:00 in I9-420 to discuss responsibilities during the transition period (now until June 30).

In addition, Jocelyn has requested our assistance in supporting PS unit which will be without ACS support as of June 1. As of tomorrow, their zero line will be ringing on our phones, on 81539.

To: Psdcrs

Jocelyn Tan Dytang 05/22/2000 02:45 PM

Exttn: 37161 PSDDR
Subject: Transition in PSDPS

Edgar,

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We came up with the following arrangements.

- **SAP/IDF/LARs:** Monika will continue to assist on SAP transactions (contractual services, payments), and LARs, with instructions ONLY from you, Kumar and Stella. As Monika has been officially transferred to PSDPP today, I don't want her to be overwhelmed with her other functions in PPI group.

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Please let me know if you have any questions. Your help in making this smooth transition is appreciated.

Thanks.

****

Jocelyn Dytang
Private Sector Advisory Services
The World Bank
Room I9-039
Tel: (202) 473-7161; Fax: (202) 522-3181
Email: jdytang@worldbank.org

To: Edgar Saravia
cc: Neil D. Roger
Monika Kosior
Brooke Caplan
Stella G. Franco

Maria Pilar Z. Bowyer
04/10/2000 05:43 PM

Extn: 38608 PSDDR

Subject: Michael's Cross Support to the Russia Mission in March 2000 (FINAL)

PLEASE DELETE MY EARLIER EM ON SAME SUBJECT WHICH WAS A DRAFT. THIS IS THE FINAL VERSION.

Kathy,

As a follow up to our conversation this afternoon, Michael Klein (Director of PSAS) spent 3 days (March 10 to 12, 2000) to join the Russia mission requested by Marcelo Selowsky.

Michael is still on the staff exchange program and as a result, he does not do TRS even though PSAS covers his salary and benefits. Since we cannot recover the time he spent through TRS, we need to be reimbursed through budget transfer or another mechanism. His fully loaded cost including VP Sustaining for the period spent in Russia is **$4,199.32**.

Kindly advise method of reimbursement. Our OUI for budget transfer is 1873.

Thanks, Rica

To: Kathy L. Hannum
cc: Jocelyn Tan Dytang
Stella G. Franco
Marcelo Selowsky

Jocelyn Tan Dytang 04/11/2000 03:46 PM

Extn: 37161 PSDDR
Subject: ACS Issues

Folks,

Now that Michael has gone back to London and as he said, he will do a lot of thinking about the organizational structure of the new department, and will announce the package by end of this month or early May. While there will be uncertainties over the next few months, please let me know if there are other concerns you might have aside from what we had discussed at the last ACS meeting. I will stress to Michael again the importance of transparency and communication during the process of restructuring. In the meantime, feel free to drop him a note or if I can be of any help, eventhough I am not the one making the decision, I will try my best to convey our concerns to him as we move forward to the integration.

Cheers.

Jocelyn

To: Psas-Acs
cc: Michael U. Klein

Jocelyn Tan Dytang 04/12/2000 07:37 AM

Extn: 37161 PSDDR
Subject: Management Approval Memos - Delegated Authority

FYI.

---------------------- Forwarded by Jocelyn Tan Dytang/Person/World Bank on 04/12/2000 07:28 AM ---------------------------

Claire Medina@IFC

04/11/2000 05:55 PM

To: EAs - IFC, Admin_IFC-CPA
Subject: Management Approval Memos - Delegated Authority

Further to the attached message from Farida Khambata and Assaad Jabre, please note that **the original Delegated Authority Management Approval Memos (MAMs) should still be brought to me after signature so that I assign it a number.**

Please make sure that staff in your Department are aware of this and that actions are taken as soon as possible should any Delegated Authority MAM not have been brought to me since the procedure change.

As a reminder you will find below the section of the on-line operational guidelines concerning number assignment and distribution of MAMs by Investment Departments.

- EVP Special Assistant office assigns Management Approval Number and informs the ID Department for immediate pick-up
- ID Department distributes to :
  - CCBBP - 3 copies (Business Planning and Budgeting Div. CTFTO Treasury and Financial Policy Division)
  - Legal
  - Legal Files (2 copies)
  - IFC Files
  - Project Team
  - Portfolio Managment Unit

Feel free to call me if you have any questions.

Thanks,

Claire

---------------------- Forwarded by Claire Medina/HQ/IFC on 04/11/2000 05:43 PM ---------------------------

Farida Khambata
03/29/2000 10:10 AM

Sent by: Carmelita Mateos

To: IFC All (HQ & Field Offices)
cc:

Subject: Credit Department Review of Modifications to IFC Portfolio Investments

Assaad and I have agreed that the current policy of requiring two signatures--from the Director of the Investment Department and from the appropriate Credit Officer--for new investments proposals should also be applied to modifications of existing investments. Therefore, with immediate effect, please ensure that all waivers, reschedulings and restructurings are cleared by the appropriate Credit Officer before being submitted for my signature.

We intend to apply the same tiering approach that has been developed for new investments. Thus, for existing investments where IFC's exposure (including undisbursed amounts) falls into a Tier 2 or Tier 3 category, any modification of the terms of the agreements should be cleared by CRV. Where IFC's exposure (including undisursed amounts) falls within the levels set for Tier 1 projects, modifications may be approved by the relevant Credit Officer in each Investment Department, together with the Investment Department Director.

In the same vein, Special Operations Unit (SOU) will interact much more closely with CRV, so that an agreed strategy and approach can be developed at an early stage. Waivers, amendments, restructurings and reschedulings of projects dealt with by SOU will also require a second signature from CRV.

Farida Khambata
Vice President
Portfolio and Risk Management

* *

Jocelyn Dytang
Private Sector Advisory Services
The World Bank
Room I9-039
Tel: (202) 473-7161; Fax: (202) 522-3181
Email: jdytang@worldbank.org

To: Psas-Acs

Jocelyn Tan Dytang
04/04/2000 12:22 PM

Extn: 37161 PSDDR
Subject: Administration

Mary, Menchie,

John received instructions that he should no longer approve SAP transactions, LARs, and OPE for SME and CGAP. If this still exists in some of your staff's profile, could you please make the necessary arrangements to remove his name.

Thanks.

****
Jocelyn Dytang
Private Sector Advisory Services
The World Bank
Room I9-039
Tel: (202) 473-7161; Fax: (202) 522-3181
Email: jdytang@worldbank.org

To: Mary C. Dutch
Carmencita B. Clay
cc: Maria Pilar Z. Bowyer
Stella G. Franco
John R. Nellis

Jocelyn Tan Dytang
03/31/2000 08:33 AM

Extn: 37161 PSDDR
Subject: Buinsess Cards Request

Folks,

The Business Cards Unit (BCU) has now received instructions from legal department re the ordering of new cards for PSAS and GPGs' staff. However, the electronic request form is not yet available on GSD website. In the meantime, please use the attached model and send the request to "**Customer Service Center**" with the following information as requested by Marie-Noelle in BCU.

> **"This is to request issuance of [250/500/1000] business cards [sample card attached]. The charge code is [your unit's OUI]"; and mail it to [Staff's Room No.].**
>
> **Please replace Michael's name with your supervisor's name and title.**

Mkleincard.pp

If you have any questions, feel free to get in touch with me.

Thanks.

* *

Jocelyn Dytang
Private Sector Advisory Services
The World Bank
Room I9-039
Tel: (202) 473-7161; Fax: (202) 522-3181
Email: jdytang@worldbank.org

To: Psas-Acs
cc: Michael U. Klein
Neil D. Roger

Michael Klein

Director

Private Sector Advisory Services

1818 H Street, NW, Room I9-033

Washington, DC 20433 U.S.A.

Tel: (202) 473-3293

Fax: (202) 522-3181

Mklein@worldbank.org

Record Removal Notice

The World Bank Group Archives & Records Management

File Title	Barcode No.
PSAS - Set-Up Information - Fiscal Year 2001	30233592

Document Date	Document Type
March 29-20, 2000; August 1999	Email hardcopy

Correspondents / Participants
Joceyln Tan Dytang, Private Sector Advisory Service; Catherine Guie, PSIVP; Nemat Talaat Shafik, PSIVP; Shengman Zhang, MDS

Subject / Title
FYI Inspection panel

Exception(s)
Corporate Administrative Matters

Additional Comments

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

Withdrawn by	Date
Kim Brenner-Delp	7/25/2023

Jocelyn Tan Dytang
02/25/2000 02:22 PM

Extn: 37161 PSDDR
Subject: Summary of our Meeting

Folks,

Below is the summary of what we had discussed on Thursday, February 24, on some basic administrative guidelines. Please share this information with your ACS staff.

- **Conference Rooms Reservation**

We have negotiated with GSD to convert Rooms I9-440 and I9-014 as PSAS-owned conference rooms. Room I9-450 will be Michael's conference room. If you need to use this room, please check the availability with me.

Effective immediately, the following rooms can now be reserved through our own on-line reservation form. Here are the links to PSAS and Bank conference rooms.

(PSAS conference rooms scheduler)

(Bank's departmental conference rooms) - there are still problems for FIAS/CFS to access this database; will advise as soon as it's fixed by Bank and IFC IT team. In the meantime, please go through Andrew Vernon if you need to reserve Bank's conference rooms by sending him an email indicating the date and time, preferred conference room, and purpose of the meeting; he will confirm with the requester when the room is reserved.

To reserve conference rooms in F building, contact Namik at 37541.

- **Distribution List**

Two distribution lists were created: **PSAS-HL; PSAS-ACS**. Inform your staff of these lists and keep me posted of any changes.

- **Official Documents for Signature**

Attached are guidelines re official documents for Mr. Wolfensohn and Minouche's signatures. It is important that before sending any documents to VP's office for signature, please clear it first with the front office.

GUIDELINES.d

Will check with Susanne re guidelines for Assaad Jabre's signature.

- **Delegation of Authority**

Please refer to Admin Rules 1.30 and 1.35 and Annexes 1.30M and 1.35G for the proper wording of sending Delegation of Authority for Managers.. Electronic copy should be sent to "**Official Documents Desk**" which is the central filing unit in Legal department.

For PSD Managers: Please use "paragraph 2 of Annex C...to Admin 1.30..." and should be sent out from Manager's email account.

For FIAS/CFS Managers: will check with Susanne upon her return.

(link to Administrative Manual) - For FIAS/CFS staff, please let me know if you encounter problem with this database.

- **Business Cards**

For uniformity purposes, staff who run out of business cards can order new set using option 2 (refer to attached email by Veronique Bishop). For FIAS staff, I am still waiting to hear back from Veronique whether you can use your own logo.

- **PSAS Staff Directory**

Please review the attached draft Staff Directory. This list will be sent to Minouche's office by March 3. I would like to have your marked-up revisions by cob Wednesday, March 1.

PSAS Staff Directory1.

- **ACS Assignments/Administrative Functions**

A copy of your unit's administrative assignments is due to front office by cob March 3. (electronic copy please)

- **Mail Slots**

Front office has created mail slots for all Managers. Make sure to check the in-box at least once a day.

- **Information to be sent to AETNA**

As agreed, each unit will send their staff list for AETNA to Andrew Vernon with UPI No. and room number by cob Friday, March 3.

Feel free to get in touch with me should you have any questions. Thank you all for your cooperation.

Jocelyn

Veronique Bishop
02/24/2000 01:06 PM

Extn: 31556 PSIVP
To: PSIEA Group cc: Joan Bayard, Michel Wormser
Subject: Re: Business cards for merged units

Your staff may be asking you what to do about printing new business cards. This is actually a much bigger issue than business cards--it relates to possible legal cross-liability--in fact, LEG has hired external counsel to sort out the whole issue.

While this is being sorted out, the answer is to either:

1. Reprint the same old business cards
or
2. Print new cards with the name of the new unit and EITHER the IFC logo OR Bank logo (depending on where the staff member came from), but NOT BOTH.

Jocelyn Dytang has some nice-looking sample business cards with BOTH logos -- something to think about for when (if?) we get clearance to do so. It would be nice to have cards with the same look for all of the merged units...someday.

Again, we are not to produce business cards with both logos or the names of both IFC and the Bank.

Regards,
Vero Bishop

* *

Jocelyn Dytang
Private Sector Advisory Services
The World Bank
Room I9-039
Tel: (202) 473-7161; Fax: (202) 522-3181
Email: jdytang@worldbank.org

To: Azeb Melaku/Hq/Ifc@Ifc
Mary Redpath/Hq/Ifc@Ifc
Vannee K. Dalla
Jessica Ardinoto
Grace T. James
Amy T. Chan
Yvonne Monica Henry
Patricia Roldan
Nora Mangalindan/Hq/Ifc@Ifc
Brenda Gbolie/Hq/Ifc@Ifc
Ana Maria Morales/Hq/Ifc@Ifc
Madan M. Gera/Hq/Ifc@Ifc

cc: Andrew Vernon
Neil D. Roger

Jocelyn Tan Dytang
01/21/2000 07:45 AM

Extn: 37161 PSDDR
Subject: Administrative Support for the front office

Folks,

Here are the support assignments for the front office, effective immediately.

Jocelyn Michael Klein
Neil Roger

Andrew John Nellis
Alfonso Revollo
Malcolm Rowat

Administrative Functions:

	Primary	**Backup**
Time Recording	Jocelyn	Andrew
SAP transactions	Jocelyn	Andrew
Travel Specialist	Jocelyn	Andrew
Leave and Attendance	Jocelyn	Andrew
Procurement (Supplies)	Andrew	Jocelyn
Training Coordinator	Andrew	Jocelyn
Telephone Billing	Andrew	Jocelyn
Board Documents Request	Andrew	Jocelyn
Distribution of Fax/Mails	Andrew	Jocelyn

****
Jocelyn Dytang
Private Sector Advisory Services
The World Bank
Room I9-039
Tel: (202) 473-7161; Fax: (202) 522-3181
Email: jdytang@worldbank.org

To: John R. Nellis
Alfonso Cristobal Revollo
Malcolm D. Rowat

cc: Michael U. Klein
Neil D. Roger
Stella G. Franco
Maria Pilar Z. Bowyer
Yunshin Kim Byrne
Michael.U.Klein@Si.Shell.Com
Helen L. M. Toni

Jocelyn Tan Dytang
01/24/2000 02:47 PM

Extn: 37161 PSDDR
Subject: PSAS Distribution Lists

Folks,

I have created two Distribution Lists for the new Private Sector Advisory Services: **PSAS-HL, PSAS-ACS**. These lists include all staff in PSD, CFS and FIAS. Please review the lists by going to World Bank address book, and let me know if there are any changes/additions to your unit staff. In order for me to keep these lists up to date, I would appreciate your keeping me informed of any staffing change in your unit.

Andrew Vernon and I will be the main support team for PSAS front office. He will provide administrative support to the existing PSD advisers and perform other administrative functions as required by the front office.

Feel free to get in touch with us should you have any concerns or questions. We look forward to working with all of you.

All the best.

****

Jocelyn Dytang
Private Sector Advisory Services
The World Bank
Room I9-039
Tel: (202) 473-7161; Fax: (202) 522-3181
Email: jdytang@worldbank.org

To: Azeb Melaku/Hq/Ifc@Ifc
Ana Maria Morales/Hq/Ifc@Ifc
Brenda Gbolie/Hq/Ifc@Ifc
Mary Redpath/Hq/Ifc@Ifc
Vannee K. Dalla
Jessica Ardinoto
Evelyne Fraigneau
Grace T. James
Yvonne Monica Henry
Amy T. Chan
Mary C. Dutch
Patricia Roldan
cc: Andrew Vernon
Neil D. Roger
Michael U. Klein

Michael U. Klein
01/24/2000 11:36 AM

Extn: 33293 PSDPP

Sent by: Jocelyn Tan Dytang

Subject: Message from Michael

Dear colleagues,

As you know January was to be the month for me to start understanding the issues facing the new department. Many of you have helped me with their points and suggestions. I will get back to each of those who sent suggestions, hopefully next week. Let me just say at this point that I found the suggestions from all levels of staff remarkably helpful and constructive - without exception so far.

February will be our month to debate the issues and suggestions raised. March will hopefully see the formulation of a reasonably detailed plan to move forward. You will have a chance to contribute in a series of working meetings that Fons Marcelis from the human resource group is preparing.

Meanwhile, the budget process for FY 2001 is starting. Our basic story line that we had to provide has the flexibility to keep the good things of the past intact, while adding new features to develop the advisory business across the Bank group. Of course, we also have to work on realising the real synergies from the integration. As we continue our debate we also have to continue our walk along the fine line of taking adequate time to work through the issues while not missing the boat on next year's budget.

As we approach the debates of February, I hope to provide all of you with a more detailed picture of where my own thoughts on the new department are. I hope to do so next week (this week my other job is going to keep me more than busy).

I will next be in DC from Feb 8 to 17 and hope to see most of you in the various working groups.

regards
Michael Klein
Chief Economist
Tel: 44-171-934 5069
Fax: 44-171-934 7406
e-mail: Michael.U.Klein@SI.shell.com

To: Psdhl
Psdsl
Ccf
Cfafi

BUDGET 5X5.

Stella G. Franco
02/29/2000 04:38 PM

Extn: 34861 PSDDR
Subject: Re: Contracting Staff Across PSAS

Rica, I would think that some uniform procedure should take place. VP sustaining from the Trust Funds are allowed but we do not have the resources from all regular budgets to pay this out. This has to be a management decision. Stella
Maria Pilar Z. Bowyer

Maria Pilar Z. Bowyer
02/29/2000 03:19 PM

Extn: 38608 PSDDR
To: Stella G. Franco cc: John Leber, Danilo Y. Anzures
Subject: Re: Contracting Staff Across PSAS

I have to check with Carol Bonney on how they plan to pay VP sustaining for TFs (that is TFs that allow this expenditure). Until then, we have no choice but to create an IO for VP Sustaining on the TF side and repost expenses from BB to TF.

Yes, if we agree to cover VP sustaining between CFS/FIAS/PSD, then we have to do the IO approach like TG budgets and Corp. Governance.

The bottom line is do you support VP sustaining?

Rica

Stella G. Franco

Stella G. Franco
02/29/2000 03:06 PM

Extn: 34861 PSDDR
To: Maria Pilar Z. Bowyer cc: John Leber, Danilo Y. Anzures
Subject: Re: Contracting Staff Across PSAS

Rica, It seems at present we only have transfer of expenses through creation of IOs to be able to pay out the VP sustaining costs from a Trust Fund. The bigger disadvantage is that it distorts expenses. If we are supported by our VPs office in requesting some flexiblity in the Trust Fund Unit, as Yunshin mentioned in our meeting, by sending a letter of request to ACTTF, this would be the better approach.

If it is paying VP sustaining out of Thematic Group budgets or Corporate Governance (Regular Budgets) - budget transfers are possible between Bank budgets only and not IFC. Does this mean we do the IO approach too?

My only suggestion is flexibilty in Trust Fund Accounting.

To: Maria Pilar Z. Bowyer
cc: John Leber/Hq/Ifc@Ifc
Danilo Y. Anzures/Hq/Ifc@Ifc

Stella G. Franco
02/29/2000 09:37 AM

Extn: 34861 PSDDR
Subject: Edit in Blue

Maria Pilar Z. Bowyer
02/29/2000 08:28 AM

Extn: 38608 PSDDR
To: Stella G. Franco
Subject: Please edit as you wish before I send to John and Danny

1. SAP allows cross support across the three groups (PSD, CFS and FIAS). (PSD consists of IBRD staff, CFS consists of IFC staff, and FIAS have both IBRD and IFC staff. FIAS is a separate entity from IFC and is not within the administrative structure of IFC. Unlike CFS, FIAS does not receive an administrative budget to cover for indirect costs when they support other IFC Units. FIAS shortfall is covered by Trust fund.)

- Staff Time (through timesheets)
  PSD, CFS and FIAS staff can charge time to each other's projects and SAP automatically transfers the salary and benefit expense portion accordingly. Staff week cost for Salary and Benefits cost is calculated the same way: Salary + 50% Benefits divided by 44 staffweeks = Staff week cost. I am not sure about this computation divided by 44 if done by CFS & FIAS. Note that CFS does not enter TRS for all staff. It is only done if they need to collect from outside their unit.

- Indirect Cost (Non-labor indirects)
  PSD, CFS and FIAS recover indirect costs (non-labor) at the rate of $500/staffweek, but in a slightly different manner. The indirect cost is automatically transferred when PSD and FIAS staff charges a CFS project. However, the indirects for CFS staff will be applied manually by CRM in March for the period July 1999 through February 2000 and at the end of the fiscal year for March to June. (Danny, do you agree with this? Perhaps we can do a trial cross support between PSD/FIAS-IBRD, PSD/FIAS-IFC and vice versa so we can see what's reflected in our reports) Per Danny, FIAS to Bank only Salary + Benefits are paid, Bank to FIAS - Salary + Benefits + Indirects are paid. This is contradictory to the email received from CRM.

- VP Sustaining (labor indirects)
  At present, there is no agreement to transfer VP sustaining cost ($1,060/staffweek) between IBRD and IFC. The recovery of VP sustaining is currently in place only for cross support between IBRD Regions and Networks. It is not applicable for cross support within the PSI Vice Presidency and among IBRD Networks.

  (Stella, Danny, John - please give your views on VP sustaining cost - should we charge each other when contracting within PSAS . If we do, we need to either do a budget transfer or transfer of expenses. Budget transfers are not encouraged and I don't think it is allowed between IBRD and IFC. Transfer of expenses is tedious and will distort the total expenses incurred.)

- Travel is directly charged to a project code and instantly hits the books of the code owner.

- We have a real life scenario of cross support between PSD and CFS - Michael Warlters (PSD charged time against a CFS project which was reflected in both books -- as an expense to CFS and a negative allocation to PSD.

2. Fee to External Clients

- PSD charges IDB $5,800 per staffweek including travel (90.78% goes to PSD which is equivalent to $5,265 and 9.22% goes to CRM $535).
- CFS charges $10,000 per staffweek excluding travel ($5,000 goes directly to CFS while the other $5,000 goes to an institutional IFC pot to cover overhead for support units)
- FIAS charges $6,500 per week excluding travel (the full amount goes to FIAS)

We suggest that PSAS should establish a uniform fee for external clients
Determine who is charged VP sustaining
Determine uniform manner of collecting indirects for both Bank & IFC
Can CFS & FIAS tap the PPIAF Trust fund.

To: Maria Pilar Z. Bowyer

John Leber@IFC
02/29/2000 03:56 PM

Subject: Re: Contracting Staff Across PSAS

Rica,

Here are my comments

John
Maria Pilar Z. Bowyer@WORLDBANK

Maria Pilar Z. Bowyer@WORLDBANK
02/29/2000 11:36 AM

To: Stella G. Franco/Person/World Bank@WorldBank, John Leber/HQ/IFC@IFC, Danilo Y. Anzures/HQ/IFC@IFC
cc:

Subject: Contracting Staff Across PSAS

STELLA, DANNY, JOHN - please feel free to edit/change/add (highlight in blue) and resend to me by 4 pm today ..... Thanks, Rica

1. SAP allows cross support across PSAS' three groups (PSD, CFS and FIAS). (PSD consists of IBRD staff, CFS consists of IFC staff, and FIAS have both IBRD and IFC staff. FIAS is a separate entity from IFC and is not within the administrative structure of IFC. Unlike CFS, FIAS does not receive an administrative budget to cover for indirect costs when they support other IFC Units. FIAS' shortfall is covered by Trust Fund.)

- Staff Time (through timesheets)
  PSD, CFS and FIAS staff can charge time to each other's projects and SAP automatically transfers the salary and benefit expense portion accordingly. **The** staff week cost **(**salary and benefits**) for each of the three groups** is calculated the same way: Salary + 50% Benefits divided by 44 staffweeks. CFS **is required by IFC to record time in the Business Management System (BMS), but for cross support projects CFS will also use the Lotus Notes based TRS system to record time.**

- Indirect Cost (Non-labor indirects)
  PSD, CFS and FIAS recover indirect costs (non-labor) at the rate of $500/staffweek, but in a slightly different manner. The indirect cost is automatically transferred when PSD and FIAS staff charge a CFS/**IFC** project. However, the indirects for CFS staff will be applied manually by CRM in March for the period July 1999 through February 2000 and at the end of the fiscal year for March to June. (Danny, I spoke to Ajay and he said FIAS has a separate arrangement with regards to Indirects. I know your thick administrative report shows indirects, but we can do a trial cross support between PSD/FIAS-IBRD, PSD/FIAS-IFC and vice versa so we can see what's reflected in the Cross Support report?)

- VP Sustaining (labor indirects)

At present, there is no agreement to transfer VP sustaining cost ($1,060/staffweek) between IBRD and IFC. The recovery of VP sustaining is currently in place only for cross support between IBRD Regions and Networks. It is not applicable for cross support within the PSI Vice Presidency and among IBRD Networks. **I do not think that VP sustaining costs should be charged when contracting staff within PSAS. It would create inequalities in staff costs between IFC and Bank staff within PSAS.**

(Stella, Danny, John - please give your views on VP sustaining cost - should we charge each other when contracting within PSAS . If we do, we need to either do a budget transfer or transfer of expenses. Budget transfers are not encouraged and I don't think it is allowed between IBRD and IFC. Transfer of expenses is tedious and will distort the total expenses incurred.)

- Travel is directly charged to a project code and instantly hits the books of the code owner.

- We have **an example** of cross support between PSD and CFS - Michael Warlters (PSD charged time against a CFS project which was reflected in both books -- as an expense to CFS and a negative allocation to PSD). **In addition, we have an example of a CFS staff (Luc Dejonckheere) charging time against a World Bank regional project with similiar results.**

- CFS and FIAS staff can do cross support to PPIAF projects if requested by the PPIAF team manager and they can also apply for PPIAF funding for a specific project done through the application process.

2. **Fees to External Clients**
   - PSD charges IDB $5,800 per staffweek including travel (90.78% goes to PSD which is equivalent to $5,265 and 9.22% goes to CRM $535).

- **CFS seeks to charge fees to the client that will cover IFC's forecast all-in costs (staff costs including overhead allocation @ $10,000/sw) plus a 20% return. However, actual fees depend on negotiations with the client. The proportion of fees between retainer and success fees, CFS seeks to charge 50% of its forecast direct costs (costed @ $5,000/sw plus travel expanese) in the retainer fee, and the remainder in the success fee. Hence, target success fee = total forecast all-in costs (@ $10,000/sw including overhead) + 20% return - retainer fee**

   - FIAS charges $6,500 per week excluding travel (the full amount goes to FIAS)

3. **Suggestions**
   - PSAS should establish a uniform fee for external clients
   - Determine who is charged VP sustaining (John, Stella, Danny - tell me your views re: VP sus - see above)
   - Any other suggestions?
   -

To: Maria Pilar Z. Bowyer
cc: Stella G. Franco
Danilo Y. Anzures/Hq/Ifc@Ifc

HR

Record Removal Notice

File Title	Barcode No.
PSAS - Set-Up Information - Fiscal Year 2001	30233592

Document Date	Document Type
Sept. 14, 2000 - Nov. 22, 2000	Email hardcopy

Correspondents / Participants
Caroline S. Levenson; Maria Pilar Z. Bowyer and Stella G. Franco (PSADR)

Subject / Title
Redundancy and MAS

Exception(s)
Personal Information

Additional Comments

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

Withdrawn by	Date
Kim Brenner-Delp	7/25/2023

Record Removal Notice

File Title	Barcode No.
PSAS - Set-Up Information - Fiscal Year 2001	30233592

Document Date	Document Type
August 21, 2000	Email hardcopy

Correspondents / Participants
Maria Pilar Z. Bowyer, PSADR; Neil D. Roger, PSADR;Stella G. Franco (PSADR); James R. Dick Welch

Subject / Title
Pay rise

Exception(s)
Personal Information

Additional Comments

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Withdrawn by	Date
Kim Brenner-Delp	7/25/2023

Record Removal Notice

The World Bank Group
Archives
& Records Management

File Title	Barcode No.
PSAS - Set-Up Information - Fiscal Year 2001	30233592

Document Date	Document Type
Sept. 7, 2000	Email hardcopy

Correspondents / Participants
Maria Pilar Z. Bowyer, PSADR; Caroline S. Levenson

Subject / Title
Salary Charge

Exception(s)
Personal Information

Additional Comments

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Withdrawn by	Date
Kim Brenner-Delp	7/25/2023

Record Removal Notice

File Title	Barcode No.
PSAS - Set-Up Information - Fiscal Year 2001	30233592

Document Date	Document Type
June 7, July 18-20, 2000	Email hardcopy

Correspondents / Participants
Jocelyn Tan Dytang; Les Nemethy; Alphonsus J. Marcelis; Tisc Requests

Subject / Title
Confidential - HR Reminder for PSACG for Jul 2000; Leave of absence

Exception(s)
Personal Information

Additional Comments

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

Withdrawn by	Date
Kim Brenner-Delp	7/25/2023

2000 Review of Staff Compensation

June 29, 2000

On June 29 the Board approved Management's proposed 6.4 percent salary adjustment for Washington-based World Bank Group staff on open-ended and term appointments, effective July 1. This completes the transition to realign staff salaries with the market, which began last year with the 1999 Review of Staff Compensation under the New Compensation System.

As in previous years, the adjustment of individual staff salaries will be determined through the merit review process--the Salary Review Increase (SRI) review--based on individual staff performance relative to peers at their grade level and position in the salary range. The SRI process will be conducted in July. Staff should expect the salary adjustments, effective July 1, based on the merit review to be reflected in the August 15, 2000 payroll.

The Board also approved the new salary structure effective July 1, 2000 in Table 1 below.

Table 1: July 1, 2000 Salary Structure

Grades New	Minimum	Market Reference	Maximum	Range Spread
A	18,880	24,550	31,920	69%
B	23,120	30,050	42,070	82%
C	28,080	36,500	51,100	82%
D	32,650	42,450	62,890	93%
E	42,350	55,050	77,070	82%
F	56,500	73,450	102,830	82%
G	76,020	98,820	138,350	82%
H	105,580	137,250	185,290	75%
I	140,640	175,800	210,960	50%
J	176,440	202,910	233,350	32%
K	198,180	227,910	250,700	27%

In addition, the Board approved continuation in FY01 of the market premium allowance to improve the Bank Group's ability to recruit and retain hot skills.

The Board also approved the continuation of the Performance Awards pilot program through December 2000 with a number of adjustments reflecting the lessons learned in the recently conducted interim evaluation. These changes will be implemented over the next few months and a new round of performance awards will be completed by the end of December 2000. The pilot program will then be thoroughly evaluated, in consultation with management and staff, including the Staff Association.

Richard Stern
Vice President
Human Resources

Up-date to Salary Review Web Site

The web site on the 2000 Salary Review has now been updated. In addition to the Guidelines on the Salary Review (SRI) Process it also includes the following:

- The new salary structure, effective July 1, 2000.
- The Salary Review Matrix.
- Frequently Asked Questions regarding the salary review.
- A summary of the 2000 Compensation Review, describing the market measurement, salary structure development and Overall Pay Increase determination.
- A link for submitting questions regarding the salary review.

You can access the updated web site at the following location: **Salary Review**.

William H. Hanton
Acting Manager, HRSCM

July 19, 2000 **10:57:25 AM**

Share your thoughts.

Salary Structure with Zones

July 2000 Salary Structure Zones

Grade	Salary Ranges			Salary Zones					
				Zone 1		Zone 2		Zone 3	
	Minimum	Market Reference Point	Maximum	Low	High	Low	High	Low	High
A	18,880	24,550	31,920	18,880	23,227	23,228	27,573	27,574	31,920
B	23,120	30,050	42,070	23,120	29,437	29,438	35,753	35,754	42,070
C	28,080	36,500	51,100	28,080	35,753	35,754	43,427	43,428	51,100
D	32,650	42,450	62,890	32,650	42,730	42,731	52,810	52,811	62,890
E	42,350	55,050	77,070	42,350	53,923	53,924	65,497	65,498	77,070
F	56,500	73,450	102,830	56,500	71,943	71,944	87,387	87,388	102,830
G	76,020	98,820	138,350	76,020	96,797	96,798	117,573	117,574	138,350
H	105,580	137,250	185,290	105,580	132,150	132,151	158,720	158,721	185,290
I	140,640	175,800	210,960	140,640	164,080	164,081	187,520	187,521	210,960
J	176,440	202,910	233,350	176,440	195,410	195,411	214,380	214,381	233,350
K	198,180	227,910	250,700	198,180	215,687	215,688	233,193	233,194	250,700

July 19, 2000 **10:57:03 AM**

Share your thoughts.

Salary Review Matrix

2000 Salary Review Matrix										
SALARY RANGE ZONE	PERFORMANCE CATEGORY *Low .... High*									
	2	3			4			5		
		Min	Max	Extended Max	Min	Max	Extended Max	Min	Max	Extended Max
1	0	2.0%	8.0%	11.0%	8.1%	9.5%	13.0%	9.6%	12.0%	16.0%
2	0	2.0%	6.0%	9.0%	6.1%	7.5%	11.0%	7.6%	10.0%	13.0%
3	0	2.0%	3.5%	6.0%	3.6%	5.0%	8.0%	5.1%	7.0%	10.0%

Notes:

Extended maxima should be used only

(a) for staff in grades which have been adjusted by 8 percent or more (e.g., grades A,F, G, H, and I) ; or

(b) in a few instances, for staff needing significant adjustment to properly position their salaries in the salary range.

July 19, 2000 **10:58:17 AM**

Frequently Asked Questions

2000 Review of Staff Compensation:

Frequently Asked Questions

Grade Movements

1. Why did the salary ranges for some grades increase more than others?

The New Compensation System approved by the Board in December 1998 calls for the market reference points of all grades to be positioned close to the market and this year the market moved significantly more at some grades than at other grades. In part, this reflected the introduction of new data sources that greatly improved the coverage of Bank Group jobs in our market comparisons. However, since the major changes in sources of market data are now behind us, we expect future movements in the market reference points to be much more consistent across grades.

2. Why has the Market Reference Point (MRP) for grade D been reduced compared to last year?

Two factors contributed to this reduction at grade D. First, the market value at this grade decreased by about 1.5 percent. Second, we further reduced the market value to reflect overtime paid to Bank Group staff at this grade. This was to adjust for the fact that the Bank Group staff at grade D are eligible for overtime payments, whereas the staff in similar jobs in the comparator organizations are not eligible for such payments.

International Competitiveness

3. Why was there no review of the international competitiveness of the Bank salary structure?

In December 1998 the Board approved Management's proposal to compare the Bank Group's salary structure to the French/German composite market every four years, instead of the annual comparison, namely: "The Group's salary structure would be assessed directly against the 75th percentile of the private sectors in France and Germany, without the use of the 10 to 20 percent margin. If international competitiveness of the salary structure is not adequate, then the policy would be reviewed". As part of the Review of Staff Compensation next year, we will conduct an assessment of the international competitiveness of the Bank Group's salary structure in the French and German markets-the same international reference markets that were used under the former compensation system.

Salary Administration

4. How will we distribute the 6.4 percent average pay increase, given that grades are adjusted by different percentages?

The 6.4% reflects an *average* increase, with some staff receiving more while others receive less. The salary increases of *all* staff will be administered through the *same* salary increase matrix that provides consistent guidelines on the size of increases that would normally be granted to staff, with larger increases generally being granted to staff who are high in performance and low in the salary range. Its effect is to move most staff, over time, toward the market reference point of their grade and to move outstanding staff toward the top of the salary range. This process will also provide a gradual adjustment for differences between grades with low versus high market movement. A new element in this year's salary review matrix is the inclusion of an "extended maximum". This allows managers to address situations where a somewhat larger increase may be required to appropriately position a staff member in the salary range. Although this may arise more frequently in grades with larger market movement, the extended maximum may be applied to staff in any grade where a higher positioning in the range is appropriate. As always, the salary review will be conducted within approved budgetary guidelines.

5. How will this salary review affect non-regular staff?

It will have no impact, since non-regular staff are not included in the salary review. Their remuneration is agreed at the time of appointment (or re-appointment in the case of those who have had previous appointments).

6. When will I receive my pay increase?

It depends on the date each vice presidential unit completes the merit review and submits its results. For submissions received by July 21, the increase will be delivered in mid August. For submissions between July 22 and the 28th, the increase will be delivered end of August. For submissions after July 28, the increase will be delivered in September. All increases are retroactive to July 1, 2000.

July 19, 2000 **10:59:15 AM**

Share your thoughts. **Summary of the 2000 Compensation Review**

The 2000 Compensation Review:

Summary of Process and Results

1. In June 1999, the Board approved the first compensation review conducted under the New Compensation System (NCS) of the World Bank Group. The changes introduced with the NCS include: (a) a new, 11-grade salary structure; (b) a more relevant and accurate approach to the definition and measurement of the organization's comparator market; (c) grade-by-grade alignment of the Bank Group's pay scales with the market; (d) the introduction of recruitment bonuses to support the recruitment of a diverse international staff; (e) a market premium to support the recruitment and retention of hot skills; (f) a change in the timing of the annual salary review from May 1 to July 1 to coincide with the Bank Group's fiscal year so that the salary adjustment can be considered by the Board at the same time as the proposed budget; and (g) the introduction of a pilot performance awards program on a trial basis.

2. This summary outlines the second full review of staff compensation under the NCS with an emphasis on the base salary component. It describes the measurement of compensation levels in the comparator market, the development of a salary structure, and the alignment of the Bank Group payline to the new market values. This pertains to Washington-based staff (including international staff in other offices).

The 2000 Salary Review

3. As promised during last year's Review of Staff Compensation (R99-106), significant improvements have been made in the measurement of the private sector comparator market. A key improvement was the utilization of the McLagan surveys this year, which greatly improved coverage of the financial market. Combined with an increase in the amount of data provided by the Hay Industrial database, this produced an approximate increase of 40 percent in the coverage of Bank Group jobs and a 170 percent increase in the number of incumbents represented in the private sector surveys. The matches between Bank Group jobs and the survey benchmark jobs also were carefully reviewed to ensure their accuracy, as were the staff weights applied to the market values for various job families. Also as promised, an extensive review of the market measurement of the public sector was conducted, which included a review of the matching of public sector market data to Bank Group job families and grades. In addition, ten new public sector agencies were added this year to broaden the coverage of the Bank Group's job families. The private sector data sources are summarized in Table 1.

Table 1: Private Sector Data Sources by Job Family

	Private Sector Data			
	Financial Market		Industrial Market	Consulting Firms
Data Provider / Job Family Paylines	Towers Perrin	McLagan	Hay	Bank Survey
Core Finance		YES (100%)		
Core Technical			YES	YES
Economists	NO PRIVATE SECTOR DATA			
Legal	YES	YES	YES	
Administration*	YES	YES	YES	

*The Administration payline is the integration of five different paylines comprising of resource management, human resources, general services, information and technology and external affairs.

The July 2000 Bank Group Salary Structure

4. Once the market has been measured at each grade, the next step in the NCS is to fit the Bank Group payline to the market values at grades A through I. The approved principles are that: (a) the market reference points (MRP) of the Bank Group payline should be positioned on the market on a weighted average basis This means that the weighted average margin by which the market reference points exceed the market values of the various grades should be zero or very close to it, when weighted by the number of staff per grade. ; and, (b) the market reference points should be positioned close to the market values on a grade-by-grade basis. While the first of these principles has been part of the compensation system since at least 1989, the second is one of the most significant changes implemented under the NCS. At grades J and K the market reference points are set by interpolation between the MRP of grade I and the salary of the President of the World Bank Group. The 2000 MRP were developed strictly in accordance with these principles.

5. The data from all of the relevant job families were aggregated to produce overall market values for each grade. Those market values, on average, were 5.6 percent higher than the July 1, 1999 values. This is a weighted average of market movements for grades A to I, weighted by the number of staff per grade. The simple average across those grades is 4.1 percent. Market movements varied by grade because of the underlying market trends, as well as refinements in the selection of comparators, benchmark job matches and staff weights.

6. Based on these factors, and in accordance with the NCS principles, the Board approved an increase of 6.4 percent in the average salaries of staff on board as of July 1, with individual increases to be based on performance and position in the salary range. The approved increase will align average staff salaries with the new MRPs, which means that salary growth will no longer need to be slowed to allow the market to "catch up." (When the NCS was implemented, we found that average staff salaries were 3.9 percent above the market.) Table 2 shows the new Bank Group salary structure.

Table 2: July 1, 2000 Bank Group Salary Structure

Grades New	Minimum	Market Reference	Maximum	Range Spread
A	18,880	24,550	31,920	69%
B	23,120	30,050	42,070	82%
C	28,080	36,500	51,100	82%
D	32,650	42,450	62,890	93%
E	42,350	55,050	77,070	82%
F	56,500	73,450	102,830	82%
G	76,020	98,820	138,350	82%
H	105,580	137,250	185,290	75%
I	140,640	175,800	210,960	50%
J	176,440	202,910	233,350	32%
K	198,180	227,910	250,700	27%

Market Movement and Alignment to Market

7. Table 3 shows, by grade, the movement of the MRPs from 1999 to 2000. Note that the market value at grade D was reduced to reflect overtime pay provided by the Bank Group to staff in this grade. This was necessary to render the market values comparable to Bank Group compensation because the corresponding jobs in the comparator organizations are not eligible for overtime payments. Nevertheless, as shown in Table 4, the MRP at grade D remains 2.1% above the market.

Table 3: Movement of the Market Reference Points

Movement of the Market Reference Points

Grade	1999 MRP	2000 MRP	2000 MRP Movement
A	$ 22,700	$ 24,550	8.1%
B	$ 29,000	$ 30,050	3.6%
C	$ 36,200	$ 36,500	0.8%
D	$ 44,920	$ 42,450	-5.5%
E	$ 53,690	$ 55,050	2.5%
F	$ 66,070	$ 73,450	11.2%
G	$ 91,200	$ 98,820	8.4%
H	$ 126,570	$ 137,250	8.4%

I	$	159,600	$	175,800	10.2%

Table 4: Alignment of the Market Reference Points with the Market

Alignment of Market Reference Points with the Market

Grade		2000 MKT		2000 MRP	2000 MRP Over the Market
A	$	24,550	$	24,550	0.0%
B	$	30,060	$	30,050	0.0%
C	$	36,430	$	36,500	0.2%
D	$	41,560	$	42,450	2.1%
E	$	55,048	$	55,050	0.0%
F	$	73,440	$	73,450	0.0%
G	$	98,780	$	98,820	0.0%
H	$	137,270	$	137,250	0.0%
I	$	190,660	$	175,800	-7.8%

8. Now that nearly all of the refinements in the measurement of the market have been completed, more stable market movements across the grades should be expected from year to year since the same jobs will generally be: (a) measured on a much more stable list of comparator organizations; (b) matched to the same Bank Group jobs at the same grades; and, (c) aggregated using similar staff weights. While continuous improvement will remain a key principle of the NCS to ensure continued relevance to an evolving Bank Group and external labor market, any subsequent annual data improvements will be more limited in scope and are expected to have a relatively modest impact on each year's results.

2000 Review of Staff Compensation

June 29, 2000

On June 29 the Board approved Management's proposed 6.4 percent salary adjustment for Washington-based World Bank Group staff on open-ended and term appointments, effective July 1. This completes the transition to realign staff salaries with the market, which began last year with the 1999 Review of Staff Compensation under the New Compensation System.

As in previous years, the adjustment of individual staff salaries will be determined through the merit review process--the Salary Review Increase (SRI) review--based on individual staff performance relative to peers at their grade level and position in the salary range. The SRI process will be conducted in July. Staff should expect the salary adjustments, effective July 1, based on the merit review to be reflected in the August 15, 2000 payroll.

The Board also approved the new salary structure effective July 1, 2000 in Table 1 below.

Table 1: July 1, 2000 Salary Structure

Grades New	Minimum	Market Reference	Maximum	Range Spread
A	18,880	24,550	31,920	69%
B	23,120	30,050	42,070	82%
C	28,080	36,500	51,100	82%
D	32,650	42,450	62,890	93%
E	42,350	55,050	77,070	82%
F	56,500	73,450	102,830	82%
G	76,020	98,820	138,350	82%
H	105,580	137,250	185,290	75%
I	140,640	175,800	210,960	50%
J	176,440	202,910	233,350	32%
K	198,180	227,910	250,700	27%

In addition, the Board approved continuation in FY01 of the market premium allowance to improve the Bank Group's ability to recruit and retain hot skills.

The Board also approved the continuation of the Performance Awards pilot program through December 2000 with a number of adjustments reflecting the lessons learned in the recently conducted interim evaluation. These changes will be implemented over the next few months and a new round of performance awards will be completed by the end of December 2000. The pilot program will then be thoroughly evaluated, in consultation with management and staff, including the Staff Association.

Richard Stern
Vice President
Human Resources

July 13, 2000 **4:12**

Products and Services

2000 SALARY REVIEW FOR WASHINGTON-BASED STAFF

Questions?

- Salary Structure
Zones
- Salary Re
Matrix
- Frequentl
Asked
Questions
- Summary
the 2000
Compens
Review

Update
2000 SRI Nc
On-Line

July 6, 2000

To All Staff:

2000 SALARY REVIEW FOR WASHINGTON-BASED STAFF

1. The salary increase announced on June 29 will increase average Bank Group salaries by 6.4 percent, effective July 1, 2000. This circular explains how the salary increase budget will be distributed to staff. Provisions for staff in special circumstances are described in ***Attachment I****(below)*.

2. As the first step in the distribution of the overall pay increase, managers will assign their staff to one of the 4 performance categories (i.e., categories 2 to 5) included in the 2000 Salary Review Matrix. When assigning staff to a given performance category, managers should take into account the individual staff member's performance and current remuneration compared to those of peers at the same level of responsibility. The merit review is thus an assessment of relativity of a staff salary and overall contribution when compared to peers, which is a different focus than the performance review under the Overall Performance Evaluation Process (OPE). The latter reviews a staff member's performance against person-specific expectations.

3. These performance ratings are then applied to the salary matrix attached to this note which provides a range of increases for each combination of performance category and salary zone, from 0 percent for category 2 (unsuccessful) to 12 percent for top performers in the group.

4. The Salary Review Matrix is a tool designed to help managers distribute the salary increase budget. Managers may depart from the recommended range of increases for a given performance category and salary zone, and award less than the applicable minimum increase for staff who within the last six months received: (a)a promotion increase or (b) a confirmation increase. The applicable maximum could be exceeded (but never above the extended maximum) for: (a) staff in grades that have been adjusted by 8 percent or more, or (b) staff needing significant adjustment to

properly position their salaries in the salary range. However, a salary increase must remain within the range of recommended increase percentages for the performance category.

5. Managers are required to stay within their salary increase budgets, which are based on an assumed distribution of performance and the actual distribution of salaries across the salary zones. Before finalizing the exercise managers should also review salary relativities to ensure equity between roles and levels of responsibilities.

6. A Kiosk announcement will inform staff of the date the Personal Action Forms (PAF) will be processed. Around that time, your manager will explain the basis for your salary increase and notify you of your performance category. Once the PAFs have been processed, staff will also be able to access the information on the HR kiosk. No printed PAF will be distributed.

7. All salary increases will be effective July 1, 2000, including payments for overtime worked on or after that date. For most staff, the increase should be reflected not later than the mid-August payroll, including a retroactive adjustment to July 1.

8. Salary increases will affect a number of benefits. Increases in pensionable remuneration and staff contributions to the Staff Retirement Plan will be effective July 1, 2000. Coverage under the Group Life, Travel Accident, and Optional Group Accident Insurance Plans will be increased effective July 1, 2000. Contributions for the Medical Insurance Plan (MIP), the Group Term Life and the Optional Group Accident Plans will be adjusted based on the new salary effective with the first pay period in which the staff member receives the new salary.

9. For more information, please contact your Human Resources Team.

Richard Stern
Vice President
Human Resource Services

Attachments (2)

2000 Salary Review Matrix

SALARY RANGE ZONE	PERFORMANCE CATEGORY *Low ... High*									
	2	3			4			5		
		Min	Max	Extended Max	Min	Max	Extended Max	Min	Max	Extended Max
1	0	2.0%	8.0%	11.0%	8.1%	9.5%	13.0%	9.6%	12.0%	16.0%

2	0	2.0%	6.0%	9.0%	6.1%	7.5%	11.0%	7.6%	10.0%	13.0%
3	0	2.0%	3.5%	6.0%	3.6%	5.0%	8.0%	5.1%	7.0%	10.0%

Notes:

Extended maxima should be used only

(a)for staff in grades which have been adjusted by 8 percent or more (e.g., grades A,F, G, H, and I); or

(b) in a few instances, for staff needing significant adjustment to properly position their salaries in the salary range.

Attachment 1

2000 SALARY REVIEW INCREASE (SRI) POLICIES FOR HQ STAFF

Applicability

11. These guidelines apply to Washington-based staff holding Open-Ended, Term, Regular, Fixed-Term and Part-Time appointments, and who are on the payroll as of

June 30, 2000 and July 1, 2000.

Minimum Increase

12. The Minimum Increase guaranteed to all staff other than unsuccessful staff and staff on probation is 2 percent.

Unconfirmed staff

13. Staff on probation are eligible for a salary increase under the Salary Review Matrix. Managers may award such staff any increase determined by the matrix (including no increase, in which case a rating of 2.1 should be used). (See revised Staff Rule 6.01, Paragraph 3.07.).

Staff Below the Salary Range Minimum

14. Staff members whose current salaries fall below the minimum of their new salary range will not receive an automatic adjustment to the minimum of the grade before application of the Salary Review Matrix. In such cases managers will decide on an appropriate salary increase which will position the new salary within the new salary range and not below the range minimum (see Staff Rule 6.01, paragraph 3.03).

Staff whose Salary is close to or above the Range Maximum

15. In no case shall a staff member be awarded more than the Minimum Increase to the extent that this will bring the individual's net salary above the maximum of the salary range (see Staff Rule 6.01, paragraph 3.02).

Unsuccessful Staff

16. Staff whose performance is unsuccessful should be placed in performance category 2.2. Staff placed in performance category 2.2 will have been given clear previous communication regarding their performance deficiencies through the Overall Performance Evaluation (OPE) process and through regular feedback during the year. There is no increase for unsuccessful staff (see Staff Rule 6.01, paragraph 3.02).

Staff on Reduced Work Schedule

17. Staff working part-time should be assigned merit increase amounts as if on a full-time schedule; no pro-ration of the increase amount is necessary. These base salary increments will be pro-rated by the system, by the applicable percentage of time worked, to determine the amounts to be paid through Payroll. (See Staff Rule 6.01, paragraph 3.08.)

Recently Promoted Staff

18. There are two points which should be kept in mind relative to recently promoted staff:

(a) Performance categories of staff who have been recently promoted on a competitive basis should be based on a comparison with other staff at the new (higher) level, which will generally constitute a higher standard of comparison. Although this may sometimes result in a lower performance category than if the person had not been promoted, each case should be considered on its own merits; a lower performance category should **not automatically** be assigned simply by virtue of the staff member's recent promotion.
(b) Promotions resulting from the 2000 OPE cycle will be effective July 1 but will be applied to the staff members' salary inclusive of the 2000 merit increase.

Staff Re-assigned to Lower Level Positions

19. Under certain specified circumstances, staff who have been assigned to a lower level position and who have assumed the grade of their new position may have their salary protected and administered within the range of their former (higher) grade, generally for a period of two years. Staff assigned to a lower position who retain their existing grade will have their salary administered within the range of that grade. (See Staff Rule 5.06.)

Staff on Leave Without Pay

20. Staff who are on Leave Without Pay (LWOP) for a period of 30 calendar days or more do not appear on the rosters and are not eligible for a merit increase under the Salary Review Matrix. At the time of the salary review their salary is adjusted by the Minimum Increase. (Staff Rule 6.01, paragraph 6.05)

Staff on External Service

21. Staff on External Service with or without pay do not appear on the rosters and are not eligible for salary adjustment using the ***Salary Review Matrix***. Managers are advised to contact their HR Team who will confirm what salary review increase policy applies to the particular staff in question.

Staff on Special Leave

22. Staff on special leave as of July 1, 2000 are not eligible for salary increases. (This is a standard provision of the separation agreement signed as part of the ending employment process.)

Consultants and Temporary Staff

14. Temporary staff and consultants are not eligible for salary increases under these guidelines. Their remuneration may be adjusted through a separate process specific to them. Specific guidelines for temporary staff and consultants will be distributed by

July 1, 2000.

Alphonsus J. Marcelis
05/31/2000 08:47 PM

Extn: 30856 HRSN2
Subject: Guidelines on promotions

PSI Staff,

The attached supplementary guidelines on promotions and related issues were issued by the Central HR Compensation Unit (Darius Mans) in consultation with a working group of HR Managers. It may be useful to you in navigating this year's OPE process.

Best regards,

Fons Marcelis

Promotion Guidelines OPE 2000

To: Psistaff
cc: Hrsn2 Staff

OPE 2000: What Is Different under the New Compensation System?

By now you will have received from the Staff Services Group general guidelines and related tools to launch OPE 2000. As you know, this is the first OPE exercise to be conducted under the New Compensation System (NCS) . The NCS with its wider grades and salary ranges allows for clearer distinctions between grades based on job content and knowledge/skill/competency requirements and, at the same time, provides managers greater flexibility in differentiating and rewarding performance.

To assist HR Team and client managers as they begin this year's OPE reviews under the NCS, here are some key points to keep in mind:

General

- It is important to consider institutional standards in making local decisions on individual staff performance, promotions, salary increases, etc.

- HR Teams will provide relevant data cuts to managers to aid informed, rational recommendations and decision-making. HRSCM will assist in providing data.

Promotion

- With fewer grades in the new structure, there will be fewer promotions.

- Many jobs exist at more than one level in a given job family, and staff may be promoted through non-competitive promotion (e.g. from B to C, F to G, etc.). However, there should be no expectation of automaticity or entitlement with respect to promotion. The NCS continues to be a job-based compensation system. Promotions must be based on changes in job content representative of the higher grade level **and** attainment of corresponding minimum requirements at that level as defined in relevant job profiles or other recognized job standards/criteria.

- In the old grade structure with so many grade levels, it was not as easy to define the differences between grades. However, with fewer grades in the NCS, there are greater distinctions in job content and requirements between grades, and therefore less risk of inappropriate promotion.

- Promotions should not be used to reward outstanding performers when there is no significant change in job responsibilities; rather these staff should be rewarded through SRI process, performance award program or other mechanisms. Nor should promotions be used to compensate for low movement in the salary structure, lack of a performance award, excessive hours worked to deliver work program, etc.

- Promotion decisions made prior to July 1, in conjunction with the OPE process, shall become effective July 1, 2000.

Senior Complement

- The Bank's "senior complement" includes all managerial, advisory and other technical leadership positions at grades H and above.

- Each VPU is responsible for managing the ratio of managerial/technical positions at grades H and I. Review of senior complement should occur as part of strategic planning processes with senior management and any issues resolved prior to decisions on promotion recommendations.

- In managing senior complement, guiding principles include: (i) use of senior complement should be business-driven; and (ii) senior complement should be managed in a way that is compatible with job grading and salary policies and that ensures equitable treatment of staff across units.

Promotion Increase

- The NCS introduced a variable promotion increase range of 3-12% of the market reference point (MRP) up to the maximum of the salary range. The change in policy from a flat promotion increase reflects best market practice and the recognition that the former flat 5% increase could no longer be justified given institutional objectives to better align Bank Group staff salaries with the market.

- The variable promotion increase gives managers needed flexibility, upon promotion, to properly position staff salaries in the new salary grade range and to ensure that promotion increases do not result in salary anomalies.

- Managers and HR Teams need to ensure that differences in promotion increases are rationalized across the board taking into account relative position in salary range, and that they do not unfairly discriminate on the basis of gender, nationality, etc. This implies an assessment of the staff member's contribution vis-à-vis other staff at the same (higher) grade to ensure that the new salary upon promotion is not positioned too low or high relative to others in the same grade. It is precisely for this reason that a flexible promotion increase range has been introduced. (Attachment 1 provides additional background information and tools for determining proper promotion increases.)

- Promotion increases will be calculated based on salaries as of July 1, 2000. Thus they will be processed after SRI increases have been finalized in the system; this avoids the administrative difficulties of having to recalculate SRI increases for promotions decided after July 1.

SRI Process

- Initial guidelines on the SRI will be circulated in a separate communication by the end of May.

Attachment 1

- Promotions recognize a staff member's demonstrated ability to perform/contribute at the higher grade level. Ideally the actual promotion increase should result in the equitable positioning of the staff member's salary in the new grade vis-a-vis other staff at that grade with similar skills, experience and performance, assuming that the salaries for these staff are properly positioned in the grade.

- It is assumed that a promotion decision is based on a systematic and thorough assessment of a staff member's skills and performance against those required by the job at the higher grade. **Based on the promotion assessment, the subsequent determination of an appropriate promotion increase should be fairly straight forward, requiring little additional work.**

- In the Bank's salary structure the Market Reference Point (MRP) represents the market anchor for comparable positions at a given grade. Generally, it is standard compensation practice that only the salaries of seasoned staff performing at full competency would fall within a 5 percent range around the MRP. Most newly promoted staff are not considered seasoned staff performing at full competency in the new grade. Therefore, their salaries should be positioned well below the MRP. Only staff whose prior performance and achievements are truly outstanding should, upon promotion, end up with salaries that reach or exceed the MRP in the new grade.

- It should be noted that since the Bank has realigned its salary MRPs with the market, this may result in a skewed distribution of staff within a given grade, resulting in too many staff clustered in the top third of the salary range without proper justification. In this case, use of any regression analysis would be inappropriate for determining the proper positioning of staff salaries given the risk of perpetuating the problem of overpaying staff in comparison with the market. In light of this, it is important that managers take advantage of every opportunity (e.g. entry salary setting, confirmation increase, salary review increase, as well as promotion) to properly align or realign staff salaries. If staff salaries are properly managed on a regular basis, this should eliminate the need for ad hoc salary increases except in exceptional circumstances, which is not now the case.

- In order assist managers to properly position the salaries of newly-promoted staff in the new grade range, it is recommended that managers test the position of staff salaries, calculated as a percentage of the MRP, in both the old and new grades, as shown in the examples provided below.

	Current Grade	Promotion Grade	Current Salary	Promotion Increase	Adjusted Salary	Salary as a percentage of MR
EXAMPLE 1						
Current	H	I	120,000			5 percent below grade H MRP
with 3 percent increase				4,788	124,788	Below Grade I Minimum
with 12 percent increase				19,152	139,152	13 percent below grade I MRP

The 3 percent increase is definitively too low, since the staff salary whould fall below the grade minimum
The minimun promotion increase should be $7,700 (4.8 percent of grade I MRP) which would position this staff salary at the minimum of the grade, however management can select any percentage figure within a 4.8 percent and 12 percent range.

	Current Grade	Promotion Grade	Current Salary	Promotion Increase	Adjusted Salary	Salary as a percentage of MR
EXAMPLE 2						
Current	C	D	45,000			24 percent above grade C MRP
with 3 percent increase				1,348	46,348	3 percent above grade D MRP
with 12 percent increase				5,390	50,390	12 percent above grade D MRP

This staff member should not receive an increase higher than 3 percent which will position the salary 3 percent above the grade MRP, which is already very high.

	Current Grade	Promotion Grade	Current Salary	Promotion Increase	Adjusted Salary	Salary as a percentage of MR
EXAMPLE 3						
Current	F	G	58,000			14 percent below grade F MRP
with 3 percent increase				2,736	60,736	Below grade G Minimum
with a 12 percent increase				10,944	68,944	Below grade G Minimum

A 12 percent increase will not bring this staff salary at the minimum of the grade. The promotion increase will be $12,150, (13.3 percent of grade G MRP).

Alphonsus J. Marcelis
02/02/2000 10:29 AM

Extn: 30856 HRSN2
Subject: Meetings for PSAS ACS staff

RSVP to Christine Aquino

MEETINGS FOR ACS STAFF

You are invited to participate in meetings, **specifically** organized to give **ACS staff** an opportunity to share their questions, concerns and ideas about the integration of PSAS, and what this means for ACS staff.

A number of you asked, to have such a meeting *soon.*

Therefore, a first meeting, open to all PSAS ACS staff will be held this Thursday, 2PM, in Q4-081.

Ann Rennie, Anne Sahl and I will be present to hear your reactions and questions, and to react as much as is possible at this point in time. One of the outcomes of this meeting may also be questions and proposals you want to go to Michael Klein. This could also be in the form of items, to be followed up on in a second meeting (see next item).

A second meeting, as part of the working groups, organized between February 9-16, will be organized on February 10, 9:30, in I-9-042. Other than for other working groups, the number of participants will not be limited, and so this meeting will also be open to any ACS staff member, who wants to participate.

As with the other working groups, at the end of this meeting, participants can present the outcome of their discussion directly to **Michael** and discuss with him.

Please let us know, in which meeting you want to participate. RSVP by cob tomorrow (Wednesday) to Christine Aquino.

(PS: as you know, you are also welcome to sign up for one of the other working groups, an invitation to which was sent out earlier today).

best,

Fons

To: Psas-Acs
cc: Michael U. Klein
Ann E. Rennie-Hrs
Anne Sahl/Hq/Ifc@Ifc
Neil D. Roger

Alphonsus J. Marcelis
02/01/2000 10:29 AM

Extn: 30856 HRSN2
Subject: Info session on early retirement, MAS, redundancies etc.

RSVP

At the request of a number of staff in PSD, an information meeting will take place on Wednesday morning, February 2, 2000, 10:30, in the Q building - Q4-081.

Topics requested include information on early retirement, mutually agreed separations etc.
Ann Rennie, HR Manager for FPSI and Mr. Lee Grassley, who is responsible for information about and for dealing with Mutually Agreed Separations and redundancy-situations will present you with information about these topics.

Let me emphasize, that the purpose of this meeting is **only to give information** to staff, who want to be more knowledgeable about these types of arrangements in the WBG, in answer to interest from staff regarding these topics.
No one can manage your career better than yourself, but in order to do so, you need to have relevant information!

This session is open for any PSD staff who are interested - if you are interested, but cannot make it on this day, let us know, and if there is enough interest, we can always organize a second session. We realize, that this is short notice, but on the other hand, we wanted to respond to the interest expressed by staff.

Please let us know whether you would like to attend this session, so we can prepare the right number of handouts.

To: Psd-Hl
Psdsl

CRS / IFC
FIAS /

Jocelyn Tan Dytang 07/11/2000 02:11 PM

Extn: 37161 PSADR
Subject: SAP Approvers for FIAS staff

With the changes of FIAS acronym to PSAFI and PSAFB effective FY01, the SAP approvers of FIAS staff have been mixed up in the system. Attached is the document containing names of PSAFI/PSAFB staff members and their "correct" approvers in SAP. Your assistance in sorting out the "approver" problem in SAP will be very much appreciated.

SAP Approvers.doc

Feel free to get in touch with me or Nora should you have any questions with the list. Please let us know when you finish with the update.

Thanks for your assistance.

* *

Jocelyn Dytang
Office of the Director
Private Sector Advisory Services
Room I9-039
Tel: (202) 473-7161; Fax: (202) 522-3181
Email: jdytang@worldbank.org

To: Sylvia Zulu/Hq/Ifc@Ifc
cc: Larry F. Smucker
Joseph Battat/Hq/Ifc@Ifc
Neil D. Roger
Maria Pilar Z. Bowyer
Danilo Y. Anzures/Hq/Ifc@Ifc
Stella G. Franco
Nora Mangalindan/Hq/Ifc@Ifc
Caroline S. Levenson
Boris Velic/Hq/Ifc@Ifc

The SAP transactions of the following staff members should go to **Joseph Battat** for approval:

IFC Staff

Gokhan Akinci
Teresa Andaya
Kelly Johnson
Nora Mangalindan
Barbara Mayers
Jacques Morisset
Andrew Proctor
Margo Thomas
Mary Redpath
Frank Sader

IBRD Staff

Carl Aaron
Geeta Batra
Nessa Busjeet
Zai Thangi Fanai
Monte Feghali
Jacqueline Coolidge
Loretta Matthews
Benjamin Rowland
Xiaofang Shen
Andrew Stone

In addition, SAP transactions concerning consultants should also go to **Joseph Battat** for approval.

Staff Member		Approver
Joseph Battat		Michael Klein
Danilo Anzures	-	Neil Roger
Madan Gera	-	Boris Velic
Boris Velic	-	Michael Klein

F/IAS

Staffing and Budget by Expense Category FY1999-2003*

	Actual	Budget	Projection	
	FY99	FY2000	FY2000	FY2001
AUTHORIZED POSITIONS				
1. HIGHER LEVEL	19	20	18.0	18
2. SUPPORT	9	8	8.0	8
STAFFYEARS				
1. HIGHER LEVEL	15.2	18.0	14.6	21.0
2. SUPPORT	8.3	8.0	7.3	9.0
3. CONSULTANT - Short Term	1.5	1.0	1.0	-
4. CONSULTANT - Long Term	1.0	1.0	1.0	-
DISCRETIONARY COSTS				
SALARIES	1,762.9	2,038.2	1,696.1	2,312.4
TEMPORARY	132.6	131.4	120.0	126.4
OVERTIME	3.1	29.5	27.4	33.4
TRAVEL - STAFF	656.8	730.6	555.8	833.5
TRAVEL - CONSULTANT /c	788.0	679.3	619.9	737.0
REPRESENTATION	9.4	19.8	15.8	24.1
HOSPITALITY	0.4	1.1	0.9	1.3
CONSULTANT FEES /c	1,366.7	1,458.5	1,339.8	1,574.0
CONTRACTUAL SERVICES	118.9	172.1	172.3	177.5
COMMUNICATIONS	39.3	78.4	65.0	94.9
INTERNAL COMPUTING COSTS	12.8	39.6	39.6	40.8
LANGUAGE AND PRESENTATION SERVICES	28.9	67.2	52.9	82.2
STAFF TRAINING	19.6	38.7	39.2	40.4
GROUP TRAINING FOR CLIENTS	43.3	60.5	60.9	62.8
MISCELLANEOUS	(315.3)	6.2	6.8	7.0
SUB-TOTAL	4,667.4	5,551.1	4,812.2	6,147.6
OTHER COSTS				
OFFICE OCCUPANCY	353.2	346.7	348.8	359.2
OFFICE MACHINES/SOFTWARE	5.5	57.4	57.4	59.2
SUPPLIES AND OTHER	9.3	7.0	7.4	7.6
DEPRECIATION CHARGES	-	5.7	5.7	5.8
TOTAL DISCRETIONARY & OTHER COSTS	5,035.4	5,967.9	5,231.4	6,579.4
BENEFITS /a	844.8	1,631.8	892.2	1,201.7
OVERHEADS /b	162.5	288.9	475.4	659.3
TOTAL (INCL. BEN. & OVERHEADS)	6,042.7	7,888.6	6,599.0	8,440.4
SERVICE & SUPPORT FEE	145.6	342.0	268.9	418.3
PERSONNEL SUPPORT	-	-	-	-
SUPERVISION COSTS	-	-	-	-
TRUST FUND ADMINISTRATION FEE	60.2	63.9 /d	63.9	65.8
REIMBURSEMENTS (Clients & USAIDTF)	-			
TOTAL PROGRAM COSTS **	6,248.6	8,294.5	6,931.8	8,924.5

* Inflation is assumed at 3% per year.
/a Benefits are assumed at 50% of salaries.
/b Overhead charges are assumed at 30% of salaries.
/c Including estimates directly to be paid by clients or donors.
/d Estimated.

** Totals may not add due to rounding.

02/29/2000

SOURCES AND USES OF FUNDS
(Current $'000)

	FY99	Projected FY2000	Projected FY2001
Total Uses of Funds	**6,249**	**6,932**	**8,924**
Sources of Funds			
A. Contributions of Bank Group			
IFC	1,794	1,848	1,903
IBRD	898	925	953
Subtotal	2,692	2,773	2,856
B. Reimbursements from Clients /a	1,485	1,525	2,142
C. Cross Support			
D. Direct Donor Support			1,000
UNDP	160	195	
Bilateral			
- USAID			
- CIDA			
- Switzerland	60	440	
- Australia/New Zealand Trust Fund	339	83	
Subtotal	559	718	1,000
Net drawn from the Trust Fund	1,513	1,916	2,926
Total Sources of Funds	**6,249**	**6,932**	**8,924**

FIAS TRUST FUND ANALYSIS

	FY99	FY2000	FY2001
Trust Fund Beginning Balance	6,331	6,132	5,329
Less: Operating Expenses	(1,513)	(1,916)	(2,926)
Plus: Interest Earned (excl. TF Admin. costs)	401	184 /b	160
Plus: Interest Earned by FIAS/APRO TF (US$ est)	4	4	
Plus: Contributions to the Trust Fund	909	926	1,550
Trust Fund Ending Balance	**6,132**	**5,329**	**4,113**

/a As a percentage of FIAS Program Expenses: FY2000, 22%; FY2001, 24%; and FY2002-2003, 25%.

/b Interest income estimated at 3% of beginning balance.

Note: Totals may not add due to rounding.

02/29/2000

Contributions to the FIAS Trust Fund
(Current $'000)

	FY99	FY2000		Projected FY2001
Canada		400	r*	200
Belgium				
Denmark				
Finland				
France				
Ireland		50	r	50
Italy	130			
Japan				
Luxembourg				
Netherlands	266	244	a	
Norway	144			
Portugal				
Spain		100	a	
Sweden	237			
Switzerland				
United Kingdom	132	132	a	
Additional expected				1,300
TOTAL	909	926		1,550

a Agreed

r Received

p Projection

* US$ equivalent estimated

DATA AS OF: 02/03/2000

IFC

From the desk of John Leber

June 8, 2000

FY01 Budgeting Issues for CFS

- Time Recording - IFC has decided to continue using the BMS system for time recording in FY01 (see attached memo from C. Grossman). A new Lotus Notes based TRS will be developed for IFC staff during the first half of FY01. This presents a problem in managing resources for PSAS since WB staff and IFC staff will not be using the same time recording system for most of FY01 (plus the BMS system is not compatible or connected with SAP). In addition, staff have been generally unwilling to make time recording a priority.

- Frontier Markets Fund - IFC has allocated $2.0 million for the fund in FY01 for use over the next three fiscal years. Therefore, the department must rely on contributions from donors and fee income to augment the IFC contribution if the fund is going to survive for three years without additional IFC support. It is estimated that $2.0 million will be used in FY01 to cover the costs of consultants and staff travel for "frontier" transactions.

- Dividing the budget for CFS between the two "transaction groups" - A single cost center should be used for both of the transaction groups in FY01. Unless staff from CFS are strictly divided between the two groups, it will be difficult to manage them as separate budgets, since most of the costs are staff related. This becomes more complicated when CFS staff from the two transaction groups work on the same project. I do not imagine we would want to spend time splitting costs from one project between two groups with the same overall funding source.

CFS - FY01 Sources and Uses of Funds

Uses		*Sources*			
Cost Item	Amount (US$)	FY01 Administrative Budget[1]	FY01 Frontier Market Fund[4]	Reimbursable Budgets[5]	Total Sources
Total Uses	**9,601,708**	**6,899,000**	**4,000,000**	**1,000,000**	**11,899,000**
Staff Salaries	2,921,805	(2,921,805)	-	-	(2,921,805)
Staff Benefits *(50% of salaries)*	1,460,903	(1,460,903)	-	-	(1,460,903)
Other Staff Costs	105,000	(105,000)	-	-	(105,000)
Temporaries	35,000	(35,000)	-	-	(35,000)
Field Benefits	40,000	(40,000)	-	-	(40,000)
Other staff costs	30,000	(30,000)	-	-	(30,000)
Outside Consultants	2,000,000	(65,000)	(1,710,000)	(225,000)	(2,000,000)
Travel	2,000,000	(1,000,000)	(400,000)	(600,000)	(2,000,000)
Other Operational Expenses[2]	121,000	(121,000)	-	-	(121,000)
Representation & Hospitality	15,000	(15,000)	-	-	(15,000)
Contractual Services	100,000	(100,000)	-	-	(100,000)
Translation	6,000	(6,000)	-	-	(6,000)
Overheads[2]	993,000	(993,000)	-	-	(993,000)
Equipment	70,000	(70,000)	-	-	(70,000)
Communications	160,000	(160,000)	-	-	(160,000)
Office Occupancy	484,000	(484,000)	-	-	(484,000)
Field Assigment Costs	50,000	(50,000)	-	-	(50,000)
Training	100,000	(100,000)	-	-	(100,000)
Supplies	20,000	(20,000)	-	-	(20,000)
Contract Printing	15,000	(15,000)	-	-	(15,000)
Courier	11,000	(11,000)	-	-	(11,000)
P-Card	25,000	(25,000)	-	-	(25,000)
Books and Periodicals	8,000	(8,000)	-	-	(8,000)
Misc.[3]	50,000	(50,000)	-	-	(50,000)
Totals	**9,601,708**	**(6,666,708)**	**(2,110,000)**	**(825,000)**	**(9,601,708)**
	Balance	**$ 232,292**	**$ 1,890,000**	**$ 175,000**	**$2,297,292**

Notes:

1) These amounts are estimates until approved by IFC's Board.

2) Estimated expenditures for these line items are based on spending levels experienced during FY99 and FY00.

3) Misc. expenses include: library, books & periodicals, photocopier services, and WBG chargebacks.

4) Contribution from IFC is $2.0 million for FY01. Future contributions to the fund from IFC will be made if the need arises. Donor funds and fee income can be used to top the fund up to $4.0 million. The fund is on a revolving basis for 3yrs.

5) Reimbursable budgets are approved by CCBBP for specific projects only. Use of reimbursable budgets must comply with IFC's reimbursable policy.

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

OFFICE MEMORANDUM

DATE: May 26, 2000

TO: See Distribution

FROM: Christian Grossmann, (through Ms. Farida Khambata)

EXTENSION: 80775 & 38790

SUBJECT: **New Approach to Time Recording**

1. As you will remember from our recent Quarterly Review Meeting the entire Management Group and the Directors agreed that IFC needs to implement a new and better approach to time recording. In order to improve the management of our scarce resources we need a better system to monitor their use. A usable time recording system, properly implemented, will allow us to improve our cost accounting system. This will in turn, allow the Directors and the Management Group to better judge the full costs of our different endeavors. It is only on this basis that we can measure and demonstrate our efficiency and make fully informed choices. A time recording system will also provide crucial support to the cross-departmental efforts that are becoming more and more common in IFC.

2. The main challenge to the success of this initiative is the need to implement a cultural change both at the level of staff and of management:

   - Staff has to record time
   - Management has to demonstrate commitment and to use the generated data for decision-making

3. We need and would appreciate your support and efforts to make complete, timely, efficient and proper time recording a priority in FY2001 within your Department, and to enhance our combined ability to manage IFC's resources.

4. Our objective is to start the new approach to time recording at the beginning of the next fiscal year for all investment departments, as well as for Legal, T&E, SOU, and Syndications. The other specialist departments will follow later. The implementation will be based on the following principles:

   - Time recording process should be reflective of IFC's business and product structures
   - Procedures and methodologies for time-recording will be coordinated by the Controllers' and Budgeting Department with the responsibility for implementation at the departmental level
   - Individual time-recordings will be analyzed both at the departmental and corporate level and will be used for staff allocation (i.e. MBA pool, Capital Markets experts, etc.) and staff evaluation.
   - Transaction-leaders will be held accountable for time/cost incurred on their projects
   - Non-allocated (non-recorded) time will be counted as departmental overhead.
   - Implementation should be as efficient and painless as possible.

I 9-001

5. We plan to start the new approach to time recording on July 1 in order to capture data for the full coming fiscal year and thus have better data for the FY02 planning and budgeting cycle to achieve this goal, we will continue to use the Time-Recording-component in BMS, until a new Lotus Notes based Time Recording System (TRS) can be developed during the first half of FY01. The new TRS will provide remote access capabilities, include additional functionalities and will be compatible with the TRS used in the GPGs for IBRD staff.

Appointment of Time Coordinators in Each Department

6. For the success of the New TRS Approach, it will be crucial to ensure effective data maintenance at the departmental level. We therefore ask you to appoint a Time Coordinator for your department. The responsibilities of the time coordinator will include:

- Liaison with TRS oversight function in CCB
- Contact person for all time recording coordination within the Department
- Manages the capture of all non-direct time entry activities (i.e., via fax or email)
- Prints and distributes time compliance/performance reports for the Department
- Ensures that TRS data is up-to-date (project/activity codes, team-leaders etc.)
- Responsible for re-allocation of, and ex-post adjustment of a period's time (requested by Project Managers)

7. The Time Coordinator should be in close contact (preferably identical) with the staff responsible for BMS pipeline input and departmental budgeting. **I would appreciate, if you could communicate the names of your departmental Time Coordinator to me by June 2, 2000**.

Next steps

8. After the nomination of the departmental Time Coordinators, Controllers will work with them and you to coordinate the following tasks:

- Streamlining and renaming of activity codes
- Developing project IDs of non-investment projects
- Agree on differentiation between general and specific promotion
- TRS work sessions with TRS coordinators
- Brown Bag information sessions for staff
- Development of a TRS-Handbook

9. We need and appreciate your support and efforts to successfully implement a complete and meaningful time recording as the basis for a better management of IFC's resources. If you have any questions, please feel free to call me.

Distribution:

Messrs./Mmes.: Woicke, Berry, Jabre, Lee,
Celaya, Calari, Haddad, Hamid, Nassim, Pasquier, Voltaire, Zamani
Cracco, Bond, Duff, Kaldany, Khalil, Mante, Morgenstern, Rosen, Talvadkar,
Babin, de Poerck, Koskelo, Lazarus, Raczynski, Sullivan

L. Director's Office TRSMemo.doc
05.26.00 3:56 PM

→ = Y – John, could you inform Christian that you are the Time Coordinator for CFS. Thanks.

IFC Lender of last resort — only lends up to 25% of project
— find investment partners — if viable & impact of eco. outlook of country
— answer poverty issue

Projects go up to Tier 3 depending on issues involved like environment, social

TIER I PROJECTS[1]

INTERNAL PROCESSES

EXTERNAL PROCESSES

need an investment review

Project Identification

Review of Proposal → Request for Project Team

- Portfolio Assistant creates item in Business Management System (BMS)
- obtains Project ID Number

→ IO drafts Project Data Sheet-Early Review (PDS-ER) and circulates to Project Team for comments (2-day comment period)

Early Review and Corporate Investment Committee (CIC)

→ Consult with Division Manager and Credit Officer

- Category C projects: Environmental & Social Information Memo/ Environmental & Social Clearance Memo (ESIM/ESCM) prepared by Environment Division

→ PDS-ER forwarded to Director (2-day approval)

→ Circulated to CIC for info

External: • Mandate Letter executed with Client

→ Investment Officer (IO) prepares New Item Page

- Listed as New Item in Monthly Operations Report (MOR)
- Update BMS
- Category B +FI projects: ESIM prepared by Environment Division

Project Appraisal

→ Appraisal Team obtains Project Team input prior to appraisal

External: Conduct Field Appraisal

1/
- Total IFC exposure for its own account of no more than US$5 million on this transaction; and
- IFC quasi-equity/equity exposure of no more than US$2 million on this transaction; and
- Total IFC exposure on this transaction, combined with existing IFC exposure to the client, would not bump the project into a new Tier (i.e. from Tier I to II or Tier II to III); and
- not environmental Category A; and

TIER I PROJECTS

INTERNAL PROCESSES

EXTERNAL PROCESSES

Commitment

IO prepares PDS-Commitment

- Approved by ID Director and PM/CO (if 6 months passed since approval, send to CIOVP for approval)

IO forwards approved PDS-Commitment to Lawyer

- Agreements signed

PDS-Commitment and documents sent by Lawyer to Financial Operations

- Copy of PDS-Commitment circulated to Project Team
- Update BMS

Disbursement

IO prepares PDS-Disbursement and circulates to Project Team

IO obtains approval for any material waiver of Conditions of Disbursements

- Lawyer/Chief Counsel and Dept. PM/CO clears first disbursement
- Other disbursements cleared by PM/CO and others as necessary for waivers
- Disbursements approved by ID Director
- Category B projects: Environment Division determines need for updated ERS

PDS-Disbursement forwarded to Financial Operations

- Hard copy of PDS Disbursement and original request for disbursement sent to Financial Operations
- Hard copy of PDS-Disbursement sent to B Loan Management Unit, if quasi-equity or equity exist

Special operations Unit tries to save problem projects or companies

Corporate Finance Services

Presentation to PSAS ACS Staff

June 15, 2000

CFS Presentation to PSAS - ACS Staff
June 15, 2000

- *Introduction to IFC's Corporate Finance Services (CFS)*
- *Examples of IFC's Privatization Advisory Services*
- *CFS Fees and Funding*
- *CFS Project Cycle -- Transaction*
- *CFS Project Cycle -- Administrative*

Corporate Finance Services (CFS)

- Provides stand-alone, fee-based advisory services to Governments
- Assists in structuring and implementing privatizations and concessions
- Experience in infrastructure sectors -- this has a greater development impact
- Currently has 12 active and 3 in-process mandates in various countries, in industries such as power, water, telecommunications, and airlines

Corporate Finance Services (CFS)

- Autonomy allows it to react quickly to client needs. A sizeable portion of their time is spent at the client's location.
- IFC policy precludes participation in competitive bidding for advisory assignments.
- Core team is supported by external consultants (legal, technical, accounting) from private sector.
- World Bank expertise used for framework development (regulatory, legal, etc.)

Examples of IFC's Privatization Advisory Services

- *Lima electricity - Electrolima (1994/95)*
- *Kenya Airways (1995)*
- *Manila water and sanitation sys. - MWSS (Aug/1997)*
- *Gabon water and electricity - SEEG (1997)*
- *Panama electricity generation and distribution - IRHE (Oct/98)*
- *Ceará electricity distribution (Aug 1998)*
- *Bucharest water/sanitation - RGAB (March 2000)*
- *Uganda telecom - UTL (June 2000)*

Examples of IFC's Privatization Advisory Services (In Progress)

- Mauritania telecom - Mauritel
- Lagos Water/Sanitation
- Nigeria Airways
- Cameroon electricity - SONEL
- South Africa National Parks
- Air Botswana

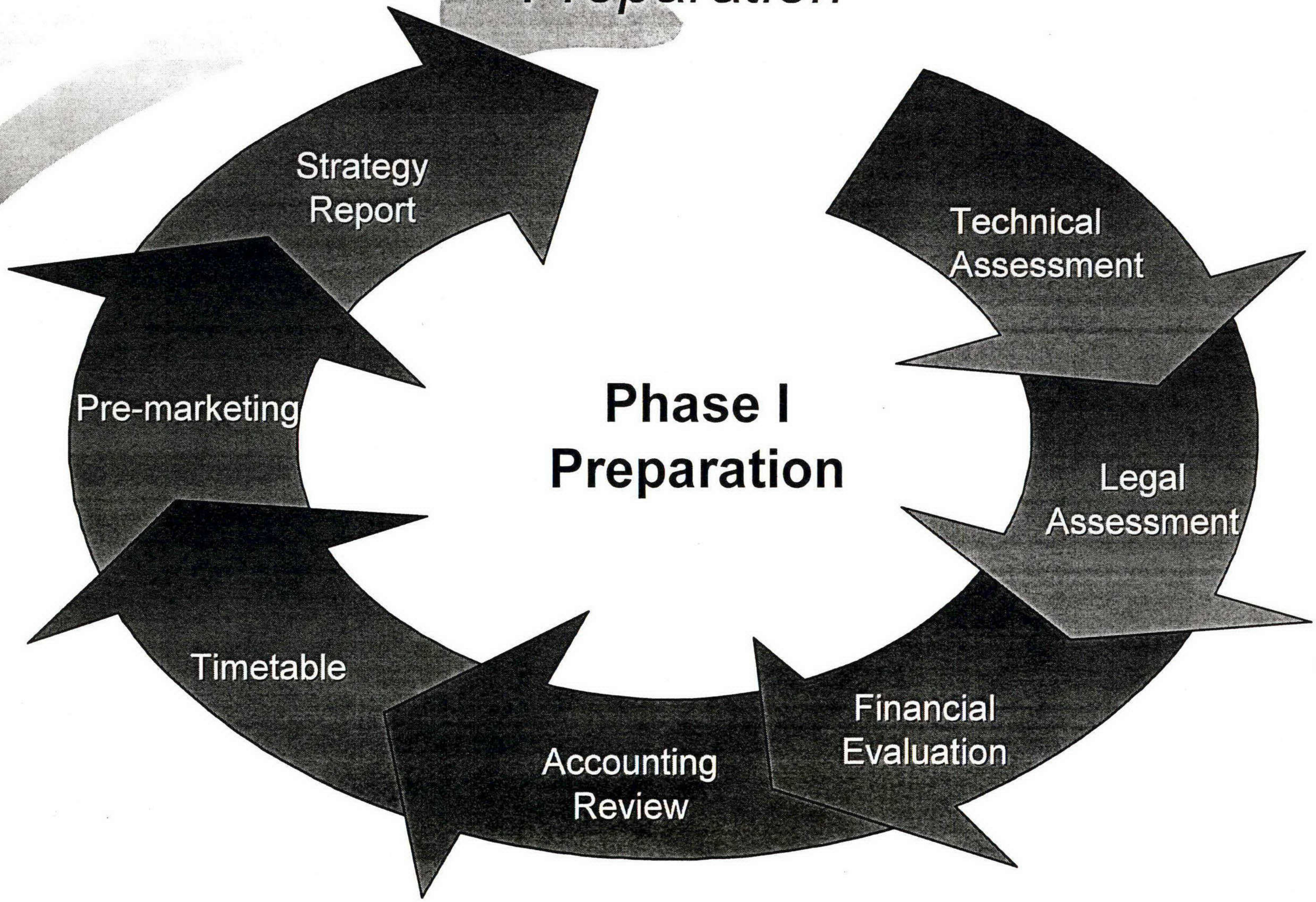
CFS Fees and Funding

- Advisory services are provided on fee basis
- Fee structure is flexible but is usually:

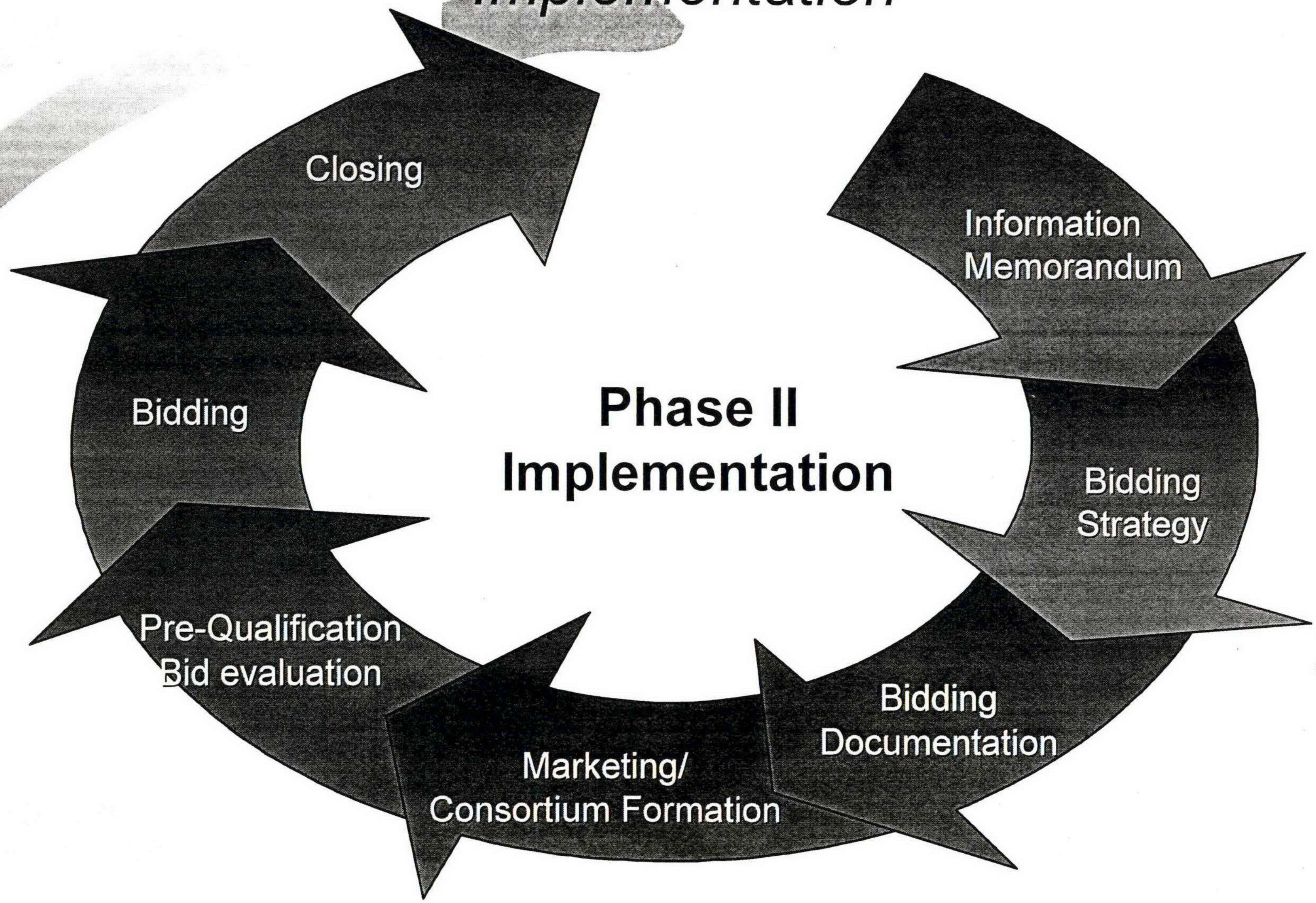
Retainer Fee + Success Fee

- Retainer fee is paid by the government
- Success Fee is paid by the Winning Bidder upon successful transaction
- Trust Funds may fund some consultant costs

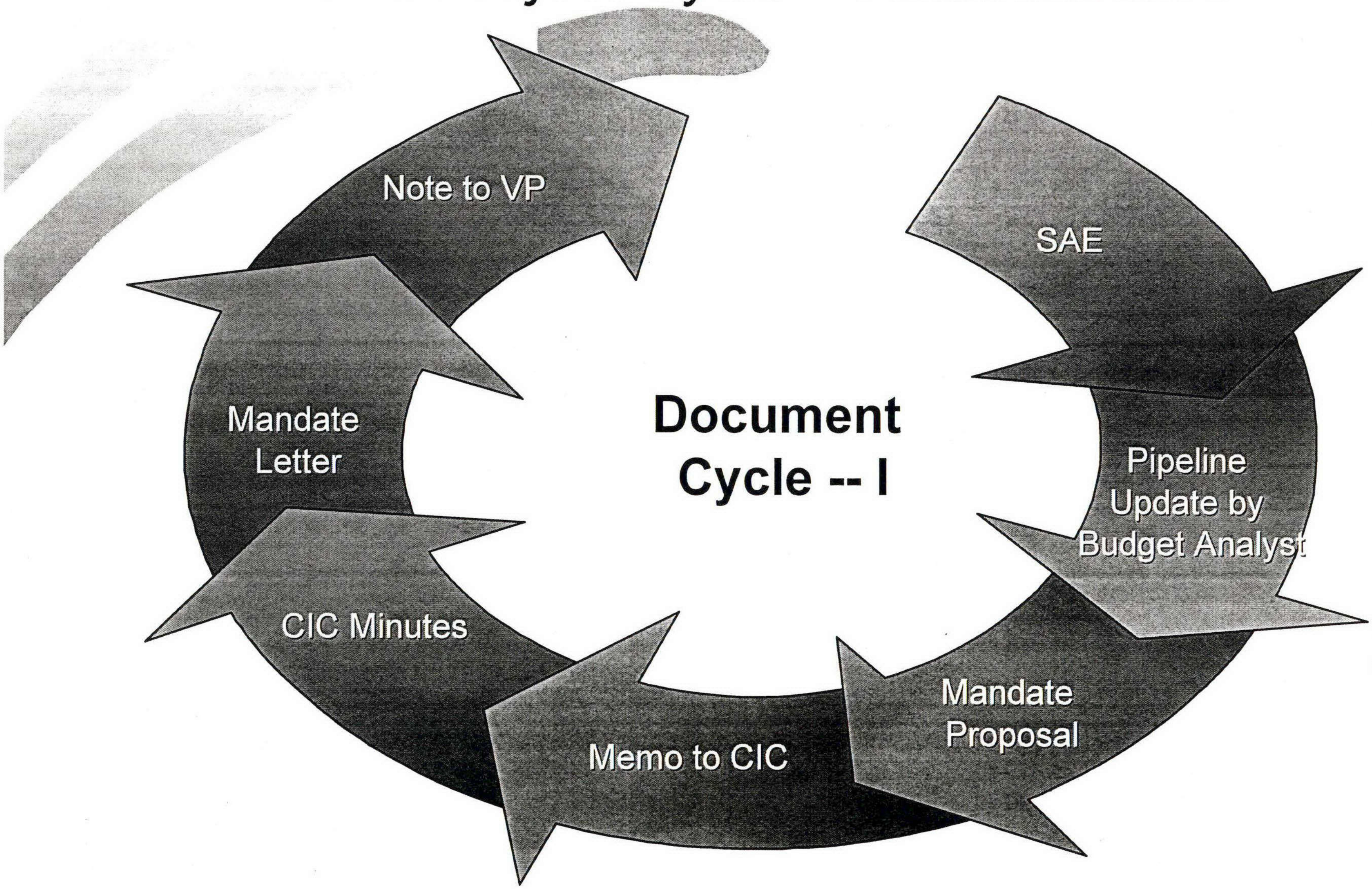
CFS Project Cycle - Transaction: Preparation



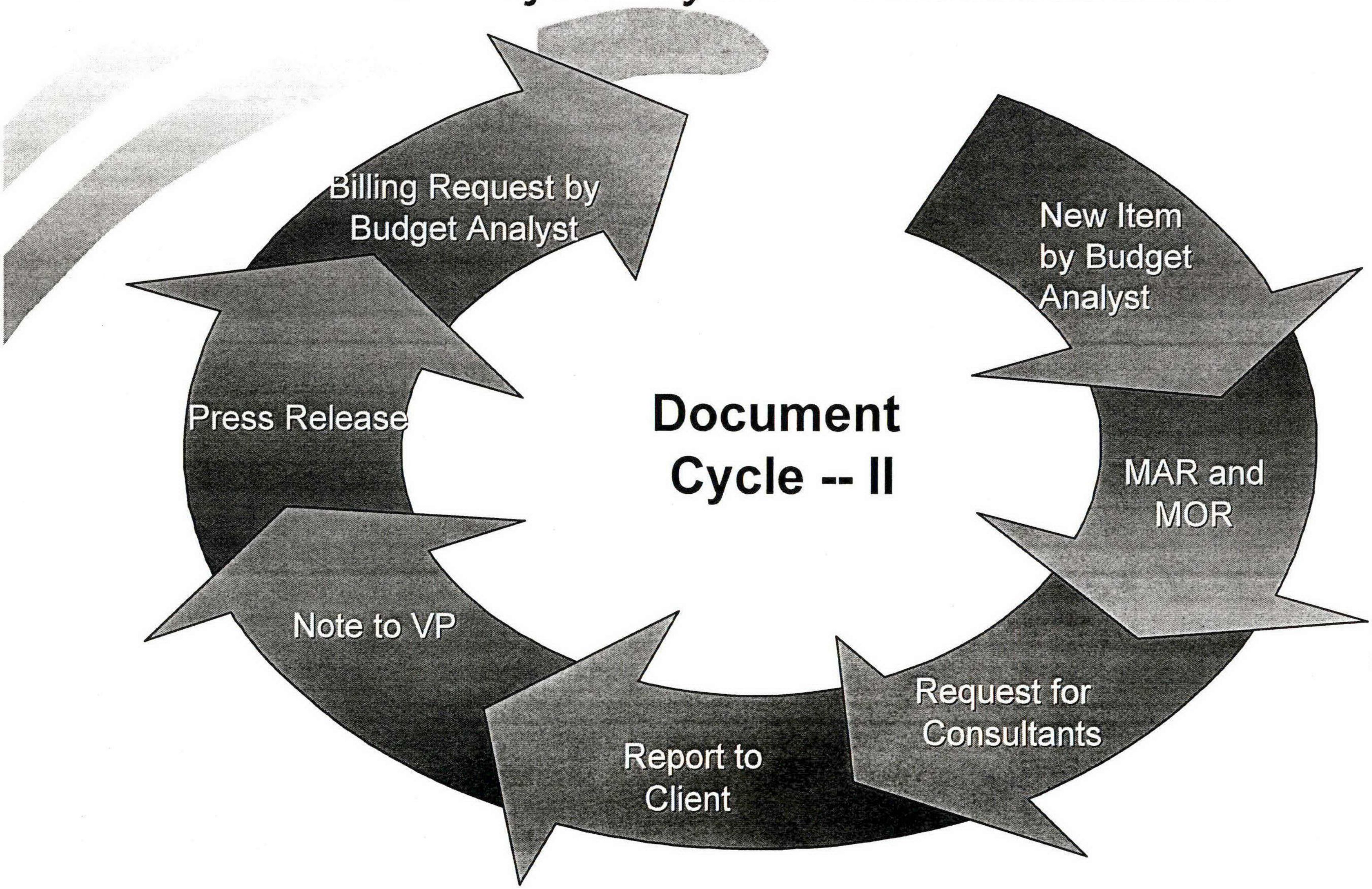
CFS Project Cycle - Transaction: Implementation



CFS Project Cycle -- Administrative



CFS Project Cycle -- Administrative



CFS PROJECT CYCLE – ADMINISTRATIVE

Applies to all mandates, with different procedures for mandates with fixed fees:
1. below $250,000; 2. between $250,000 and $500,000; and 3. above $500,000

Document	Prepared by	Cleared by	Comments
Summary of Advisory Engagement (SAE)	IO	1. Manager (sign)	To be written as soon as a mandate request is deemed serious. Standard distribution.
Advisory Engagement Pipeline Update	Budget Analyst	1. IO 2. Manager (sign) 3. Director (sign)	Bi-weekly update of critical dates and status of mandate.
Mandate Proposal	IO	1. Manager 2. Legal (*) 3. Tec. Dept. (*) 4. Inv. Dept. (*) 5. Director 6. Manager (sign) ---------------- * at Manager's discretion	To be prepared after discussion with Dept. management of scope of work and fee structure. Library of Mandate Proposals available for reference in Dept. Distribute to Dept. management, Budget Analyst, Division Files.

1. Mandates with Fixed Fees below $250,000

Mandates with fixed fees below $250,000 are approved by the Director before the contract is signed, and are presented to Senior Management for information*. They are reported to the Board (New Item).

*Lately, CFS has been presenting every mandate to the CIC, regardless of the fee amount, to give the Dept. more exposure to Sr. Mgmt.

Memo to CIC (Corporate Investment Committee)	IO	1. Manager 2. Director (sign)	Covers scope of mandate, description of client, issues and fee structure. Attachment includes costs-fees-funding table. Distribute to EVP, VPs, and Directors concerned.

2. Mandates with Fixed Fees between $250,000 and $500,000

Mandates with fixed fees between $250,000 and $500,000 are submitted to the Vice-President for approval before the contract is signed, and are presented to Senior Management for information. They are reported to the Board (New Item).

Memo to CIC	IO	1. Manager 2. Director (sign)	Covers scope of mandate, description of client, issues and fee structure. Attachment includes costs/fees-funding table Distribute to EVP, VPs and Directors concerned.

The Vice-President would normally approve the proposal within 5 days, but could request a meeting of the Corporate Investment Committee (see 3 below).

Document	Prepared by	Cleared by	Comments

3. Mandates with Fixed Fees above $500,000

Mandates with fixed fees above $500,000 are submitted to the Corporate Investment Committee for approval before a contract is signed. They are reported to the Board (New Item).

Memo to CIC	IO	1. Manager 2. Legal (*) 3. Tec. Dept (*) 4. Inv. Dept. (*) 5. Director (sign) ----------------- * at Manager's discretion	Covers scope of mandate, description of client, and focuses on issues. Includes New Item and budget/fee-funding structure. Standard distribution.

CIC meeting includes decision on whether and under what conditions to proceed with the advisory assignment.

CIC Minutes	Secretary	1. Manager 2. Director	Copies to Mandate team and Division Files.
Mandate Letter	IO	1. Manager 2. Legal (*) 3. Director 4. Manager (sign) ---------------- * at Manager's discretion	To be finalized after discussions with Dept. management of terms negotiated and of revised budget-fee-funding structure. Library of Mandate Letters available for reference. Distribute to Dept. management, Budget Analyst, Division Files.
Note to VP	IO	1. Manager 2. Director (sign)	To be sent as soon as Mandate Letter is signed. Present revised conditions of mandate and status of work.
New Item	Budget Analyst	1. IO 2. Manager 3. Director	Concise summary of advisory assignment to be included in IFC Monthly Operations Report.
Monthly Activity Report (MAR)	IO	1. Budget Analyst 2. Manager 3. Director	Information link on CFS activities to rest of IFC. Updates status of promotion and mandate work. Should be consistent with IFC Monthly Operations Report. Standard Distribution.
IFC Monthly Operations Report (MOR)	Budget Analyst	1. Manager 2. Director	Information link on CFS activities to the Board. Updates status of mandate work.
Request for Consultants	IO	1. Budget Analyst 2. Manager (sign) 3. Tech. Dept. (*) 4. Personnel (*) --------------- * at Manager's discretion	Scope and conditions of consultants employment depend on Mandate Letter. Use of Department budget or of Reimbursable Costs budget to be clearly stated. Technical Department or Personnel to process and prepare Letter of Employment.

Document	Prepared by	Cleared by	Comments
Report to Client	IO	1. Manager 2. Director 3. VP (*) 4. Manager (sign) ---------------- *at Director's discretion	Report content and format depend on Mandate Letter. Review by management should allow at least one full day. Advise Budget Analyst for billing purposes.
Note to VP	IO	1. Manager 2. Director (sign)	To be sent as soon as transaction is closed. Presents principals of the transaction, final agreements reached and special features, transaction amount and related fees for CFS.
Press Release	Corporate Relations	1. IO 2. Manager	To be prepared as soon as transaction is closed. Presents client and new partner, role played by IFC as advisor, unusual features in the deal, and describes IFC's presence in the country.
Billing Request	Budget Analyst	1. IO 2. Manager (sign) 3. Accounting	Conditions of billing to follow terms of Mandate Letter. Allocation of fees to Reimbursable Costs category to be clearly stated. Accounting to process and prepare Invoice. Department to transmit Invoice to client.

PPIAF INFO

PPIAF
08/21/2000 12:01 PM

Subject: Public Private Infrastructure Advisory Facility (PPIAF) -- Call for Proposals (Deadline: September 29, 2000)

****We apologize if you receive this message more than once****

Dear Colleagues:

I wish to invite applications for the **Public-Private Infrastructure Advisory Facility (PPIAF)**, a multi-donor facility to help eliminate poverty and achieve sustainable development through private involvement in infrastructure. The next quarterly deadline to submit applications is **September 29, 2000** (for small proposals of $75,000 and less, applications can be considered on a rolling basis). Please consult the PPIAF website (www.ppiaf.org) for further information, including:

- Threshold Eligibility Requirements
- Activities Eligible for PPIAF Support
- Application and Evaluation Process
- Obtaining and Submitting Application Forms (an application form and guidelines are attached to this email)

For World Bank Group staff, special guidelines in applying for PPIAF assistance can be found by **clicking here** or by copying the following URL: http://wbln0023.worldbank.org/Networks/FPSI/fpsidocs.nsf/D4856F112E805DF4852566C9007C27A6/83D204F210643B2985256846006D5A52.

PPIAF was established in July 1999 as a resource to assist developing country governments improve the quality of their infrastructure through private sector involvement. Since it became operational, PPIAF has received about 170 applications covering a diverse range of activities in all regions and numerous infrastructure sectors. Applications have come from developing country officials, international financial institutions, bilateral and multilateral donors, and other groups (e.g., NGOs, academia).

The main features of PPIAF include the following:

- PPIAF can fund technical assistance to governments on a variety of issues related to private sector involvement in infrastructure, including infrastructure development strategies; policy, regulatory and institutional reforms; pioneering transactions; consensus building; and capacity building. Eligible infrastructure services include electricity, gas transmission and distribution, water and sewerage, solid waste, telecommunications, ports, airports, railways and roads.

- Applications for PPIAF assistance can originate from any source, but requests for country-specific activities require the formal endorsement of the beneficiary government. Recognizing the importance of stakeholder ownership in the success of private sector participation in infrastructure, we strongly encourage government commitment in cash or in-kind to be reflected in the financing plan of the proposed activity.

- PPIAF places an emphasis on facilitating coordination between its activities and those of official donors and agencies. This issue needs to be addressed in all applications, and donor representatives will be consulted to ensure that there is no conflict between proposed PPIAF activities and relevant donor programs and strategies.

If you have any questions on PPIAF-related issues, please contact the PPIAF Program Management Unit at **info@ppiaf.org**, or leave a message at **202-458-5588**; staff of the Program Management Unit will get back to you promptly.

We would encourage you to inform your developing country counterparts of the assistance PPIAF can provide, and work with them to develop viable proposals.

Best regards,

Russell Muir
Program Manager
Public-Private Infrastructure Advisory Facility (PPIAF)

Attachments:

1. PPIAF Application form

   PPIAF application 5-22-00.d

2. Guidelines for Requesting PPIAF Support

   guidelines.doc

To: Resident Representatives
Country Directors - Hq
Country Dir (Field) - Res Reps
Psistaff
Ppitg
Declan Duff/Hq/Ifc@Ifc
Francisco A Tourreilles/Hq/Ifc@Ifc
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Karin C. Millett
Vivek V. Talvadkar/Hq/Ifc@Ifc
Dale R. Weigel/Hq/Ifc@Ifc
Ruth Bachmayer Eds
Martin Rohner Eds
Ben L. J. Eijbergen
Gianpaolo Bruno Eds

cc: Ppiaf Team
Ppiaf/Service

Michael U. Klein 08/21/2000 09:34 AM

Extn: 33293 PSADR

Sent by: Jocelyn Tan Dytang

Subject: Weekly Highlights

At earlier departmental meetings, I have described a proposal for staff to prepare, at the end of each week, some bullet points covering the week's highlights. The objective is to develop a means of recording matters that are occupying and preoccupying staff, as a source of information for all of us - and a means of avoiding unpleasant surprises. (Note that this is a distinct exercise from the engagements database, or the activities databases maintained by some units, which are designed to record formal activities and project developments.)

We will be putting this process in place beginning the week of 28 August. It will be required for all higher-level staff (although it is accepted that occasionally there may be nothing to report), and voluntary for others. It will work as follows:

Every Friday, you should send an e-mail message to the weekly highlights account <**PSAS Highlights**>. This e-mail should contain (solely):

- your name (to facilitate easy cutting and pasting of contributions)

- usually not more than three (and possibly fewer) short bullet points which may reflect:

  * worries (about developments or risks in activities you're involved in)
  * successes (key developments in activities or countries you're involved in)
  * other interesting stuff (e.g. interesting developments, contacts, seminars, articles you've come across)

  Examples:

  Worries:
  - Suriname: early election (now to take place in October) makes passage of new competition law unlikely
  - Philippines: two local companies now contesting legitimacy of bidding process for privatization of Manila airport

  Successes:
  - Tanzania: financial closure of water lease (ground-breaking approach to exclusivity provisions)
  - Albania: Country Director and Government agreement secured to undertake a Country Framework Report.
  - publication of Viewpoint note on education vouchers in Senegal

  Other Interesting Stuff:
  - attended FT conference on water markets - interesting new findings from Mexico

Gracia Sorensen will be responsible for collating the results and circulating them to stagg. After a month, we will review progress (and seek your feedback) with an eye to fine-tuning the process.

Michael Klein

Director
Private Sector Advisory Services
Tel: (202) 473-3293; Fax: (202) 522-3181
Email: Mklein@worldbank.org

To: Psas Staff

Yunshin Kim Byrne
07/06/2000 03:59 PM

Extn: 30015 PSDPF
Subject: PPIAF: Regional Coordinators in Field

Caroline,

I would like you to share your thoughts with me on whether I need to request the separate OUI for each Regional Coordinator's Office (RCO) under the PPIAF's OUI (7200). I hope you don't mind my asking you directly without going through Rica. As you know, Rica is on HL.

Three RCOs will be set up in FY01: (1) Nairobi-based; (2) Pretoria (South Africa) based; and (3) East Asian based:

- The RCO will be housed in the UNDP building. The UNDP as our donor will provide the free accommodation (office space).
- Each office will have one headquarter-hired Program Coordinator and two full-time local staff.
- The RCO will incur all types of expenses which are very similar to any small units in HQ (salary, benefit, ST or lump-sum consultant, travel, representation, contractual services, telephone, communication, network charges, etc).
- These RCOs are fully funded by the UK (non-core) trust funds.
- Estimated yearly operating costs for each RCO are about $600,000 or more.
- Kenya RCO will be fully operational in August; South Africa RCO will be operational in October; and E Asia RCO will be operational by November/December.

Currently, I have set up two separate TF#s for Kenya and S. Africa RCOs in order to separate their expenses. I intend to create another TF# for E. Asia RCO as soon as the East Asia Regional Coordinator is on board. However, these TF# are linked to OUI # 7200 right now. Do you think we should have three different OUIs under OUI# 7200 to capture the expenses correctly? I would like your advice on this matter before we enter more complicated budget situation.

Regards,

Yunshin

To: Caroline S. Levenson
cc: Stella G. Franco
Maria Pilar Z. Bowyer
Ppiaf Team

PPIAF
06/09/2000 10:37 AM

Subject: Public Private Infrastructure Advisory Facility (PPIAF) -- Call for Proposals (Deadline: June 30, 2000)

****We apologize if you receive this message more than once****

Dear Colleagues:

I wish to invite applications for the **Public-Private Infrastructure Advisory Facility (PPIAF)**, a multi-donor facility to help eliminate poverty and achieve sustainable development through private involvement in infrastructure. The next quarterly deadline to submit applications is **June 30, 2000** (for small proposals of $75,000 and less, applications can be considered on a rolling basis). Please consult the PPIAF website (www.ppiaf.org) for further information, including:

- Threshold Eligibility Requirements
- Activities Eligible for PPIAF Support
- Application and Evaluation Process
- Obtaining and Submitting Application Forms (an application form and guidelines are attached to this email)

For World Bank Group staff, special guidelines in applying for PPIAF assistance can be found by **clicking here** or by copying the following URL: http://wbln0023.worldbank.org/Networks/FPSI/fpsidocs.nsf/D4856F112E805DF4852566C9007C27A6/83D204F210643B2985256846006D5A52.

PPIAF was established in July 1999 as a resource to assist developing country governments improve the quality of their infrastructure through private sector involvement. Since it became operational, PPIAF has received about 140 applications covering a diverse range of activities in all regions and numerous infrastructure sectors. Applications have come from developing country officials, international financial institutions, bilateral and multilateral donors, and other groups (e.g., NGOs, academia).

The main features of PPIAF include the following:

- PPIAF can fund technical assistance to governments on a variety of issues related to private sector involvement in infrastructure, including infrastructure development strategies; policy, regulatory and institutional reforms; pioneering transactions; consensus building; and capacity building. Eligible infrastructure services include electricity, gas transmission and distribution, water and sewerage, solid waste, telecommunications, ports, airports, railways and roads.

- Applications for PPIAF assistance can originate from any source, but requests for country-specific activities require the formal endorsement of the beneficiary government. Recognizing the importance of stakeholder ownership in the success of private sector participation in infrastructure, we strongly encourage government commitment in cash or in-kind to be reflected in the financing plan of the proposed activity.

- PPIAF places an emphasis on facilitating coordination between its activities and those of official donors and agencies. This issue needs to be addressed in all applications, and donor representatives will be consulted to ensure that there is no conflict between proposed PPIAF activities and relevant donor programs and strategies.

If you have any questions on PPIAF-related issues, please contact the PPIAF Program Management Unit at **info@ppiaf.org**, or leave a message at **202-458-5588**; staff of the Program Management Unit will get back to you promptly.

We would encourage you to inform your developing country counterparts of the assistance PPIAF can provide, and work with them to develop viable proposals.

Best regards,

Russell Muir
Program Manager
Public-Private Infrastructure Advisory Facility (PPIAF)

Attachments:

1. PPIAF Application form

   PPIAF application 5-22-00

2. Guidelines for Requesting PPIAF Support

   guidelines.doc

To: Resident Representatives
Country Directors - Hq
Country Dir (Field) - Res Reps
Psistaff
Ppitg
Declan Duff/Hq/Ifc@Ifc
Francisco A Tourreilles/Hq/Ifc@Ifc
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Karin C. Millett
Vivek V. Talvadkar/Hq/Ifc@Ifc
Dale R. Weigel/Hq/Ifc@Ifc
Ruth Bachmayer Eds
Martin Rohner Eds
cc: Ppiaf Team
Ppiaf/Service

PPIAF
05/26/2000 07:13 PM

Subject: Public-Private Infrastructure Advisory Facility (PPIAF) - Call for Proposals (Deadline: June 30, 2000)

Dear Colleagues:

I wish to invite applications for the **Public-Private Infrastructure Advisory Facility (PPIAF)**, a multi-donor facility to support private infrastructure solutions to facilitate sustainable development. The next quarterly deadline to submit applications is **June 30, 2000** (for small proposals of $75,000 and less, applications can be considered on a rolling basis). Please consult the PPIAF website **(www.ppiaf.org)** for further information including:

- Threshold Eligibility Requirements
- Activities Eligible for PPIAF Support
- Application and Evaluation Process
- Obtaining and Submitting Application Forms (an application form and guidelines for World Bank Staff are attached to this e-mail)

For World Bank Group staff, special guidelines in applying for PPIAF assistance can be found by **clicking here** or by copying the following URL:

http://wbln0023.worldbank.org/Networks/FPSI/fpsidocs.nsf/D4856F112E805DF4852566C9007C27A6/83D204F210643B2985256846006D5A52.

As you may know, PPIAF was established in July 1999 as a resource to assist developing government countries improve the quality of their infrastructure through private sector involvement. Since it became operational, PPIAF has received about 140 applications (requesting over $35 million) covering a diverse range of activities in all regions and numerous infrastructure sectors. Applications have come from developing county officials, international financial institutions, such as the World Bank Group, bilateral and multilateral donors, and other groups (e.g. NGOs, academia).

The main features of PPIAF include:

PPIAF can fund technical assistance to governments on a range of matters related to private sector involvement in infrastructure, ranging from infrastructure development strategies and policy and regulatory reforms through to consensus building and capacity building. "Infrastructure" is defined to include electricity, gas transmission and distribution, water and sewerage, solid waste, telecommunications, ports, airports, railways and roads.

Applications for PPIAF assistance can originate from any source, but requests for country-specific activities require the endorsement of the beneficiary government. Recognizing the importance of stakeholder ownership in the success of private sector participation in infrastructure, we strongly encourage government commitment in cash or in-kind to be reflected in the financing plan of the proposed activity.

PPIAF places an emphasis on facilitating coordination between its activities and those of official donors and agencies. This issue needs to be addressed in all applications, and donor representatives will be consulted to ensure that there is no conflict between proposed PPIAF activities and relevant donor programs and strategies.

If you have any questions on PPIAF-related issues, please contact the PPIAF Program Management Unit at ***info@ppiaf.org,***or leave a message at tel. no. ***(202) 458-558;*** staff of the PPIAF Program Management Unit will get back to you promptly.

We encourage you to inform your developing country counterparts of the assistance PPIAF can provide, and work with them to develop viable proposals. Please let us know how the PPIAF team can help in this regard.

Best regards,

Russell Muir
Program Manager
Public-Private Infrastructure Advisory Facility (PPIAF)

ATTACHMENT:

PPIAF Application Form

PPIAF application 5-22-0

To: Resident Representatives
Country Directors - Hq
Country Dir (Field) - Res Reps
Psistaff
Ppitg
Declan Duff/Hq/Ifc@Ifc
Francisco A Tourreilles/Hq/Ifc@Ifc
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Karin C. Millett
Vivek V. Talvadkar/Hq/Ifc@Ifc
Dale R. Weigel/Hq/Ifc@Ifc
Ruth Bachmayer Eds
Martin Rohner Eds
cc: Ppiaf Team
Ppiaf/Service

PPIAF
03/22/2000 10:49 AM

Sent by: Patricia Roldan

Subject: Public-Private Infrastructure Advisory Facility (PPIAF) - Deadline for Proposals: March 31, 2000

Colleagues:

I am writing to remind you of the deadline for applications for the Public-Private Infrastructure Advisory Facility's (PPIAF) next quarterly batching period, the deadline of which has been set for **March 31, 2000**. An e-mail dated March 10, 2000 was sent earlier detailing the processes and guidelines. Further information on PPIAF is available from the PPIAF website **(www.ppiaf.org)**.

For any questions on PPIAF-related issues, please contact the PPIAF Program Management Unit at ***info@ppiaf.org***, or leave a message at (202) 458-5588.

Regards,

Russell Muir
Program Manager
Public Private Infrastructure Advisory Facility (PPIAF)

PPIAF 03/10/2000 10:29 AM

To: Resident Representatives, COUNTRY DIRECTORS - HQ, COUNTRY DIR (FIELD) - RES REPS, PSISTAFF, PPITG, Dec

Subject: Public-Private Infrastructure Advisory Facility (PPIAF) - Call for Proposals (Deadline: March 31)

Colleagues:

I am writing to invite applications for the Public-Private Infrastructure Advisory Facility's (PPIAF) next quarterly batching period, the deadline of which has been set for **March 31, 2000.** Further information on PPIAF, and on the approval guidelines and application process, is available from the PPIAF website **(www.ppiaf.org)**.

Reflecting experience with the evaluation of the initial proposals, we have prepared special guidelines for WBG staff applying for PPIAF assistance. ***WBG staff are encouraged to read these guidelines closely, as failure to comply with them may result in applications being rejected.*** Those guidelines can be found by **clicking here** or by copying the following URL:
http://wbln0023.worldbank.org/Networks/FPSI/fpsidocs.nsf/D4
856F112E805DF4852566C9007C27A6/83D204F210643B2985256846006D5A52.

To help potential proponents prepare high quality applications, we will be offering a PPIAF Application Workshop at 2:00 pm on **Thursday, March 16, 2000** in Room I8-300. As space is limited, we would appreciate your letting us know by cob, March 15 if you are interested in attending the workshop. Please contact Ari Garscadden (x38400) to reserve a space.

As you may know, PPIAF was established in July 1999 as a new resource available to assist our client governments deal with issues associated with private sector involvement in infrastructure. Since its inception, PPIAF has attracted about 100 applications covering a diverse range of activities in all sectors and regions. Applications have come from the World Bank and IFC staff, client governments, and from various outside groups. The total value of these proposals has been over US$25 million.

Let me also recap some of the main features of PPIAF:

PPIAF can fund technical assistance to governments on a range of matters related to private sector involvement in infrastructure, ranging from infrastructure development strategies and policy and regulatory reforms through to consensus building and capacity building. "Infrastructure" is defined to include electricity, gas transmission and distribution, water and sewerage, solid waste, telecommunications, ports, airports, railways and roads.

Applications for PPIAF assistance can originate from any source, but requests for country-specific activities require the approval of the beneficiary government.

PPIAF places an emphasis on facilitating coordination between its activities and those of official donors and agencies, including the World Bank. This issue needs to be addressed in all applications, and Bank Country Directors will be consulted to ensure that there is no conflict between proposed PPIAF activities and relevant Bank programs and strategies.

Like most Bank-managed trust funds, PPIAF is intended primarily to finance external consultants. PPIAF's donors have, however, agreed that a small part of the funding can be used to pay for the costs of Bank Group staff involved in task managing PPIAF-funded assignments. These funds are scarce, and we expect that the maximum will be in the order of 10-15% of the total funds requested from PPIAF.

PPIAF can consider small proposals ($75,000 or less) on a rolling basis, but applications for larger proposals are batched on a quarterly basis.

PPIAF is a multi-donor facility, rather than a WBG program, and PPIAF is not intended to substitute for Bank operational budgets.

If you have any questions on PPIAF-related issues, please contact the PPIAF Program Management Unit at ***info@ppiaf.org,***or leave a message at 458-5588. Someone will get back to you promptly.

Regards

Russell Muir
Program Manager
Public-Private Infrastructure Advisory Facility (PPIAF)

To: Resident Representatives
Country Directors - Hq
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Psistaff
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Declan Duff/Hq/Ifc@Ifc
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Vivek V. Talvadkar/Hq/Ifc@Ifc
Dale R. Weigel/Hq/Ifc@Ifc
cc: Ppiaf Team
Ppiaf/Service

PPIAF 03/10/2000 10:29 AM

Subject: Public-Private Infrastructure Advisory Facility (PPIAF) - Call for Proposals (Deadline: March 31)

Colleagues:

I am writing to invite applications for the Public-Private Infrastructure Advisory Facility's (PPIAF) next quarterly batching period, the deadline of which has been set for **March 31, 2000.** Further information on PPIAF, and on the approval guidelines and application process, is available from the PPIAF website **(www.ppiaf.org)**.

Reflecting experience with the evaluation of the initial proposals, we have prepared special guidelines for WBG staff applying for PPIAF assistance. ***WBG staff are encouraged to read these guidelines closely, as failure to comply with them may result in applications being rejected.*** Those guidelines can be found by **clicking here** or by copying the following URL: http://wbln0023.worldbank.org/Networks/FPSI/fpsidocs.nsf/D4 856F112E805DF4852566C9007C27A6/83D204F210643B2985256846006D5A52.

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Let me also recap some of the main features of PPIAF:

PPIAF can fund technical assistance to governments on a range of matters related to private sector involvement in infrastructure, ranging from infrastructure development strategies and policy and regulatory reforms through to consensus building and capacity building. "Infrastructure" is defined to include electricity, gas transmission and distribution, water and sewerage, solid waste, telecommunications, ports, airports, railways and roads.

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PPIAF can consider small proposals ($75,000 or less) on a rolling basis, but applications for larger proposals are batched on a quarterly basis.

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If you have any questions on PPIAF-related issues, please contact the PPIAF Program Management Unit at ***info@ppiaf.org,***or leave a message at 458-5588. Someone will get back to you promptly.

Regards

Russell Muir
Program Manager
Public-Private Infrastructure Advisory Facility (PPIAF)

To: Resident Representatives
Country Directors - Hq
Country Dir (Field) - Res Reps
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Karin C. Millett
Vivek V. Talvadkar/Hq/Ifc@Ifc
Dale R. Weigel/Hq/Ifc@Ifc
cc: Ppiaf Team
Ppiaf/Service

PPIAF 01/05/2000 11:39 AM

Subject: Public-Private Infrastructure Advisory Facility (PPIAF): Call for Proposals

Colleagues,

As the newly appointed program manager for the Public-Private Infrastructure Advisory Facility (PPIAF) I would like to take this opportunity to remind you that the closing date for the next batch of PPIAF applications is **14 January 2000.** More details on the main features of PPIAF and the application process are summarized in the email attached.

If you have any questions on PPIAF-related issues, please contact the PPIAF Program Management Unit at ***info@ppiaf.org,*** or leave a message at 458-5588. Someone will get back to you promptly.

Regards,

Russell Muir
Program Manager
PPIAF

To: Resident Representatives, COUNTRY DIRECTORS - HQ, COUNTRY DIR (FIELD) - RES REPS, PSISTAFF, PPITG, Dec

Subject: Public-Private Infrastructure Advisory Facility (PPIAF): Call for Proposals

Colleagues:

On 1 September I wrote to inform you of the Public-Private Infrastructure Advisory Facility (PPIAF), a new resource available to assist our client governments deal with issues associated with private sector involvement in infrastructure. I also invited applications for PPIAF's first quarterly batching period, which closed on 30 September.

The first call for proposals attracted more than 50 applications covering a diverse range of activities in all sectors and regions. Applications came from World Bank and IFC staff, client governments, and from various outside groups. The total value of proposals was over $12 million. Evaluation of these proposals is now substantially complete, and most proposals which met the threshold eligibility requirements have been or are expected to be approved.

I am now writing to invite applications for PPIAF's second quarterly batching process, the deadline of which has been extended to **14 January 2000.** Further information on PPIAF, and on the approval guidelines and application process, is available from the PPIAF website (**www.ppiaf.org**).

Reflecting experience with the first batch of proposals, we have also prepared special guidelines for WBG staff applying for PPIAF assistance. Those guidelines can be found by **clicking here**. ***WBG staff are encouraged to read these guidelines closely, as failure to comply with them may result in applications being rejected.***

Let me also recap some of the main features of PPIAF:

- PPIAF can fund technical assistance to governments on a range of matters related to private sector involvement in infrastructure, ranging from infrastructure development strategies and policy and regulatory reforms through to consensus building and capacity building. "Infrastructure" is defined to include electricity, gas transmission and distribution, water and sewerage, solid waste, telecommunications, ports, airports, railways and roads.

- Applications for PPIAF assistance can originate from any source, but requests for country-specific activities require the approval of the beneficiary government.

- PPIAF places an emphasis on facilitating coordination between its activities and those of official donors and agencies, including the World Bank. This issue needs to be addressed in all applications, and Bank Country Directors will be consulted to ensure that there is no conflict between proposed PPIAF activities and relevant Bank programs and strategies.

- Like most Bank-managed trust funds, PPIAF is intended primarily to finance external consultants. PPIAF's donors have, however, agreed that a small part of the funding can be used to pay for the costs of Bank Group staff involved in task managing PPIAF-funded assignments. These funds are scarce, and we expect that the maximum will be in the order of 10-15% of the total proposal costs.

- PPIAF can consider small proposals ($75,000 or less) on a rolling basis, but applications for larger proposals are batched on a quarterly basis.

- PPIAF is a multi-donor facility, rather than a WBG program, and PPIAF is not intended to substitute for Bank operational budgets.

If you have any questions on PPIAF-related issues, please contact the PPIAF Program Management Unit at ***info@ppiaf.org,*** or leave a message at 458-5588. Someone will get back to you promptly.

Regards

Warrick Smith
Interim Program Manager
PPIAF

12/13/99

To: Resident Representatives
Country Directors - Hq
Country Dir (Field) - Res Reps
Psistaff
Ppitg
Michael U. Klein
Frannie A. Leautier
James P. Bond
Francisco A Tourreilles/Hq/Ifc@Ifc
Kent E. Lupberger/Hq/Ifc@Ifc
Philippe Lietard/Hq/Ifc@Ifc
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Denise Leonard/Hq/Ifc@Ifc
Karin C. Millett
Vivek V. Talvadkar/Hq/Ifc@Ifc
Dale R. Weigel/Hq/Ifc@I

PPIAF
12/13/99 05:18 PM

Sent by: Susan Hume

Subject: Public-Private Infrastructure Advisory Facility (PPIAF): Call for Proposals

Colleagues:

On 1 September I wrote to inform you of the Public-Private Infrastructure Advisory Facility (PPIAF), a new resource available to assist our client governments deal with issues associated with private sector involvement in infrastructure. I also invited applications for PPIAF's first quarterly batching period, which closed on 30 September.

The first call for proposals attracted more than 50 applications covering a diverse range of activities in all sectors and regions. Applications came from World Bank and IFC staff, client governments, and from various outside groups. The total value of proposals was over $12 million. Evaluation of these proposals is now substantially complete, and most proposals which met the threshold eligibility requirements have been or are expected to be approved.

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- Applications for PPIAF assistance can originate from any source, but requests for country-specific activities require the approval of the beneficiary government.

- PPIAF places an emphasis on facilitating coordination between its activities and those of official donors and agencies, including the World Bank. This issue needs to be addressed in all applications, and Bank Country Directors will be consulted to ensure that there is no conflict between proposed PPIAF activities and relevant Bank programs and strategies.

- Like most Bank-managed trust funds, PPIAF is intended primarily to finance external consultants. PPIAF's donors have, however, agreed that a small part of the funding can be used to pay for the costs of Bank Group staff involved in task managing PPIAF-funded assignments. These funds are scarce, and we expect that the maximum will be in the order of 10-15% of the total proposal costs.

- PPIAF can consider small proposals ($75,000 or less) on a rolling basis, but applications for larger proposals are batched on a quarterly basis.

- PPIAF is a multi-donor facility, rather than a WBG program, and PPIAF is not intended to substitute for Bank operational budgets.

If you have any questions on PPIAF-related issues, please contact the PPIAF Program Management Unit at ***info@ppiaf.org,*** or leave a message at 458-5588. Someone will get back to you promptly.

Regards

Warrick Smith
Interim Program Manager
PPIAF

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Declan Duff/Hq/Ifc@Ifc
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Denise Leonard/Hq/Ifc@Ifc
Karin C. Millett
Vivek V. Talvadkar/Hq/Ifc@Ifc
Dale R. Weigel/Hq/Ifc@Ifc
cc: Ppiaf Team

PPIAF
09/01/99 07:15 PM

Subject: Public-Private Infrastructure Advisory Facility (PPIAF): A New Resource for Assisting Clients

Dear Colleagues:

I am writing to inform you of a new resource available to assist our client governments deal with issues associated with private sector involvement in infrastructure.

As you may recall, at last year's Annual Meetings the UK and Japanese governments announced that they were working with the Bank to establish a new multi-donor technical assistance facility to help developing country governments improve the quality of their infrastructure through private sector involvement. Called the Public Private Infrastructure Advisory Facility (PPIAF), the new facility is owned and directed by participating donors and is managed by the Bank. Following several rounds of consultations with the donor community, PPIAF was formally launched in July. The UK and Japan are the lead donors, and early participation is expected from Canada, Switzerland and several other bilaterals, as well as the UNDP and most of the regional development banks. The Bank is also seeking to mobilize a contribution from the Development Grant Facility.

The guidelines and process for handling requests for PPIAF assistance have been approved by PPIAF's donors, and PPIAF is now open for business.

Further information on PPIAF, and on the approval guidelines and application process, is available from the PPIAF website (**www.ppiaf.org**). Let me highlight some of the key features:

- PPIAF can fund technical assistance to governments on a range of matters related to private sector involvement in infrastructure, ranging from infrastructure development strategies and policy and regulatory reforms through to consensus building and capacity building. "Infrastructure" is defined to include electricity, gas transmission and distribution, water and sewerage, solid waste, telecommunications, ports, airports, railways and roads.

- Applications for PPIAF assistance can originate from any source, but requests for country-specific activities require the approval of the beneficiary government.

- PPIAF places an emphasis on facilitating coordination between its activities and those of the Bank and other official donors. This issue needs to be addressed in all applications, and Bank Country Directors will be consulted to ensure that there is no conflict between proposed PPIAF activities and relevant Bank programs and strategies.

- Like most Bank-managed trust funds, PPIAF is intended primarily to finance external consultants. PPIAF's donors have, however, agreed that a small part of the funding can be used to pay for the costs of Bank Group staff involved in task managing PPIAF-funded assignments. These funds are scarce, however, and we expect that the maximum will be in the order of 10-15% of the total proposal costs.

- PPIAF can consider small proposals ($75,000 or less) on a rolling basis, and hopes to be able to advise on outcomes within 2 weeks. For larger proposals, applications are batched on a quarterly basis, with applications for the first round closing on **30 September**. The larger proposals also require final approval (on a no objection basis) from donors, which may add another couple of weeks to the process.

- PPIAF is being managed on an interim basis by PSD's Private Participation in Infrastructure Group. However, the position of Program Manager and other professional staff will be filled through international recruitment. An advertisement for these positions will appear in *The Economist* on 11 September.

- In addition to the Washington-based Program Management Unit, PPIAF is planning to establish field-based Regional Coordination Offices in areas of high PPIAF activity. The precise locations of these offices are yet to be determined.

If you have any questions on PPIAF-related issues, please contact the PPIAF Program Management Unit at ***info@ppiaf.org,*** or kindly leave a message at 458-5588. Someone will get back to you promptly.

Regards

Warrick Smith
Interim Program Manager
PPIAF

To: Resident Representatives
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Country Dir (Field) - Res Reps
Psistaff
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Dale R. Weigel/Hq/Ifc@Ifc

IFC MERGER
INFO

Maria Pilar Z. Bowyer
03/02/2000 05:42 PM

Exttn: 38608 PSDDR
Subject: Contracting Staff Across PSAS

Neil,
John, Danny, Stella and I met on contracting within PSAS. Would welcome your comments before we send it to Michael.

Tks, Rica

Maria Pilar Z. Bowyer@WORLDBANK

SAP allows cross support across PSAS' three groups (PSD, CFS and FIAS).

- Staff Time (through timesheets)
  PSD, CFS and FIAS staff can charge time to each other's projects and SAP automatically transfers the salary and benefit expense portion accordingly. The staff week cost (salary and benefits) for each of the three groups is calculated the same way: Salary + 50% Benefits divided by 44 staffweeks. PSD and FIAS record time through Lotus Notes. CFS is required by IFC to record time in the Business Management System (BMS), but for cross support projects CFS will also use the Lotus Notes based TRS system to record time.

- Indirect Cost (Non-labor indirects for space, telephone, computer etc)
  PSD, CFS and FIAS recover indirect costs (non-labor) at the rate of $500/staffweek, but in a slightly different manner. The indirect cost is automatically transferred when PSD and FIAS/IBRD staff charge a CFS/IFC project. However, the indirects for CFS and FIAS/IFC staff working on IBRD projects will be applied manually by CRM in March for the period July 1999 through February 2000 and at the end of the fiscal year for March to June.

- VP Sustaining (labor indirects for management, administration, IT staff, budget staff, 75% of ACS)
  At present, there is no agreement to transfer VP sustaining cost ($1,060/staffweek) between IBRD and IFC.

  The recovery of VP sustaining for PSD staff is currently in place only for cross support between IBRD Regions and Networks. It is not applicable for cross support within the PSI Vice Presidency and among IBRD Networks.

- Travel is directly charged and instantly hits the books of the code owner.

- We have an example of cross support between PSD and CFS - a PSD staff (Michael Warlters) charged time against a CFS project which was reflected in both books -- as an expense to CFS and a negative allocation to PSD). In addition, we have an example of a CFS staff (Luc Dejonckheere) charging time against a World Bank regional project with similiar results.

- CFS and FIAS staff can do cross support to PPIAF projects if requested by the PPIAF team manager and they can also apply for PPIAF funding for a specific project done through the application process.

Present Cross Support Funding Within PSAS Staff

Provider	Support to	Reimbursement of Staff Time (full cost)		
		Sal + 50% Benefits	$500/sw (non-labor indirects)	$1,060/sw (labor indirects)
PSD	CFS	yes	yes	no
	FIAS	yes	yes	no
CFS	PSD	yes	yes	no
	FIAS	yes	yes	no
FIAS	PSD	yes	yes	no
	CFS	yes	yes	no

- **PSD** - not fully funded
  CFS - receives an administrative budget to cover for indirect costs when they support other IFC Units
  FIAS- does not have a regular administrative budget allocation. FIAS costs are not included in the administrative expenses of IBRD or the IFC. Budget support of IBRD and IFC is deposited in the FIAS trust fund .

Suggestions

- The three groups should be able to contract one another without barriers. With the current funding set-up, the only way to address this issue is for PSD to be fully or partially funded upfront.

- We should move towards equal funding for all staff. If so, the VP sustaining cost should not be charged when contracting staff within PSAS.

To: Neil D. Roger
cc: John Leber/Hq/Ifc@Ifc
Stella G. Franco
Danilo Y. Anzures/Hq/Ifc@Ifc

Maria Pilar Z. Bowyer
02/24/2000 01:03 PM

Extn: 38608 PSDDR
Subject: Re: Cross Support between World Bank and IFC

Ajay,
I left you a voice message on 2 other questions:

1. Do you know the indirect rate of IFC for non-labor indirect? (World Bank is $500 per staffweek)

2, What about the VP Sustaining cost (labor indirect)? At present when IBRD Networks (PSD) gives support to the Regions, an additional $1,060/sw (to cover for labor indirects or VP Sustaining) will be manually transferred by CRM from the Regional pot to the Networks. Will there be this VP sustaining cost as well for any cross support between IFC and IBRD?

Please advise,

Thanks, Rica
Ajay Kumar Marwaha@IFC

Ajay Kumar Marwaha@IFC
02/23/2000 09:49 AM

To: Maria Pilar Z. Bowyer cc: Poyyapakkam Ravi, Anne E. Lamond, Tri Pham
Subject: Re: Cross Support between World Bank and IFC

Maria:

SAP does allow cross support between IBRD and IFC and the salary and benefits cost is calculated the same way as in IBRD. For indirects, the rates for IFC will be applied manually in SAP by CRM. Please find enclosed the announcement dated 2/18/00 from them to the effect. Thanks. ajay

To: CRM CAOs, VPU Budget Specialists, RMA Representatives
cc: CWG, OTHERCWG

Subject: RM Bulletin -- Overtime, IFC, Payroll Schedule, Non-fee STC/STT Requests

Information Items

Overtime Reminder:
Managers should be reminded of the 30-day rule for approving overtime requests; i.e., these requests must be approved within 30 days of the date that the overtime was performed.

IFC Indirect Rate:
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FY2000 Payroll Schedule:

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New information on hiring Non-fee STCs has been added to the guide for the **STC/STT Staffing Process**.

Recent Bulletins

Feb. 14: **Corporate Express 2000 Catalog**

---------------------- Forwarded by Ajay Kumar Marwaha/HQ/IFC on 02/23/2000 09:37 AM ---------------------------

Maria Pilar Z. Bowyer@WORLDBANK
02/22/2000 06:02 PM

To: Ajay Kumar Marwaha/HQ/IFC@IFC
cc:

Subject: Re: Cross Support between World Bank and IFC

I understand that SAP allows cross support between IBRD and IFC. Is the salary cost calculated the same way (that is salary + 50% ben div by 44 sws)?

Please advise when IFC will have the indirect rates and sustaining cost.

Thanks, Rica

---------------------- Forwarded by Maria Pilar Z. Bowyer/Person/World Bank on 02/22/2000 05:55 PM ---------------------------

Poyyapakkam Ravi
02/22/2000 05:12 PM

Extn: 84260 ISGCS
To: Maria Pilar Z. Bowyer
Subject: Re: Cross Support between World Bank and IFC

Maria:

Yes, the system does allow cross support between IFc and IBRd (and vice versa)....however, I believe that items such as Indirect rates and Sustaining costs have not been decided by IFC, at this point in time....

Only when IFC (CCBBP) decides how the cross support charges are to be calculated (the system will work based on the rates IFC provides), the cross support will happen propoerly.

Pls. contact Ajay Marwaha (CCBBP) for further info...

thanks.

Maria Pilar Z. Bowyer

Maria Pilar Z. Bowyer
02/18/2000 11:54 AM

Extn: 38608 PSDDR

To: Poyyapakkam Ravi
Subject: Cross Support between World Bank and IFC

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1. Caroline Levenson wants me to confirm with you that SAP now allows Bank staff and IFC staff to do cross support with one another by charging each other's WBS/IO for staff time (through TRS), travel, short term consultant fees and other costs.

2. FIAS and CFS from IFC are merging with the World Bank's PSD to form a new Department called PSAS. For the rest of the fiscal year and perhaps through FY01, we will be contracting staff across the 3 groups. There will therefore be a lot cross cutting work, that is using IFC staff for Bank work and vice versa.

3. If you can confirm that IFC and Bank can freely use each other's WBS and IOs in charging time and other costs, then that would solve our problem.

Thanks, Rica

To: Ajay Kumar Marwaha/Hq/Ifc@Ifc
cc: Stella G. Franco

Maria Pilar Z. Bowyer
02/24/2000 01:19 PM

Extn: 38608 PSDDR
Subject: Cross Support between World Bank and IFC

Ajay,
A third question I forgot to include in my earlier EM is:

If CFS gives support to FIAS (that is one IFC Unit to another IFC Unit), will the supporting Unit be reimbursed for the indirect cost as well? What about the VP Sustaining cost?

Thanks, Rica

---------------------- Forwarded by Maria Pilar Z. Bowyer/Person/World Bank on 02/24/2000 01:17 PM ---------------------------

Maria Pilar Z. Bowyer
02/24/2000 01:03 PM

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To: Ajay Kumar Marwaha cc: Stella G. Franco
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To: Maria Pilar Z. Bowyer
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Anne E. Lamond
Tri Pham/Hq/Ifc@Ifc

FY01-03 STRATEGIC
DIRECTIONS

Maria Pilar Z. Bowyer
02/24/2000 08:00 AM

Extn: 38608 PSDDR
Subject: PSIVP FY01-03 Strategic Directions Paper

---------------------- Forwarded by Maria Pilar Z. Bowyer/Person/World Bank on 02/24/2000 08:00 AM ---------------------------

Caroline S. Levenson 02/23/2000 09:40 AM

Extn: 31141 PSICS
To: Maria Pilar Z. Bowyer, Margaret M. Walsh-Fernandes, Andres Londono, Francoise Aubry-Kendall, Maria-Teresa Rodrigo,

---------------------- Forwarded by Caroline S. Levenson/Person/World Bank on 02/23/2000 09:37 AM ---------------------------

Caroline S. Levenson 02/18/2000 06:15 PM

Extn: 31141 PSICS
To: Stephen J. Talbot, Stephen Chow cc: Larry F. Smucker
Subject: PSIVP FY01-03 Strategic Directions Paper

Steve: As you said the website is not being maintained anymore, here is PSIVP's formal submission for the Strategic Directions exercise:

Strategic Directions Paper.

To: Stella G. Franco

Larry foresees 5% cut in budget

Private Sector and Infrastructure:

FY01-03 Strategic Directions

INTRODUCTION: ENHANCING OUR POVERTY FOCUS

1. The Strategic Forum focused on an array of policies and programs to "upscale" the Bank's poverty reduction impact. PSI believes that the rapid expansion of infrastructure facilities to poor populations is an essential element to achieving a quantum reduction of poverty in our client countries. Despite decades of development effort, 2 billion people still lack access to basic standards of electricity, safe water and sanitation, transportation, habitation, and communications. We also need to pay increased attention to the small medium enterprise sector (SMEs) which generates employment and is an integral component of poverty reduction strategy.

2. Foreign and domestic private investment is the only sustainable path for expansion of infrastructure services to the poor – directly through involvement of private companies in providing infrastructure services, and indirectly through the public fiscal impact of economic growth. The Bank Group is now embarked on an historic integration of Bank and IFC development instruments which could leverage a major expansion of the private sector's role in infrastructure. Upscaling development results in infrastructure by an order of 10 (the Forum goal) may well be possible. Using the full range of assistance instruments – advisory services, development grants, loans and credits, partnerships with the private sector, guarantees, and IFC equity participation – the Group can not only ramp up infrastructure development dramatically, but also can help create an environment for private sector-led growth in other sectors.

I. STRATEGIC FORUM INITIATIVES

3. **Global products and poverty reduction**: In each of the four new global products groups – telecommunications, oil and gas, mining, and small-medium enterprise development – there is major potential for large scale poverty reduction impact. All are joint Bank-IFC departments. We include them as a very high corporate priority across the Bank Group. The Telecom Group is at the center of the Forum's Internet and E-Commerce priorities.

4. The new Global Information and Communications Technology Group (ICT) will serve as the hub of the Bank Group's internet strategy, working as a catalyst for bringing the information revolution to Emerging Markets. The new group will concentrate on knowledge transfer, equity capital for E-businesses in client countries, developing telecom policy frameworks, providing strategic directions, and helping countries work with the private sector to set up telecom infrastructures. Creativity, speed and development of field-based assistance teams are the key to working in this rapidly evolving market. In so doing, the Bank Group can help bridge the Internet "digital divide" which threatens to widen the gap between rich and poor countries, and among social classes in our client countries. Similarly, helping to establish the enabling environment for much more rapid private investment in telephony will have a profound impact on the opportunities of rural and urban poor to obtain basic services. FDI in many of our client countries' telecom industries has not yet occurred on a significant scale.

5. In the global products groups for mining, oil and gas, and small-medium enterprise development, the potential for poverty-reducing private investment is just as promising.

- In mining, we will couple advice on restructuring and privatization with intensified work on the relationship of mining and the community and with integration of both large- and small-scale mining into regional economic development. Mining is a powerful engine for growth in at least one-third of the Bank's client countries, yet its full potential for development is retarded by negative environmental and community impacts. The mining group is working increasingly with business partners to ameliorate these impacts.

- In oil and gas, we will work with governments and the private sector to combine environmental improvements with low cost energy for the poor, for example by combining measures to end gas flaring with private investment in low cost liquid propane gas for the poor. In West Africa, this would provide vast benefits for the environment, and for improved conditions of life among poor populations.

- In small-medium enterprise development, the Bank and IFC will build on the CGAP experience in micro-finance to create more dynamic small-medium enterprise sectors. The bulk of growth in domestic private investment should occur in the SMEs over the next ten years. The Bank Group's instruments must be reoriented to serve this sector.

6. **Capacity building through the new Private Sector Advisory Service (PSAS).** The Strategic Forum underlined the importance of engaging the public and private sectors in building human and institutional capacity. The new Private Sector Advisory Service gives the Bank and IFC an impressive assortment of new tools to energize this process — through highly participatory assistance in:

- Private provision of infrastructure
- The business environment
- Individual investment transactions
- Regulatory regimes
- Efficient delivery mechanisms for serving the poor, using the private sector
- Establishing property rights and credit for the poor
- Serving as a major content provider for the Global Gateway

7. The Advisory Service will involve the entire Bank Group. Its vision is a program which is quick, flexible, and able to meet client needs through a range of fund sources including the regular budgets of PSI, the IFC, and participating Regions, through trust-funded grant mechanisms, and through fee-for-service arrangements. PSAS can scale up the Bank's capacity building presence significantly, based on fees and retention of revenue. Over the medium term it represents a way to grow the Bank's assistance without increasing the Bank's budget. Some startup funding will be needed.

8. **Corporate Governance** received very strong support in the Forum as a global, corporate priority – with primary focus on shareholder rights and the responsibility of board members in private companies. Corporate governance should be improved in client countries to better access international capital flows. PSAS focus for this new line of business is presented below.

- Regular Bank work on corporate governance for particular countries usually in the form of lending –for example, capital market operations or TA loans – and advisory work. Such work is driven and funded by country directors.

- The Global Corporate Governance Forum is a key element of an expanded plan of assistance. The Bank and OECD have agreed to proceed in developing a broad partnership with official donors and private sector companies. Efforts are underway to establish a focused program framework and enlist official and private financial support. The outcome will be clear by the end of FY01 – we have encouraging reactions from the donors. However, we would not proceed without substantial external financial support.

- Roundtables and special events with the OECD are being organized to promote dialogue and awareness on the topic of corporate governance. Starting last year, the Bank and OECD formed various corporate governance-related task forces to define and advance the agenda, including accounting and auditing, investor responsibility, training of corporate directors, and media training in corporate governance. These programs will continue – however, due to budget pressures, we will proceed more cautiously than anticipated. Ultimately these programs would be folded into the more formal CG Global Forum structure explained above.

- International Financial Architecture. Corporate Governance is an important component in a range of Bank initiatives, coordinated by PREM, which seek to strengthen the international financial architecture. These efforts have strong G7 backing. This agenda is expected to be very heavy next year.

- Governance will become an increasingly important part of country assistance programs – as desired by the regions – through practical country-specific governance assessments aimed at establishing and implementing reforms. The Bank is doing six assessments this year and will do a further 12 next year.

PSI Assessments of Other FY01-03 Business Priorities

9. **Urban Development.** PSI's urban initiative is one of the major ways the Bank group can impact poverty. Demand is increasing for Bank assistance in alleviating urban poverty. This initiative is also strongly linked to several Strategic Forum themes – communicable disease control, financial and corporate governance (through municipal finance), and security, conflict, and development (through the emergence of safer cities and urban property rights). The Bank's urban strategy includes:

- Upscaling private investment is the key to more livable, competitive cities – and the potential for increased financial flows is very substantial.

- Key officials and business leaders in major cities are becoming increasingly vocal and supportive partners with the Bank Group.

- The Cities Alliance, a new global trust-funded partnership, will expand the Bank's urban development cooperation through knowledge sharing, demonstration projects, and encouraging donor coordination at the city level. The program will fund Cities Development Strategies and Action Plans for Slum Improvement, all of which will serve as Comprehensive Development Frameworks at the local and municipal levels, leveraging major increases in donor and private resources for the urban sector.

- The initiative will provide important content to the Global Gateway in capacity building. Already the Bank is using local private and public associations to train staff in municipalities, and the Gateway will streamline this process in a major way.

10. **Global Partnership**. PSI's 10 global partnerships disbursing some \$75 m in FY01 represent powerful mechanisms for leveraging the Bank Group's own resources. Each program moves the Bank closer to a "Global CDF" bringing key players in a sector or theme together for collective actions. The Strategic Forum strongly supported expansion of partnerships where they help the Bank to scale up its development impact. The Cities Alliance (already established, above) and the Global Forum for Corporate Governance (expected FY01) are the newest of these, and will pay off for our clients substantially over the next few years. Another partnership in small medium enterprise development will emerge next year in strong cooperation with IFC. The Private Provision of Infrastructure Facility will hit full stride in FY01 with upwards of \$15 m in disbursements.

11. The Strategic Forum focused on how to engage private sector partners in all sectors of the Bank's work. The Business Partnership and Outreach Group (BPOG) is being established, as endorsed by the Bank's Partnership Council, to respond to this challenge. The BPOG will provide a more focused, coordinated approach to private sector partnerships and outreach activities, and merges the existing Business Partnership Center and the Business Partners for Development (BPD) program. The BPOG will report to PSIVP with the mission to provide support to teams involved in setting up partnerships which reinforce the impact of our mainstream lending business; keep an inventory of partnerships; prepare and disseminate partnership guidelines and lessons learned from experience; red flag risks of specific partnerships; and support and coordinate outreach functions. Working with IFC, we will expand, at very low administrative cost, on the model developed by BPD whereby partners are put in charge, with the Bank serving as facilitator and coordinator of funding.

12. **Quality Work**. PSI is working intensively on improving portfolio in sectors which have a relatively high percentage of projects at risk (water, power, urban). Sector boards have in place quality assurance programs, which receive high marks from QAG. We will expand on these programs with additional staff time and by strengthening the thematic group mandate for ensuring quality with greater involvement and oversight by the respective sector boards.

13. **PRSPs.** PSIVP is fully committed to supporting the implementation of Poverty Reduction Strategy Papers (PRSPs) by producing first-rate toolkits and by assisting the regions in other ways with knowledge, advice and support. However, we will need to increase staff resources to support this work.

14. **Systems integration with IFC**. PSI's integration with IFC requires substantial modification of work programming and budgetary systems. The process began in FY00 and will continue into FY01.

Impact on Work Program, Staffing, and Resource Requirements

15. The priority areas above require additional resources – with the exception of Partnerships. Priorities total \$6.7 m, and internal reductions might be achieved on the order of \$4.7 m leaving a \$2.0 m gap. Thus, PSI cannot fund corporate priorities without some additional resources, even in the very tight post-Compact budget situation of the Bank. The budget framework, including FY00, the FY01 guideline and the FY01 proposal, is shown below.

Private Sector Development and Infrastructure
- FY01 Budget Framework (\$ m) -

Budget Category	**FY00**	**FY01 Guidelines**	**FYI PSI Proposal**
Regular budget	20.392	19.226	21.226
P and T budget	1.960	1.986	1.986
Reimbursable budget	1.874	1.874	1.874
Total	24.226	23.086	25.086

Memo: FY00 total excludes \$1 m of guaranteed cross support to other networks.
P and T: Professional and technical training

16. Program-specific budget requirements are summarized below. All except Partnerships require increased expenditures.

Forum	\$ m
Global products	
- Telecom, Internet, E-Commerce	0.8
Capacity building	
- Advisory Service (PSAS)	1.0
Corporate Governance	1.5
Other Business Priorities	
Urban Development	0.7
Quality/PRSPs	1.5
Systems Integration with IFC	0.2
Global products	
- Mining, Oil & Gas, SMEs	1.0
Partnerships	---
Total	6.7 m

17. The global products groups are the joint responsibility of both PSI and IFC, and both will contribute budgets to the expansion required to make them work for the Bank Group. On the Bank side, telecom, oil and gas, and mining were cut severely in recent years, so that these groups are surviving almost exclusively on cross support. There are small thematic groups (PSI's smallest) in oil and gas and mining, none in telecom. In order for these groups to function effectively they require additional resources for strategy development, knowledge work, and program management. In each case, there is a new director charged with growing these business lines and building up their poverty reduction impact. The Telecom group is particularly constrained as it must launch a thematic group in information infrastructure.

18. A modest number of new staff in the global product groups would be hired in strategy development, internet expertise, economic analysis, and portfolio management.

19. In the Private Sector Advisory Service, we have major budget and funding issues which need to be resolved. The joint group inherits a hodgepodge of funding sources and uses, including fee for service activities of the IFC, trust funds of all shapes and sizes, and regular budget resources on the Bank side which are quite small in relation to the advisory task at hand. We want to be able to provide services on a rational and cost-effective basis. This means providing free services where warranted, low-cost fee-based services where the customer is prepared to pay some of the costs, and market based rates where appropriate (with private companies). Fees should vary with the situation. During the start up period, the Bank Group should commit up-front, regular-budget resources to this group as seed money. We have a requirement of $1.0 m on the Bank side. Highly important to the future of PSAS will be the ability to retain fee income for future uses.

20. Participation of Bank/IFC staff in PSAS will be very broad – this is a Bank Group program which will be open to participation of both Bank and IFC regions.

21. In Urban Development, PSI redeployed resources significantly toward this sector in FY00. We have requested, and received, presidential contingency resources this year and last. The urban strategy approved by the Bank's Executive Directors implied a much larger resource envelope (approximately $5.0 m over the urban program's current base). However, mindful of the budget constraints affecting institutional programs, PSIVP has limited its request to an additional $ 0.7 m for this program. This amount will mean that we will have to cut back significantly on delivery of some elements of the sector strategy. We would hope to obtain additional budget allocations for urban over the medium term, assuming improvement in the Bank's budget position.

II. PROGRAM REDUCTIONS – WHAT WE WILL DO LESS OF IN FY01

Staffing reductions

22. PSI currently has 400 staff on board (Bank only) net of the field based, trust funded staff of the Water and Sanitation program. We expect the PSI staff complement to be lower by 15-20% by the end of CY00. Major reductions are already underway in the Advisory Service, as the group focuses its business lines. The savings to the PSI budget from these reductions is much less than "one to one" given the large role that cross support plays in the PSI resource envelope — if a staff member departs we save roughly 1/3 of his or her staff costs in terms of impact on our regular budget. Of course, budget saving in the case of redundancy is also not realized immediately.

Program reductions

23. PSAS services will be focused tightly on policy and transactions advice in the areas of governance; the design and implementation of regulatory regimes, including privatization and contracting-out systems; property rights (land rights, collateral systems); markets (including promotion of equity investments, entry, exit and anti trust policies); and delivery systems for the poor. There would be no dedicated groups working on corporate restructuring, technology policy, trade policy and taxation. These are areas for savings. Targeted reductions in business lines will also take place in transport, water, urban and throughout PSI. (Savings $2.5 m)

24. Review of Partnership Initiatives. PSIVP partnership activities, in keeping with Strategic Forum directions, will be reviewed with a view to reducing their numbers and redefining requirements. These "value assessments" of partnership will be difficult, but are necessary to refocus business lines and conserve scarce budget resources. (Savings $0.3 m)

25. The PSIVP front office will reduce staffing for backup to thematic groups – this responsibility is now firmly with the sector boards. PSIVP funding of the Urban Age journal will be phased out with the journal becoming self-financing. Other existing publications will also be reviewed with a view to reductions in funding. (Savings $0.7 m)

III. SAVINGS THROUGH GREATER COST EFFICIENCY

26. Consolidate ACS staff with a view to achieving economies. Also there will be a modest reduction in IT support through efficiencies gained in joint work with IFC. (Savings $0.9 m)

27. Trust Funds. PSI will join forces with the IFC Central Trust fund unit (CPLTF) to mobilize trust fund resources and to administer the trust fund programs more cost effectively. This will include some functions now performed within the global programs' secretariats (annual evaluations, monitoring letters of representation, reporting to donors, and certain resource management functions). (Savings $0.3 m)

Funding Gap

28. PSI's required increases ($6.7 m) less program reductions and efficiency gains ($4.7 m) would leave a gap of $2.0 m. At the guideline budget level of $23.2 m we would have to fill this gap through cutbacks in thematic groups — a $2.0 m cut would require us to close down 6-7 groups, a major blow to the sector boards and to the operation of the matrix. We could not take such a step, and unless additional allocations could be made available to us for corporate priorities, we could not implement all these priorities at the level we feel is most desirable and effective for the Bank. Also, a larger funding gap may result if current problems with the new cross-support pricing methodology are not resolved.

IV. ADDITIONAL REDUCTIONS LEADING TO 10% SAVINGS

29. Here we would have to eliminate 3 more thematic groups out of our 26 – an action which would further reduce our knowledge output and weaken the sector boards.

FY01-03 Strategic Directions

Key Program Changes and Implications

I. What will you start doing?	Incremental Cost Impact ($m)	Comments
A. Strategic Forum Actions *		
Global Products - Telecom, Internet, E-Commerce	0.8	Bank/IFC joint approaches promise rapid upscaling of FDI and poverty impact. Global Information and Technology Group (ICT) serves as hub for Forum-supported telecom, Internet strategy and E-Commerce applications. Goal: develop these Bank Group business lines with a pro-poor focus.
Private Sector Advisory Service (PSAS)	1.0	PSAS requires seed money. Coupled with retention of fee income, this allocation would permit a smooth buildup of funding pool, which would be self supporting after two years. New advisory service open to the entire Bank and IFC, all sectors.
Corporate governance	1.5	Forum gave broad support to building this new line of business: Global CG Forum, OECD cooperation, international architecture based on G7 concerns, and country CG assessments. CG precondition to rapid expansion of foreign and domestic private investment for our clients.
B. Other Program Changes/Initiatives		
Urban development	0.7	Support to rapidly expanding Bank efforts in cities development – cities without slums program, expanded knowledge effort, Cities Alliance, capacity building for municipal leaders and employees, broad poverty impacts.
Quality Enhancement and Poverty Reduction Strategy Papers (PRSPs)	1.5	PSI will provide additional oversight to help regions to improve quality of PSI sector portfolios. PRSPs (initial toolkits) will require considerable additional effort, especially in the start up phase.
Systems integration with IFC	0.2	Systems work begun in FY00 will need to be completed in FY 01 on harmonizing time recording, work programming and budget systems to make the PSI-IFC integration administratively feasible.
Global Products - Mining, Oil & Gas, SMEs	1.0	New groups will offer seamless menu of services to Bank and IFC; additional resources needed from Bank and IFC to make it work.
A. Total Cost Increase:	$6.7 m	

Base Case Scenario

Tradeoffs	Incremental Cost Impact ($m)	Comments
II. What will you stop doing or reduce?		
Reduction/elimination of business lines	2.5	Corporate restructuring; trade policy; taxation; targeted business line consolidation/reduction throughout PSI
Partnership Review and Refocusing	0.3	All PSI partnerships will be reviewed with intent to refocus on main PSI business lines
Elimination of funding for Urban Age journal	0.2	Other publications will also be reviewed and reduced
Miscellaneous topics – phase-out/phase-down knowledge work	0.3	Case-by-case review along business lines to consolidate, find alternate funding, or phase out
Front office support to thematic groups	0.2	Sector boards functioning well on their own
Thematic groups	[2.0]	$2 m gap between proposed increases ($6.7 m) and feasible savings/efficiencies ($4.7 m) would have to be filled by cutting into thematic group resources – highly undesirable. Possible elimination of 6-7 groups out of 26. We would not take this step, but rather would have to drop or cut corporate priorities.
III. What will you do more efficiently?		
Consolidate ACS staff	0.8	After careful review and consideration of staff needs
Join forces with IFC for Trust fund administration	0.3	IFC's central trust fund unit will streamline, standardize, and assist PSI in other ways with its very large trust funded programs
Information Technology support	0.1	Minor savings through synergies with IFC
B. Cost Reduction:	4.7	
Net Cost Reduction: (A – B)	[2.0]	

Additional Savings

Tradeoffs	Incremental Cost Impact ($m)	Comments
II. What will you stop doing or reduce?		
Thematic groups	1.0	A further 3 thematic groups would have to be cut out to achieve 10% budget cut
III. What will you do more efficiently?		
More efficiency gains unlikely		
C. Cost Reduction:		
Net Cost Reduction: (A – B – C)		

Monitoring of FY01 Deliverables

Network Accountable Deliverable	Indicators	Original Plan	Completion Date/Comments
Knowledge Management			
	1. Content provision for Global Gateway	1	6/01
	2. Assessment of quality of on line knowledge collections, by theme	1	10/00
	3. Mainstream KM support of thematic groups and help desks to regions - raise quality. Consolidate KM organization and management	1	12/00
	4. Enhance project document workflow (Notes/SAP) through links to Network Knowledge	1	6/01
	5. Continue to publish high quality best practice notes	40	6/01
Strategy Development			
	1. Information Infrastructure Strategy Paper	1	Fall/00
	2. Internet Strategy – informal report to Board every 6 months	1	9/00
	3. Policy framework papers: SME development	2	9/00
	4. PRSPs: Frameworks, toolkits, support to regions – all sector boards	1	6/01
Staff Excellence			
	1. Complete sector boards' strategic staffing exercise in PSD	1	9/00
	2. Professional & technical training: # freestanding courses	85	6/01
	3. Deliver planned training days per Network staff	7	6/01
	4. Develop joint training plan with IFC underpinning integration	1	9/00
Quality Enhancement			
	1. Identify and track problem projects in PSD	1	10/00
	2. Portfolio review & quality action program for Urban	2	9/00
	3. Major programs on Portfolio Quality – Water and Power	1	6/01

Network Accountable Deliverable	Indicators	Original Plan	Completion Date/Comments
Partnerships			
	1. Launch Corporate Governance Trust-Funded Program	1	11/00
	2. Expand Cities Alliance – joint, donor funded global program	1	6/01
	3. ProVention (disaster prevention) program fully operational with modest funding	1	11/00
	4. Review/reduction of partnerships not related to global programs		12/00
New Products			
	1. Joint Advisory Service operating with fee-based funding option		9/00
	2. Telecom Hub (Internet, E-Commerce) established with joint Bank-IFC work program		9/00
	3. Other global products groups growing their business lines		9/00
Network Accountable Deliverable	**Status as of 6/30/00**	**Original Plan**	**Comments**
Lending Volume (PSIVP only)	TBD	TBD	current estimate
Quality at Entry	TBD	TBD	Power, Water, Urban and PSD – target sectors for quality improvement
Quality of Supervision	TBD	TBD	
Quality of ESW	TBD	TBD	
Proactivity Index	TBD	TBD	
Projects at Risk	TBD	TBD	
Realism Index	TBD	TBD	
Corporate Initiatives	**Indicators**	**Original Plan**	**Comments**
	1. Business Partners for Development - 5 pilots evaluated		10/00 (Delayed)
	2. Successful collaboration with IFC on co-management of global product groups		6/01
	3. Joint Bank/IFC Advisory Service expands non-lending services throughout Bank and IFC		6/01
	4. Corporate Governance – broad program of assistance institutionalized	1	6/01

STAFFING

Yunshin Kim Byrne
02/03/2000 04:23 PM

Extn: 30015 PSDDR
Subject: Re: Additional Measures to Effectively Manage the Bank's Staffing Level

FYI

---------------------- Forwarded by Yunshin Kim Byrne/Person/World Bank on 02/03/2000 04:23 PM ---------------------------

Gerald Meyerman
02/03/2000 03:10 PM

Extn: 31069 PSDCR
To: PSDCR Group
Subject: Re: Additional Measures to Effectively Manage the Bank's Staffing Level

For your information.

---------------------- Forwarded by Gerald Meyerman/Person/World Bank on 02/03/2000 03:09 PM ---------------------------

Michael U. Klein
02/03/2000 10:20 AM

Extn: 33293 PSDPP

Sent by: Jocelyn Tan Dytang

To: Reyaz Ahmad, Joseph Battat, Loup J. Brefort, Nadereh Chamlou, Andre J. Cracco, Rughvir K. Khemani, Denise Leonard,
Subject: Re: Additional Measures to Effectively Manage the Bank's Staffing Level

FYI.
Nemat Talaat Shafik

Nemat Talaat Shafik
02/02/2000 02:30 PM

Extn: 38632 PSIVP

Sent by: Marie Leon

To: PSI Mgt. Team
Subject: Additional Measures to Effectively Manage the Bank's Staffing Level

FYI.

Minouche

- **Richard D. Stern** 01/31/2000 05:44 PM

Extn: 36826 HRSVP

Sent by: Sheila Tomilloso

To: Afsaneh Mashayekhi Beschloss, Anil Sood, Callisto E. Madavo, Cheikh Ibrahima Fall, David De Ferranti, Eduardo A. Dory

Subject: Additional Measures to Effectively Manage the Bank's Staffing Level

Colleagues,

As part of the Strategic Compact, we committed to a substantial decentralization. Consistent with this objective, we have seen a substantial increase in our field staff up from 1,557 in 1997 to a current figure of 2,041. Despite this encouraging trend, HQ staffing levels remain persistently high. In the early phases of the Strategic Compact, this could be explained by the increased Compact budget. However, we expected that HQ staffing levels would decline as budgets returned to pre-Compact levels; indeed the HQ complement did drop by 318 in FY99. We were, therefore, taken by surprise when HQ numbers started climbing again in the first half of FY00. Unless these numbers moderate, this increase (coupled with substantial increases in the use of short-term consultants) will result in an annualized $46 million increase in staffing cost this FY. Repeatedly, including as recent as during this morning's Personnel Committee meeting, the Board reminded that management must meet Strategic Compact commitments in this respect. At a minimum, this requires we must end the FY with an overall HQ staffing level that is at least 167 lower than from the present level.

To ensure that we meet this institutional target and that we effectively control our HQ staffing, you are advised of the following corporate measures:

- As announced last week (my memo of January 21), no NRS contract extensions can be made without my approval. Final employment decisions on the several hundred NRS whose contracts expire by the end of FY00 should now be taken. Consistent with your own plans, we expect very few of these NRS to be converted.

- Effective immediately, an external hiring freeze on all further ACS recruitment is imposed, at least for the remainder of the FY. A disproportionate share of recent external recruitment (40%) is devoted to the hiring of extra ACS despite the huge talent pool already available internally (since July 98, approximately 600 Bank Temps. have been regularized as part of the NRS Phase-out and an additional 140 ACS staff have been hired externally at HQ). This fuels the concern that the opportunity to bring new skills and talent at these levels into the organization is not being used as sparingly or strategically as it ought to be. Meanwhile, OCS will lead an effort to map future ACS skill needs for the Bank and explore best practice in making optimum use of ACS skills and resources. Most ACS staffing needs are capable of being met through internal redeployment and transfer. If we discover ACS skill needs that cannot, e.g. language assistants, some exceptions may be permitted. Any exceptions would be recruited through the C-Tap program to ensure that institutional standards are maintained.

- To contain the external recruitment of higher level staff while still meeting our key skill needs, henceforth, and at least for the remainder of the FY, all external recruitment decisions will be cleared through HRS. We are establishing a committee, chaired by John Lavelle, consisting of all the HR Team Managers (who represent all the VPUs and can thus ensure that your own units interests are fully represented), plus the manager of the recruitment unit to manage this process.

We recognize that these are special measures that are taken as a last resort to enable us to meet our commitment to the shareholders, while not undermining the Bank's efforts to recruit fresh talent and meet critical strategic staffing needs. They should also allow us to tightly manage inflows without disrupting the smooth operation of the internal labor market. Your continuing support is greatly appreciated.

Richard

Gerald E. Meyerman, Manager
Corporate Restructuring & Governance Group
Private Sector Development Department
Tel.: 202-473-1069 / Fax: 202-522-2470
gmeyerman@worldbank.org

To: Stella G. Franco
Maria Pilar Z. Bowyer

Yunshin Kim Byrne
01/28/2000 12:17 PM

Extn: 30015 PSDDR
Subject: Re: Staffing and the NRS

Have you seen this em? FYI. Yunshin

---------------------- Forwarded by Yunshin Kim Byrne/Person/World Bank on 01/28/2000 11:37 AM ---------------------------

Gerald Meyerman
01/28/2000 11:08 AM

Extn: 31069 PSDCR
To: PSDCR Group
Subject: Re: Staffing and the NRS

FYI

---------------------- Forwarded by Gerald Meyerman/Person/World Bank on 01/28/2000 11:08 AM ---------------------------

Michael U. Klein
01/28/2000 10:57 AM

Extn: 33293 PSDPP
To: John R. Nellis, Rughvir K. Khemani, Gerald Meyerman, Loup J. Brefort, Warrick P. Smith, Nandha Kumar Ranganathan, N
Subject: Re: Staffing and the NRS

FYI.

Ann E. Rennie-HRS
01/24/2000 08:15 PM

Extn: 39300 HRSN2
To: Nemat Talaat Shafik cc: PSI Mgt. Team, HRSN2 Staff, Anne Sahl
Subject: Re: Staffing and the NRS

For information, there are, as of today, 54 remaining Bank NRS staff in the PSI anchor departments and Global Product Groups (52 Long Term Consultants and 3 Temporary Staff). IFC staff are not included in this tally, and this Email refers only to Bank NRS staff.

Of these, only 5 have contracts which extend up to the end of 2000. I am aware of the particular decisions being made in the case of most of these staff members, (some relating to the phasing out of particular units) but there are still a few gaps, where contracts are running out very soon, without any decision having been made about the staff members concerned.

This is how the profile looks on contract termination dates:

Ending Jan 2000:	5
Ending Feb 2000:	8
Ending Mar 2000:	6
Ending Apr 2000:	2
Ending May 2000:	3

Ending Jun 2000:	15
Ending Jul 2000:	1
Ending Aug 2000:	2
Ending Sep 2000:	7
Ending Oct 2000:	0
Ending Nov 2000:	0
Ending Dec 2000:	5

Please note that to extend an existing contract for an NRS staff member any time up to the end of 2000 will require Richard Stern's personal approval, (see his note below) and some justification for this.

Ann
Nemat Talaat Shafik

Nemat Talaat Shafik
01/24/2000 11:24 AM

Extn: 38632 PSIVP

Sent by: Catherine Guie

To: PSI Mgt. Team cc: Ann E. Rennie-HRS
Subject: Staffing and the NRS

For your Information. Please note the need to take immediate action on any pending NRS staff.

Minouche.

--------------------- Forwarded by Catherine Guie/Person/World Bank on 01/24/2000 11:23 AM ---------------------------

Richard D. Stern
01/21/2000 03:27 PM

Extn: 36826 HRSVP

To: Afsaneh Mashayekhi Beschloss, Anil Sood, Callisto E. Madavo, Cheikh Ibrahima Fall, David De Ferranti, Eduardo A. Dory
Subject: Staffing and the NRS

I am following up on my earlier notes on staffing levels. It's clear from the discussions at the Strategic Forum that every available measure must be taken to bring staffing numbers firmly under control and achieve tangible reductions in HQ complement by end FY and the Compact Period.

All of you have taken action to get your staffing levels under control. In particular we need to ensure that a firm grip remains kept over external recruitment to ensure that additional hirings for the rest of FY00 are in areas of genuinely important strategic skills needs.

As I mentioned at the Strategic Forum, the impending departure of many of the remaining NRS gives us a unique window of opportunity to impact overall staffing levels. It is vital that we do not pass this up. The Phase-out is approaching 80% completion rate and, based on your staffing plans, it is clear that few of the NRS still in active service are likely to be converted. I am therefore proposing that final employment decisions be taken on all remaining NRS as their current contracts expire: those who deserve to stay should be converted; those who do not have the requisite skills or are marginal to work program needs should be released. None of this should be a surprise to anyone since you all informed the NRS individually many months ago of your intentions. As of this moment approximately 600 NRS remain in active service and of these, about 460 have contracts expiring on or before end FY00. This is the population that should now be targeted for final employment decisions. Henceforth, proposals to extend

NRS employment beyond the duration of current contracts will require my direct approval.

Richard

Gerald E. Meyerman, Manager
Corporate Restructuring & Governance Group
Private Sector Development Department
Tel.: 202-473-1069 / Fax: 202-522-2470
gmeyerman@worldbank.org

To: Maria Pilar Z. Bowyer
Stella G. Franco

RSAS FY01

Maria Pilar Z. Bowyer Subject: Additional Information on PSAS FY01 Deliverables

01/02/2001 05:05 PM
38608 PSADR

Deliverables	Status	Amount ($ 000)
Development of PSD strategy for presentation to Board by end June 2001	Internal and External circulation of 1st draft by end January	300 (BB)
Corporate Governance work with support to OECD	Participate in round tables organized by OECD scheduled in April, June and July	500 (DGF)
Implement Global Corporate Governance Forum	December 2000 was the first Donors' meeting. In March 2001, the steering committee will be set-up.	
Report on Observance of Standards and Codes (ROSC) Program	Series of six Country Assessment reports by September 2001 (3 due end FY01)	500 (Compact fund)
Implement rapid response web-based knowledge delivery to internal and external clients.	Ready for internal clients by February 2001 and for external clients by March 2001	200 (BB)
Develop output-based aid concepts and pilot projects	PSARR will issue a publication on global case studies late July/early August and a conference in September. PSAPP - Pilot Project currently being defined, likely LAC and ECA.	500 (BB)

Maria Pilar (Rica) Z. Bowyer
Budget Officer
Private Sector Advisory Services
Room I-9-230
Tel No. (202) 473-8608
Fax No. (202) 522-3181
EMail: MBowyer@worldbank.org

To: Caroline S. Levenson
cc: Larry F. Smucker, Neil D. Roger, Stella G. Franco

Stella G. Franco
07/27/2000 08:36 AM

Extn: 34861 PSADR

Subject: Re: Revised FY01Budget Summary Report PSAS

This file incorporates your changes. Thanks, Stella

PSAS.xls

To: John Leber/Hq/Ifc@Ifc
Danilo Y. Anzures/Hq/Ifc@Ifc
cc: Maria Pilar Z. Bowyer

PSAS DEPARTMENT
FY 01 BUDGET SUMMARY REPORT
July 31, 2000 ($000)

INCOME:	PSAS				Former CFS				Former FIAS				Former PSD			
	Original	Revised	Proj	Total	Original	Revised	Proj	Total	Original	Revised	Proj	Total	Original	Revised	Proj	Total
1. BUDGET																
IFC	9,755	8,802	-	8,802	6,899	6,899		6,899	2,856	1,903		1,903				
BANK	2,240	3,193	-	3,193						953		953	2,240	2,240		2,240
--VP Sustaining	1,800	1,800	-	1,800				-				-	1,800	1,800		1,800
--DGF	-	-	500	500				-				-			500	500
--Fin Arch	-	-	500	500				-				-			500	500
--WBI/BBLRN	-	-	500	500				-				-			500	500
2. CROSS SUPPORT																
--Regions	-	-	5,623	5,623				-				-			5,623	5,623
--WBI	-	-	-	-				-				-				-
--Networks	-	-	-	-				-				-				-
3. DONORS																
--FIAS	-	-	2,926	2,926				-			2,926	2,926				-
--PPIAF	-	-	-	-				-				-				-
--PTF	-	-	-	-				-				-				-
--Other	-	-	1,000	1,000				-			1,000	1,000				-
4. FEES																
--Frontier Mrkt Fnd	-	-	2,000	2,000			2,000	2,000				-				-
--Client fees	-	-	-	-				-				-				-
--Other(Reimb.etc	-	-	3,392	3,392			1,000	1,000			2,142	2,142			250	250
Total	**13,795**	**13,795**	**16,441**	**30,236**	**6,899**	**6,899**	**3,000**	**9,899**	**2,856**	**2,856**	**6,068**	**8,924**	**4,040**	**4,040**	**7,373**	**11,413**

USES:	Actual	Comm	To Be Comm	Total	Actual	Comm	To Be Comm	Total	Actual	Comm	To Be Comm	Total	Actual	Comm	To Be Comm	Total
Staff Cost																
Salary/Benefits	-	-	15,717	15,717			4,444	4,444			3,514	3,514			7,759	7,759
Cons/Temp/OT	-	-	5,078	5,078			2,075	2,075			1,734	1,734			1,269	1,269
Other	-	-	30	30			30	30				-				-
Non Overhead																
Travel	-	-	3,761	3,761			2,000	2,000			1,571	1,571			190	190
Contractual Serv	-	-	277	277			100	100			177	177				-
Other	-	-	84	84			21	21			63	63				-
Overhead																
Office Occ	-	-	1,571	1,571			484	484			359	359			728	728
Equipment	-	-	129	129			70	70			59	59				-
Commun/Comp	-	-	1,326	1,326			160	160			218	218			948	948
Direct InstlCharge	-	-	1,078	1,078				-			1,078	1,078				
Other	-	-	907	907			279	279			152	152			476	476
Reverse Cross Sup	-	-	100	100				-			-	-			100	100
Total	**-**	**-**	**30,057**	**30,057**	**-**	**-**	**9,663**	**9,663**	**-**	**-**	**8,924**	**8,924**	**-**	**-**	**11,470**	**11,470**

	PSAS	Former CFS	Former FIAS	Former PSD
Variance: Overrun (Underrun)	**(179)**	**(236)**	**0**	**57**

FY01 BUDGET SUMMARY REPORT
July 31, 2000 ($ 000)

Former CFS

INCOME:	Original	Revised	Proj	Total
1. BUDGET				
IFC	6,899	6,899		6,899
BANK				
--VP Sustaining				-
--DGF				-
--Fin Arch				-
--WBI/BBLRN				-
2. CROSS SUPPORT				
--Regions				-
--WBI				-
--Networks				-
3. DONORS				
--FIAS				-
--PPIAF				-
--PTF				-
--Other				-
4. FEES				
--Frontier Mrkt Fnd			2,000	2,000
--Client fees				-
--Other(Reimb.etc.)			1,000	1,000
Total	**6,899**	**6,899**	**3,000**	**9,899**

USES:	Actual	Comm	To Be Comm	Total
Staff Cost				
Salary/Benefits			4,444	4,444
Cons/Temp/OT			2,075	2,075
Other			30	30
Non Overhead				
Travel			2,000	2,000
Contractual Serv			100	100
Other			21	21
Overhead				
Office Occ			484	484
Equipment			70	70
Commun/Comp			160	160
Direct InstlCharges				-
Other			279	279
Reverse Cross Sup				-
Total	**-**	**-**	**9,663**	**9,663**

Variance: Overrun (Underrun)	**(236)**

FY01 BUDGET SUMMARY REPORT
July 31, 2000 ($ 000)

	Former FIAS			
INCOME:	Original	Revised	Proj	Total
1. BUDGET				
IFC	2,856	1,903		1,903
BANK		953		953
--VP Sustaining				-
--DGF				-
--Fin Arch				-
--WBI/BBLRN				-
2. CROSS SUPPORT				
--Regions				-
--WBI				-
--Networks				-
3. DONORS				
--FIAS			2,926	2,926
--PPIAF				-
--PTF				-
--Other			1,000	1,000
4. FEES				
--Frontier Mrkt Fnd				-
--Client fees				-
--Other(Reimb.etc.)			2,142	2,142
Total	**2,856**	**2,856**	**6,068**	**8,924**

USES:	Actual	Comm	To Be Comm	Total
Staff Cost				
Salary/Benefits			3,514	3,514
Cons/Temp/OT			1,734	1,734
Other				-
Non Overhead				
Travel			1,571	1,571
Contractual Serv			177	177
Other			63	63
Overhead				
Office Occ			359	359
Equipment			59	59
Commun/Comp			218	218
Direct InstlCharges			1,078	1,078
Other			152	152
Reverse Cross Sup			-	-
Total	**-**	**-**	**8,924**	**8,924**

Variance: Overrun (Underrun)	**0**

FY01 BUDGET SUMMARY REPORT
July 31, 2000 ($ 000)

Former PSD

INCOME:	Original	Revised	Proj	Total
1. BUDGET				
IFC				
BANK	2,240	2,240		2,240
--VP Sustaining	1,800	1,800		1,800
--DGF			500	500
--Fin Arch			500	500
--WBI/BBLRN			500	500
2. CROSS SUPPORT				
--Regions			5,623	5,623
--WBI				-
--Networks				-
3. DONORS				
--FIAS				-
--PPIAF				-
--PTF				-
--Other				-
4. FEES				
--Frontier Mrkt Fnd				-
--Client fees				-
--Other(Reimb.etc.)			250	250
Total	**4,040**	**4,040**	**7,373**	**11,413**

USES:	Actual	Comm	To Be Comm	Total
Staff Cost				
Salary/Benefits			7,759	7,759
Cons/Temp/OT			1,269	1,269
Other				-
Non Overhead				
Travel			190	190
Contractual Serv				-
Other				-
Overhead				
Office Occ			728	728
Equipment				-
Commun/Comp			948	948
Direct InstlCharges				
Other			476	476
Reverse Cross Sup			100	100
Total	**-**	**-**	**11,470**	**11,470**

Variance: Overrun (Underrun)	**57**

John Leber@IFC
07/26/2000 05:12 PM

Subject: Re: Revised FY01Budget Summary Report PSAS

Here's the updated one for CFS:

PSAS-CFS.xls

Danilo Y. Anzures

Danilo Y. Anzures
07/26/2000 04:56 PM

To: Stella G. Franco/Person/World Bank@WORLDBANK
cc: Maria Pilar Z. Bowyer/Person/World Bank@WorldBank, John Leber/HQ/IFC@IFC

Subject: Re: Revised FY01Budget Summary Report PSAS

I incorporated my changes in the Income Section. Also I changed the label from "FIAS fees" to "Client fees" under the subheading "4. FEES."

psas.xls

Stella G. Franco@WORLDBANK

Stella G. Franco@WORLDBANK
07/26/2000 08:49 AM

To: Danilo Y. Anzures/HQ/IFC@IFC
cc: Maria Pilar Z. Bowyer/Person/World Bank@WorldBank

Subject: Revised FY01Budget Summary Report PSAS

Reminder: to submit this to Rica before your vacation. Thanks, Stella

--------------------- Forwarded by Stella G. Franco/Person/World Bank on 07/26/2000 08:48 AM ---------------------------

Stella G. Franco
07/13/2000 10:59 AM

Extn: 34861 PSADR

To: John Leber, Danilo Y. Anzures cc: Maria Pilar Z. Bowyer

Subject: Revised FY01Budget Summary Report PSAS

Attached is the revised table as discussed with Michael on 6/26. I did not make adjustments in the $ figures as well as Sheet "Summary 1". Please make the changes needed and let me know if additional revisions should have been made in case I missed something. Thanks, Stella

PSAS.xls

To: Danilo Y. Anzures/Hq/Ifc@Ifc

cc: Stella G. Franco

Maria Pilar Z. Bowyer

FY01 BUDGET SUMMARY REPORT
July 31, 2000 ($ 000)

	Former FIAS			
INCOME:	Original	Revised	Proj	Total
1. **BUDGET**				
IFC	2,856	1,903		1,903
BANK		953		953
--VP Sustaining				-
--DGF				-
--Fin Arch				-
--WBI/BBLRN				-
2. **CROSS SUPPORT**				
--Regions				-
--WBI				-
--Networks				-
3. **DONORS**				
--FIAS			2,926	2,926
--PPIAF				-
--PTF				-
--Other			1,000	1,000
4. **FEES**				
--Frontier Mrkt Fnd				-
--Client fees			2,142	2,142
--Other(Reimb.etc.)				-
Total	**2,856**	**2,856**	**6,068**	**8,924**

USES:	Actual	Comm	To Be Comm	Total
Staff Cost				
Salary/Benefits			3,514	3,514
Cons/Temp/OT			1,734	1,734
Other				-
Non Overhead				
Travel			1,571	1,571
Contractual Serv			177	177
Other			63	63
Overhead				
Office Occ			359	359
Equipment			59	59
Commun/Comp			218	218
Direct InstlCharges			1,078	1,078
Other			152	152
Reverse Cross Sup			-	-
Total	**-**	**-**	**8,924**	**8,924**

Variance: Overrun (Underrun)	**0**

FY01 BUDGET SUMMARY REPORT
July 31, 2000 ($ 000)

Former CFS

INCOME:	**Original**	**Revised**	**Proj**	**Total**
1. BUDGET				
IFC	6,899	6,899		6,899
BANK				
--VP Sustaining				-
--DGF				-
--Fin Arch				-
--WBI/BBLRN				-
2. CROSS SUPPORT				
--Regions				-
--WBI				-
--Networks				-
3. DONORS				
--FIAS				-
--PPIAF				-
--PTF				-
--Other				-
4. FEES				
--Frontier Mrkt Fnd			2,000	2,000
--FIAS fees				-
--Other(Reimb.etc.)			1,000	1,000
Total	**6,899**	**6,899**	**3,000**	**9,899**

USES:	**Actual**	**Comm**	**To Be Comm**	**Total**
Staff Cost				
Salary/Benefits			4,444	4,444
Cons/Temp/OT			2,075	2,075
Other			30	30
Non Overhead				
Travel			2,000	2,000
Contractual Serv			100	100
Other			21	21
Overhead				
Office Occ			484	484
Equipment			70	70
Commun/Comp			160	160
Direct InstlCharges				-
Other			279	279
Reverse Cross Sup				-
Total	-	-	**9,663**	**9,663**

Variance: Overrun (Underrun)	**(236)**

Stella G. Franco
07/13/2000 10:59 AM

Extn: 34861 PSADR
Subject: Revised FY01Budget Summary Report PSAS

Attached is the revised table as discussed with Michael on 6/26. I did not make adjustments in the $ figures as well as Sheet "Summary 1". Please make the changes needed and let me know if additional revisions should have been made in case I missed something. Thanks, Stella

PSAS.xls

To: John Leber/Hq/Ifc@Ifc
Danilo Y. Anzures/Hq/Ifc@Ifc
cc: Maria Pilar Z. Bowyer

PSAS DEPARTMENT
FY 01 BUDGET S[illegible]MARY REPORT
July 31, 2000 ($000)

INCOME:	PSAS				Former CFS				Former FIAS				Former PSD			
	Original	Revised	Proj	Total	Original	Revised	Proj	Total	Original	Revised	Proj	Total	Original	Revised	Proj	Total
1. BUDGET																
IFC	9,755	9,755	-	9,755	6,899	6,899		6,899	2,856	2,856		2,856				
BANK	2,240	2,240	-	2,240									2,240	2,240		2,240
--VP Sustaining	1,800	1,800	-	1,800				-				-	1,800	1,800		1,800
--DGF	-	-	500	500				-				-			500	500
--Fin Arch	-	-	500	500				-				-			500	500
--WBI/BBLRN	-	-	500	500				-				-			500	500
2. CROSS SUPPORT																
--Regions	-	-	5,623	5,623				-				-			5,623	5,623
--WBI	-	-	-	-				-				-				-
--Networks	-	-	-	-				-				-				-
3. DONORS																
--FIAS	-	-	3,926	3,926				-			3,926	3,926				-
--PPIAF	-	-	-	-				-				-				-
--PTF	-	-	-	-				-				-				-
--Other	-	-	-	-				-				-				-
4. FEES																
--Frontier Mrkt Fnd	-	-	4,000	4,000			4,000	4,000				-				-
--FIAS fees	-	-	-	-				-				-				-
--Other(Reimb.etc	-	-	3,392	3,392			1,000	1,000			2,142	2,142			250	250
Total	**13,795**	**13,795**	**18,441**	**32,236**	**6,899**	**6,899**	**5,000**	**11,899**	**2,856**	**2,856**	**6,068**	**8,924**	**4,040**	**4,040**	**7,373**	**11,413**

USES:	Actual	Comm	To Be Comm	Total	Actual	Comm	To Be Comm	Total	Actual	Comm	To Be Comm	Total	Actual	Comm	To Be Comm	Total
Staff Cost																
Salary/Benefits	-	-	15,656	15,656			4,383	4,383			3,514	3,514			7,759	7,759
Cons/Temp/OT	-	-	5,108	5,108			2,105	2,105			1,734	1,734			1,269	1,269
Other	-	-	-	-				-				-				-
Non Overhead																
Travel	-	-	3,761	3,761			2,000	2,000			1,571	1,571			190	190
Contractual Serv	-	-	177	177				-			177	177				-
Other	-	-	63	63				-			63	63				-
Overhead																
Office Occ	-	-	1,571	1,571			484	484			359	359			728	728
Equipment	-	-	59	59				-			59	59				-
Commun/Comp	-	-	1,396	1,396			230	230			218	218			948	948
Direct InstlCharge	-	-	1,078	1,078				-			1,078	1,078				
Other	-	-	1,028	1,028			400	400			152	152			476	476
Reverse Cross Sup	-	-	100	100				-			-	-			100	100
Total	**-**	**-**	**29,996**	**29,996**	**-**	**-**	**9,602**	**9,602**	**-**	**-**	**8,924**	**8,924**	**-**	**-**	**11,470**	**11,470**

	PSAS	Former CFS	Former FIAS	Former PSD
Variance: Overrun (Underrun)	**(2,240)**	**(2,297)**	**0**	**57**

FY01 BUDGET SUMMARY REPORT
July 31, 2000 ($ 000)

Former CFS

INCOME:	Original	Revised	Proj	Total
1. BUDGET				
IFC	6,899	6,899		6,899
BANK				
--VP Sustaining				-
--DGF				-
--Fin Arch				-
--WBI/BBLRN				-
2. CROSS SUPPORT				
--Regions				-
--WBI				-
--Networks				-
3. DONORS				
--FIAS				-
--PPIAF				-
--PTF				-
--Other				-
4. FEES				
--Frontier Mrkt Fnd			4,000	4,000
--FIAS fees				-
--Other(Reimb.etc.)			1,000	1,000
Total	**6,899**	**6,899**	**5,000**	**11,899**

USES:	Actual	Comm	To Be Comm	Total
Staff Cost				
Salary/Benefits			4,383	4,383
Cons/Temp/OT			2,105	2,105
Other				-
Non Overhead				
Travel			2,000	2,000
Contractual Serv				-
Other				-
Overhead				
Office Occ			484	484
Equipment				-
Commun/Comp			230	230
Direct InstlCharges				-
Other			400	400
Reverse Cross Sup				-
Total	**-**	**-**	**9,602**	**9,602**

Variance: Overrun (Underrun)	**(2,297)**

FY01 BUDGET SUMMARY REPORT
July 31, 2000 ($ 000)

Former PSD

INCOME:	Original	Revised	Proj	Total
1. BUDGET				
IFC				
BANK	2,240	2,240		2,240
--VP Sustaining	1,800	1,800		1,800
--DGF			500	500
--Fin Arch			500	500
--WBI/BBLRN			500	500
2. CROSS SUPPORT				
--Regions			5,623	5,623
--WBI				-
--Networks				-
3. DONORS				
--FIAS				-
--PPIAF				-
--PTF				-
--Other				-
4. FEES				
--Frontier Mrkt Fnd				-
--FIAS fees				-
--Other(Reimb.etc.)			250	250
Total	**4,040**	**4,040**	**7,373**	**11,413**

USES:	Actual	Comm	To Be Comm	Total
Staff Cost				
Salary/Benefits			7,759	7,759
Cons/Temp/OT			1,269	1,269
Other				-
Non Overhead				
Travel			190	190
Contractual Serv				-
Other				-
Overhead				
Office Occ			728	728
Equipment				-
Commun/Comp			948	948
Direct InstlCharges				
Other			476	476
Reverse Cross Sup			100	100
Total	-	-	**11,470**	**11,470**

Variance: Overrun (Underrun) **57**

FY01 BUDGET SUMMARY REPORT
July 31, 2000 ($ 000)

Former FIAS

INCOME:	Original	Revised	Proj	Total
1. BUDGET				
IFC	2,856	2,856		2,856
BANK				
--VP Sustaining				-
--DGF				-
--Fin Arch				-
--WBI/BBLRN				-
2. CROSS SUPPORT				
--Regions				-
--WBI				-
--Networks				-
3. DONORS				
--FIAS			3,926	3,926
--PPIAF				-
--PTF				-
--Other				-
4. FEES				
--Frontier Mrkt Fnd				-
--FIAS fees				-
--Other(Reimb.etc.)			2,142	2,142
Total	**2,856**	**2,856**	**6,068**	**8,924**

USES:	Actual	Comm	To Be Comm	Total
Staff Cost				
Salary/Benefits			3,514	3,514
Cons/Temp/OT			1,734	1,734
Other				-
Non Overhead				
Travel			1,571	1,571
Contractual Serv			177	177
Other			63	63
Overhead				
Office Occ			359	359
Equipment			59	59
Commun/Comp			218	218
Direct InstlCharges			1,078	1,078
Other			152	152
Reverse Cross Sup			-	-
Total	**-**	**-**	**8,924**	**8,924**

Variance: Overrun (Underrun)	**0**

Danilo Y. Anzures@IFC
06/26/2000 06:36 PM

Subject: FIAS FY2001 Budget

Michael,

Here is the information you requested. Please note that FIAS budget model provides for estimated payments to IFC and IBRD for overhead charges, and service and support fee. For FY2001 business plan, overhead charges was estimated at **$659,300** (30% of salaries) and **$418,266** for service and support ($22,014 * 19 staff at Level 21 and above above).

Danny

FY2000FIASBudget4UnifiedBudget.

To: Michael U. Klein
cc: Neil D. Roger
Stella G. Franco
Maria Pilar Z. Bowyer
John Leber/Hq/Ifc@Ifc

FIAS Administrative Expenses by Major Expense Category

PSAS MAJOR EXPENSE SUBGROUP	EXPENSE CATEGORY	Projection FY2001
A_Staff Cost Total		3,514,175.28
B_Cons & Temp Total		1,733,751.55
C_Non_Overhead_CntrServ Total		177,465.25
C_Non_Overhead_Other Total		62,761.08
C_Non_Overhead_Travel Total		1,570,540.00
D_Overhead_Comm/Comp Total		217,832.96
D_Overhead_DirectInstlCharges Total		1,077,566.94
D_Overhead_Equipment Total		59,155.42
D_Overhead_OfficeSpace Total		359,224.37
D_Overhead_Other Total		152,023.89
H_Other Costs Total		-
Grand Total		8,924,496.72

* C Support – only Bank
Regu
Networks
~~PPIAF~~

1) BANK/IFC – OTHER CS
2) DONORS – PPIAF, DGF
3) FEES

PSAS DEPARTMENT
BUDGET SUMMARY REPORT
July 31, 2000 ($000)

	PSAS				Former CFS				Former FIAS				Former PSD			
SOURCES:	**Original**	**Revised**	**Proj**	**Total**	**Original**	**Revised**	**Proj**	**Total**	**Original**	**Revised**	**Proj**	**Total**	**Original**	**Revised**	**Proj**	**Total**
Base Budget	11,995	11,995	-	11,995	6,899	6,899	-	6,899	2,856	2,856	-	2,856	2,240	2,240	-	2,240
VP Sustaining	1,800	1,800	-	1,800	-		-	-	-		-	-	1,800	1,800	-	1,800
* Cross Support	-	-	8,549	8,549	-		-	-	-		2,926	2,926	-		5,623	5,623
Frontier Mrkt Fnd	-	-	4,000	4,000			4,000	4,000	-		-	-	-		-	-
Donor Contrib	-	-	1,000	1,000			-	-	-		1,000	1,000	-		-	-
DGF, Fin Arch ← breakup + add FIAS TF	-	-	1,000	1,000				-	-		-	-	-		1,000	1,000
WBI/BBLRN	-	-	500	500	-		-	-	-		-	-	-		500	500
Reimbursable	-	-	3,392	3,392	-		1,000	1,000	-		2,142	2,142	-		250	250
Other	-	-	-	-	-		-	-	-		-	-	-		-	-
Total	**13,795**	**13,795**	**18,441**	**32,236**	**6,899**	**6,899**	**5,000**	**11,899**	**2,856**	**2,856**	**6,068**	**8,924**	**4,040**	**4,040**	**7,373**	**11,413**

USES:	**Actual**	**Comm**	**To Be Comm**	**Total**	**Actual**	**Comm**	**To Be Comm**	**Total**	**Actual**	**Comm**	**To Be Comm**	**Total**	**Actual**	**Comm**	**To Be Comm**	**Total**
Staff Cost																
Salary/Benefits	-	-	15,656	15,656	-		4,383	4,383	-		3,514	3,514	-		7,759	7,759
Cons/Temp/OT	-	-	5,108	5,108	-		2,105	2,105	-		1,734	1,734	-		1,269	1,269
Other				-				-				-				-
Non Overhead																
Travel	-	-	3,761	3,761	-		2,000	2,000	-		1,571	1,571	-		190	190
Contractual Serv				-				-				-				-
Other				-				-				-				-
Overhead																
Office Occ	-	-	1,571	1,571	-		484	484	-		359	359	-		728	728
Equipment				-				-				-				-
Commun/Comp	-	-	1,373	1,373	-		230	230	-		195	195	-		948	948
Other	-	-	2,428	2,428	-		400	400	-		1,552	1,552	-		476	476
Reverse Cross Sup	-	-	100	100	-		-	-	-		-	-	-		100	100
Total	**-**	**-**	**29,996**	**29,996**	**-**	**-**	**9,602**	**9,602**	**-**	**-**	**8,924**	**8,924**	**-**	**-**	**11,470**	**11,470**

	PSAS	Former CFS	Former FIAS	Former PSD
Variance: Overrun (Underrun)	**(2,240)**	**(2,297)**	**0**	**57**

PSAS DEPARTMENT
BUDGET SUMMARY REPORT
July 31, 2000 ($000)

PSAS

SOURCES:	Original	Revised	Proj	Total
Base Budget	11,995	11,995	-	11,995
VP Sustaining	1,800	1,800	-	1,800
Cross Support	-	-	8,549	8,549
Frontier Mrkt Fnd	-	-	4,000	4,000
Donor Contrib	-	-	1,000	1,000
DGF, Fin Arch	-	-	1,000	1,000
WBI/BBLRN	-	-	500	500
Reimbursable	-	-	3,392	3,392
Other	-	-	-	-
Total	**13,795**	**13,795**	**18,441**	**32,236**

USES:	Actual	Comm	To Be Comm	Total
Staff Cost				
Salary/Benefits	-	-	15,656	15,656
Cons/Temp/OT	-	-	5,108	5,108
Other				-
Non Overhead				
Travel	-	-	3,761	3,761
Contractual Serv				-
Other				-
Overhead				
Office Occ	-	-	1,571	1,571
Equipment				-
Commun/Comp	-	-	1,373	1,373
Other	-	-	2,428	2,428
Reverse Cross Sup	-	-	100	100
Total	**-**	**-**	**29,996**	**29,996**

Variance: Overrun (Underrun)	**(2,240)**

BUDGET SUMMARY REPORT
July 31, 2000 ($ 000)

Former CFS

SOURCES:	**Original**	**Revised**	**Proj**	**Total**
Base Budget	6,899	6,899	-	6,899
VP Sustaining	-		-	-
Cross Support	-		-	-
Frontier Mrkt Fnd			4,000	4,000
Donor Contrib			-	-
DGF, Fin Arch				-
WBI/BBLRN	-		-	-
Reimbursable	-		1,000	1,000
Other	-		-	-
Total	**6,899**	**6,899**	**5,000**	**11,899**

USES:	**Actual**	**Comm**	**To Be Comm**	**Total**
Staff Cost				
Salary/Benefits	-		4,383	4,383
Cons/Temp/OT	-		2,105	2,105
Other				-
Non Overhead				
Travel	-		2,000	2,000
Contractual Serv				-
Other				-
Overhead				
Office Occ	-		484	484
Equipment				-
Commun/Comp	-		230	230
Other	-		400	400
Reverse Cross Sup	-		-	-
Total	**-**	**-**	**9,602**	**9,602**

Variance: Overrun (Underrun)	**(2,297)**

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BUDGET SUMMARY REPORT
July 31, 2000 ($ 000)

Former FIAS

SOURCES:	Original	Revised	Proj	Total
Base Budget	2,856	2,856	-	2,856
VP Sustaining	-		-	-
Cross Support	-		2,926	2,926
Frontier Mrkt Fnd	-		-	-
Donor Contrib	-		1,000	1,000
DGF, Fin Arch	-		-	-
WBI/BBLRN	-		-	-
Reimbursable	-		2,142	2,142
Other	-		-	-
Total	**2,856**	**2,856**	**6,068**	**8,924**

USES:	Actual	Comm	To Be Comm	Total
Staff Cost				
Salary/Benefits	-		3,514	3,514
Cons/Temp/OT	-		1,734	1,734
Other				-
Non Overhead				
Travel	-		1,571	1,571
Contractual Serv				-
Other				-
Overhead				
Office Occ	-		359	359
Equipment				-
Commun/Comp	-		195	195
Other	-		1,552	1,552
Reverse Cross Sup	-		-	-
Total	**-**	**-**	**8,924**	**8,924**

Variance: Overrun (Underrun) **0**

BUDGET SUMMARY REPORT
July 31, 2000 ($ 000)

Former PSD

SOURCES:	Original	Revised	Proj	Total
Base Budget	2,240	2,240	-	2,240
VP Sustaining	1,800	1,800	-	1,800
Cross Support	-		5,623	5,623
Frontier Mrkt Fnd	-		-	-
Donor Contrib	-		-	-
DGF, Fin Arch	-		1,000	1,000
WBI/BBLRN	-		500	500
Reimbursable	-		250	250
Other	-		-	-
Total	**4,040**	**4,040**	**7,373**	**11,413**

USES:	Actual	Comm	To Be Comm	Total
Staff Cost				
Salary/Benefits	-		7,759	7,759
Cons/Temp/OT	-		1,269	1,269
Other				-
Non Overhead				
Travel	-		190	190
Contractual Serv				-
Other				-
Overhead				
Office Occ	-		728	728
Equipment				-
Commun/Comp	-		948	948
Other	-		476	476
Reverse Cross Sup	-		100	100
Total	**-**	**-**	**11,470**	**11,470**

Variance: Overrun (Underrun)	**57**

PSA
FY01 Projected Income/Expenses

	Projected Income								Projected Expenses									
									Staff Cost		Non-Overhead		Overhead					Variance
	Base Budget	VP Sus	Cross Support	DGF	WBI BBLRN	Adv Inc/ Reimb Income	Other Inc/ Financial Architecture	TOTAL	Sal/ Ben	Fees/ Temp/OT	Travel	Other	Office Space	Communi/ Computing	Other	Reverse Cross Support	TOTAL	Overrun (Underrun)
DR	2,240	1,800	925	0	500	250	500	6,215	1,349	600	50	205	144	112	41	500	3,001	(3,214)
RR	0	0	462	0	0	0	0	462	843	64	20	16	96	128	34	0	1,200	738
CG	0	0	358	500	0	0	0	858	622	365	50	45	56	78	20	0	1,237	378
PP	0	0	1,858	0	0	0	0	1,858	2,470	63	50	26	240	330	52	0	3,231	1,372
BE	0	0	468	0	0	0	0	468	581	37	5	2	48	66	14	0	754	286
GM	0	0	1,552	0	0	0	0	1,552	1,894	140	15	1	144	232	20	0	2,446	894
TOTAL	2,240	1,800	5,623	500	500	250	500	11,413	7,759	1,269	190	295	728	946	181	500	11,868	455

BREAKDOWN:

Cross Support Income					
			Trust Funds		
Regions	Networks	Other	PPIAF	Other	Total
xx	xx	xx	xx	xx	XX

Advisory & Reimbursable Income							
Advisory Income	ABC	ABC	ABC	ABC	ABC	Reimb Income	Total
xx	xx	xx	xx	xx	xx	xx	0

Other Income							
Fin Architecture		RSB	Pres Cont	PPIAF VP	Publ/ TF Incom	Reimb Other	Total
500	xx	xx	xx	xx	xx	0	500

PSA
FY01 Projected Income/Expenses

	Projected Income								Projected Expenses									Variance
									Staff Cost		Non-Overhead		Overhead			Reverse		
	Base Budget	VP Sus	Cross Support	DGF	WBI BBLRN	Adv Inc/ Reimb Income	Other Inc/ Financial Architecture	TOTAL	Sal/ Ben	Fees/ Temp/OT	Travel	Other	Office Space	Communi/ Computing	Other	Cross Support	TOTAL	Overrun (Underrun)
FY01	2,240	1,800	5,623	500	500	250	500	11,413	7,759	1,269	190	295	728	946	181	500	11,868	455
FY00	2,980	1,942	6,684	650	584	771	2,556	16,166	11,216	2,455	467	706	992	760	220		16,816	650

BREAKDOWN:

Cross Support Income					
			Trust Funds		
Regions	Networks	Other	PPIAF	Other	Total
xx	xx	xx	xx	xx	XX

Advisory & Reimbursable Income (FY00)							
IFC	CIDA	Stevens (CRM)	Manley (Insur)	IDB	Italy Conf	Reimb Income	Total
180	270	100	79.2	20.1	89.5	31.2	770

Other Income (FY00)							
NSA	PSdX/Inn	RSB	Pres Cont	PPIAF VP	Publ/ TF Incom	Reimb Other	Total
760	565	46	700	373	112	0	2,555

PSA
FY01 MONTHLY MONITORING TABLE (all BBs)

EXPENSES	(1) YTD Comm. Bal	(2) YTD Actuals	(3) Adjustments	(4) To be Committed	(1)+(2)+(3)+(4) Expected Expenses (70% C/S)	(Mod 80% C/S)
STAFF COSTS	**0.0**	**0.0**	**0.0**	**4,527.0**	**4,527.0**	**4,739.5**
Salary & Benefit	**0.0**	**0.0**	**0.0**	**7,759.3**	7,759.3	**7,759.3**
Allocation (Sal & Ben)	**0.0**	**0.0**	**0.0**	**(5,001.3)**	(5,001.3)	**(4,788.9)**
Reverse Cross Support	**0.0**	**0.0**	**0.0**	**500.0**	500.0	**500.0**
Temporary +Overtime	**0.0**	**0.0**	**0.0**	**59.0**	59.0	**59.0**
Consultant fees	**0.0**	**0.0**	**0.0**	**1,210.1**	1,210.1	**1,210.1**
Field Benefits	**0.0**	**0.0**	**0.0**	**0.0**	0.0	**0.0**
OTHER NON-OVERHEAD	**0.0**	**0.0**	**0.0**	**484.7**	**484.7**	**484.7**
Travel	**0.0**	**0.0**	**0.0**	**190.0**	190.0	**190.0**
Rep & Hospitality	**0.0**	**0.0**	**0.0**	**7.7**	7.7	**7.7**
Contractual Serv/Transl	**0.0**	**0.0**	**0.0**	**287.0**	287.0	**287.0**
OVERHEADS	**0.0**	**0.0**	**0.0**	**1,032.7**	**1,032.7**	**1,020.7**
Equipment & Building	**0.0**	**0.0**	**0.0**	**25.0**	25.0	**25.0**
Supplies	**0.0**	**0.0**	**0.0**	**30.0**	30.0	**30.0**
Books $ Periodicals	**0.0**	**0.0**	**0.0**	**26.0**	26.0	**26.0**
Corp. Charge Card	**0.0**	**0.0**	**0.0**	**10.0**	10.0	**10.0**
Office Occupancy	**0.0**	**0.0**	**0.0**	**728.0**	728.0	**728.0**
Comm/Network Serv (CB)	**0.0**	**0.0**	**0.0**	**946.0**	946.0	**946.0**
WBI Training Service	**0.0**	**0.0**	**0.0**	**75.0**	75.0	**75.0**
Miscellaneous	**0.0**	**0.0**	**0.0**	**15.0**	15.0	**15.0**
Indirect Allocation	**0.0**	**0.0**	**0.0**	**(822.3)**	(822.3)	**(834.3)**
Total Expenses	**0.0**	**0.0**	**0.0**	**6,044.4**	**6,044.4**	**6,244.9**

BUDGET/INCOME	(1) Orig	(2) Revised	(3) Expected Income Certain	(4) Expected Income Uncertain	(2)+(3)+(4) Projected Total Income	(2)+(3)+(4)
Network (Reg BB)	0.0	0.0	2,240.0	0.0	2,240.0	2,240.0
Base Budget	**0.0**	**0.0**	**2,240.0**	**0.0**	2,240.0	**2,240.0**
Other (Publ, TF Inc)	**0.0**	**0.0**	**0.0**	**0.0**	0.0	**0.0**
Other BB	0.0	0.0	500.0	1,000.0	1,500.0	1,500.0
BBLRN (WBI)	**0.0**	**0.0**	**500.0**	**0.0**	500.0	**500.0**
BBSPL (DGF)	**0.0**	**0.0**	**0.0**	**500.0**	500.0	**500.0**
BBRSB (Research)	**0.0**	**0.0**	**0.0**	**0.0**	0.0	**0.0**
Other (BB*) Fin Arch	**0.0**	**0.0**	**0.0**	**500.0**	500.0	**500.0**
VP Sustaining Cost	0.0	0.0	1,800.0	0.0	1,800.0	1,800.0
Regions (Net)	**0.0**	**0.0**	**1,800.0**	**0.0**	1,800.0	**1,800.0**
Other (PPIAF) Add'tl VP base	**0.0**	**0.0**	**0.0**	**0.0**	0.0	**0.0**
Advisory Income	**0.0**	**0.0**	**0.0**	**250.0**	250.0	**250.0**
Reimbursable Revenue	**0.0**	**0.0**	**0.0**	**0.0**	0.0	**0.0**
Total Budget	0.0	0.0	4,540.0	1,250.0	5,790.0	5,790.0
VARIANCE					**254.4**	**454.9**

FY01 OPTIONS (Cross Support based on 44 sws) $ 000				
	70% (31 sws) all Staff	70% (31 sws) Manley = 0 Banerji = 10	80% (35 sws) Manley = 0 Banerji = 10	Modified 80% (see notes below)
Overrun/(Underrun)	276	371	(572)	455

Notes:

VP Sustaining	Change from $1.9M to $1.8M	
FO	Klein & Roger	drop 10 sws each due to proration
	Mahmood	drop 20 sws (for PSAS Sector Board)
Rapid Response	Brook	drop 20 sws
	Karasapan	drop 13 sws
	Smith	drop 7 sws
	Littler	drop 35 sws
PPI	Smith	drop 13 sws (Manager)
	Bertolin/Yamamoto/Izaguirre	drop 13 sws each
Corp Governance	Fremond/Capaul/Simpson	drop 13 sws each
Global Mandates	Stevenson	drop 13 sws
BE	Manager	drop 13 sws

PSD Staffing: FY00 (112 of w/c 12 LTC) and FY01(71 of w/c 7 LTC)

	FO		PPI		PPIAF		BE		CR		PS		KM/CG	
	FY00	FY01	FY00	FY01	FY00	FY01	FY00	FY01	FY00	FY01	FY00	FY01	FY00	FY01
TOT	14	6	27	22	1	6	11	7	26	10	24	11	9	9
HL	7	3	19	15	0	1	7	4	18	7	14	6	5	5
	Iskander, M	Klein, M	Smith , W	Smith , W			Khemani, R	Khemani, R	Meyerman, G	Meyerman, G	Banerji, S		Chamlou, N	Chamlou, N
	Nellis J		Guislain, P	Guislain, P			Vasquez-Caro		Gray, D		Kopicki, R		Karasapan, O	Karasapan, O
	Revollo, A	Revollo, A	Roger, N	Róger, N			Gupta, A		Mako, B		Ranga, K	Ranga, K	Mahmood, S	Mahmood, S
	Forchielli, A		Benoit, P				Tan, H	Tan, H	Stevenson, S		Saravia, E	Saravia, E		
	Rowat, M		Muir, R			Muir, R	Stone A	Stone, A	Schlumberger		Saraka-Yao		Simpson, A	Simpson, A
	Galal, A		Brook Cowen	Brook Cowen			Hood, R		Capul M	Capul M	Sen Gupta, S	Sen Gupta, S	Basu	Basu
	Bowyer, R	Bowyer, R	Ruster, J	Ruster, J			Batra, G	Batra, G	Daochi, T	Daochi, T	Engstrand, L			
			Hume, S	Hume, S							Speakman, J	Speakman, J		
			Razzaz, O						Brefort , L		Mattilla, H	Mattilla, H		
			Irwin, T						Pepper, R		Lecoy, P			
			Gulyani (YP)						Fredmond, O	Fredmond, O	Lee, H	Lee, H		
			Gray, P	Gray, P					Kikeri, S		Harding, A			
			Warlters, M	Warlters, M					Woodruff, C	Woodruff, C	Caillat, I			
			Alexander, I	Alexander, I					Ram, K		Petit, C			
			Sommer, D	Sommer, D					Manley, N					
			Schwartz, J	Schwartz, J					Bell, S		Nemethy LWOP			
			Townsend, A	Townsend, A					Artemiev , I	Artemiev , I	Juan, Ellis LWOP			
			Cluggage, J	Cluggage, J					Gourley, R	Gourley, R				
			Bertolini, L	Bertolini, L					Murakami, K					
				Kikeri, S										
ACS	7	3	6	5	0	4	2	2	6	2	5	3	4	4
	Toni, H	Dytang, J	Dytang, J	Chan, A		Byrne, Y	Fanai, Z	Fanai, Z	Henry, Y		James, G	James, G	Dalla, V	Dalla, V
	Byrne, Y		Sorensen, G	Sorensen, G		Roldan, P	Ardinoto, J	Ardinoto, J	Cherian, V		Kosior, M	Kosior, M	Nenuca R	Nenuca R
	Franco, S	Franco, S	Minovi, S	Minovi, S		Garscadden			Joseph, V		Caplan, B		Salehi, M	Salehi, M
	Chan, A		Bartolome, R	Bartolome, R		Gafour, M			Kouame,J	Kouame,J	Fernandez, A	Fernandez, A	Orraca Tette	Orraca Tette
	Roldan, P		Garscadden, A	????					Laidler, S		Srihatai, M			
	Dowling M		Vidal, Aura (B)						Manapol, S	Manapol, S				
	Venon, A	Venon, A												
LTC			2	2	1	1	2	1	2	1	5	2		
			Yamamoto, C	Yamamoto, C	Manuel, B	Manuel, B	Luthria, M		Teleki, W		Burgos	Burgos		
			Izaguire, A	Izaguire, A			Tineo, L	Tineo, L	Welch, James	Welch, James	Sharma	Sharma		
											Hadad Zervos			
											Kartano			
											Ferrari			

Maria Pilar Z. Bowyer
01/24/2000 08:05 AM

Extn: 38608 PSDDR
Subject: Proposed PSAS budget story FY01

--------------------- Forwarded by Maria Pilar Z. Bowyer/Person/World Bank on 01/24/2000 08:04 AM ---------------------------

JOHN R. NELLIS
01/21/2000 09:16 AM

Extn: 37482 PSDDR
To: Maria Pilar Z. Bowyer
Subject: Proposed PSAS budget story FY01

fyi

--------------------- Forwarded by John R. Nellis/Person/World Bank on 01/21/2000 09:16 AM ---------------------------

Neil D. Roger
01/20/2000 08:15 PM

Extn: 38720 PSDPP
To: Nemat Talaat Shafik, Assaad Jabre cc: Jemal-ud-din Kassum, Andre J. Cracco, John R. Nellis, Dale R. Weigel, MICHAE
Subject: Proposed PSAS budget story FY01

Minouche and Assaad

On Michael's behalf, attached is the Proposed Budget Story for PSAS for FY 2001. Regards.......

Neil

psasbudget.doc

To: Yunshin Kim Byrne
Stella G. Franco

Proposed Budget Story for the Private Sector Advisory Service (PSAS) for FY 2001

At the management retreat of January 15, the Directors of the new Global Product Groups and the PSAS were asked to prepare the basic outline of a budget proposal for FY 2001. The following is the proposed one for PSAS. It includes suggestions, which anticipate the likely business model as well as key policies (e.g. funding policy) allowing PSAS to function effectively. Further analysis and discussion may lead to changes in the proposed story line.

1. Fee-based advisory business

The very core of the PSAS would be a **mechanism for PSD-related, fee-based policy and transaction advice.** It would build on the existing mechanisms in IFC-CFS, FIAS and the World Bank.

The mechanism would be responsive to client needs and be open to use by staff from throughout the World Bank Group, under clear contractual disciplines

The mechanism would be enabled to function via a funding policy that provides clear scope and incentives to develop free-standing fee-based advisory services.

The advisory service would – according to current policy – not participate in direct competition with private providers.

The advisory services would focus on advice delivered with a clear arms-length public policy perspective. This would usually mean clients facing "frontier" issues (e.g. promotion of merchant power plants, concessions in tough country environments etc.) For this reason, advice would often not be fully fee-funded, but rather from a mix of WBG and trust fund contributions, while maintaining a fee for service element to establish basic country ownership.

In particular, a rapid response system with suitable quality assurance would be offered to clients delivering small "bits of advice" in response to client requests, partially on a retainer basis. (This (partially) web-based rapid response system would ideally dovetail with the WBG global gateway project and build on current knowledge management efforts.)

2. Staff competencies

Staff competencies in PSAS would be focussed on two major areas:

- Design and implementation of regulatory regimes, including privatisation and contracting-out systems
- Property rights (e.g. land rights, collateral systems) and markets, including promotion of equity investment - FDI and portfolio equity/corporate governance; entry, exit and anti-trust policies

In tackling these areas, work would focus on ways to address poverty-related concerns by designing efficient product and service delivery systems in countries with weak governance systems and with particular benefits for poor members of society. This would include the design of market-compatible subsidy and insurance schemes for the poor.

3. Corporate Governance

PSAS currently houses the Bank's corporate governance initiative (focussing on shareholder rights and the responsibility of board members in private companies within the context of broader societal governance issues). The program encompasses the following tasks:

- As part of the efforts of the Bank and the IMF to support the development of the global financial architecture, PSAS would need
    - to produce 12 corporate governance assessments per year (under current obligations)
    - to help formulate and promote global "principles/guidelines" on corporate governance (initial target date: 2002)
- Under a memorandum of understanding with the OECD the Bank would
    - Help establish a Global Corporate Governance Forum
    - Conduct "Roundtables" on corporate governance issues around the world
- Finally PSAS would support work on corporate governance throughout the Bank Group.

4. PSD Sector Board

PSAS currently provides the chair of the PSD sector board and its secretariat. The sector board is to be made more broadly relevant for the World Bank Group. This encompasses support for the work of thematic groups and institutional functions such as portfolio quality management and strategic PSD staffing issues.

5. Adjustment

The former PSD department has a serious legacy problem with a potential budget overrun of up to US$ 2 million (based on current SAP generated information). To manage this significant staff reductions appear necessary to be funded where necessary and possible from the compact MAS and redundancy funds. Implementation would extend through FY2001.

In particular, this would likely involve cessation of work in areas without critical mass of staff (e.g. technology policy, trade policy, taxation etc.). Many such areas may be better placed in PREM. It may also be desirable to transfer the responsibility for systemic work on corporate restructuring to the financial sector vice-presidency, while discontinuing enterprise level work on the matter. CGAP and the proposed new SME program may be set up independently of PSAS as they are driven by lending business not fee-based advice.

6. Budget Issues

- Given a number of unresolved issues about business model and consequent budget system integration, I propose to leave the current three budget systems (for CFS, FIAS and PSD) intact for FY 2001.
- The current system of "pre-funding" staff in CFS and FIAS should stay. Equally the PSD "pay-as-you-go" funding system would also remain in principle.
- For a three-year transition period PSAS would operate under special arrangements outlined below. Thereafter, based on experience and a special review, business model

as well as fee and funding polices would be adjusted following submission of a more permanent proposal to the Board.

- To help develop the fee-based advisory business the following steps should be taken for FY 2001:
    - Maintain the budget levels for CFS, FIAS and PSD for FY 2000 in real terms
    - Increase "pre-funding" for advisory work across PSAS by a one-off of US$4 million (about 10 per cent of total expenditure budget). This money to be lodged in a special fund under the authority of the EVP/IFC and MD/PSD, Peter Woicke.
    - Fees earned from advisory engagements to be retained by the special fund up to a maximum of US$ 20 million. (This approach probably requires Board approval. The Bank's budget Director, Achim von Heynitz, suggests that we integrate a proposal into a Board submission he is making late March. He would need our final input by mid-March.) The special fund could be drawn on if and when CIC-type approval has been obtained for proceeding with fee-based advisory mandates
    - Start-up costs of US$1 million for the rapid response system in FY2001.
- Other items to be tackled include:
    - Improve/align trust fund management (including increase in Africa Privatisation Fund), while keeping current arrangements "whole" in line with obligations to donors (e.g. FIAS)
    - Develop funding schemes for Corporate Governance
    - Develop retainer program for rapid response system
    - Assess options to dovetail rapid response system with global gateway project
    - Remove constraints to mobilizing needed competencies for specific assignments

The proposal assumes that the costs of mutually agreed separations and redundancies are funded from compact funds. But as this process will take some time the transitional costs would need to be funded over and above the baseline for FY2001.

Jan 20, 1999

PSAS

Maria Pilar Z. Bowyer
01/24/2000 08:06 AM

Extn: 38608 PSDDR
Subject: 2001 Budget and Story line

--------------------- Forwarded by Maria Pilar Z. Bowyer/Person/World Bank on 01/24/2000 08:05 AM ---------------------------

JOHN R. NELLIS
01/20/2000 06:54 AM

Extn: 37482 PSDDR
To: Maria Pilar Z. Bowyer
Subject: 2001 Budget and Story line

Rica,
Note that I changed the allocation of Michael's and Jocelyn's costs to 1/3, 1/3, 1/3. Please adjust the FO costs accordingly.
Note also that Dick Welch will be leaving at the end of 2000, as per his contract. Let us assume it will not be renewed.
John
--------------------- Forwarded by John R. Nellis/Person/World Bank on 01/20/2000 06:53 AM ---------------------------

JOHN R. NELLIS
01/19/2000 10:06 PM

Extn: 37482 PSDDR
To: Michael U. Klein, Michael.U.Klein cc: Neil D. Roger, Warrick P. Smith, Rughvir K. Khemani, Edgar Saravia, Loup J. Brefo
Subject: 2001 Budget and Story line

Michael,
Here are (i) some necessarily rough numbers, and (ii) a very brief "story line" re the PSD approach and budget for FY 01.
Required explanations and caveats:

1. The figures are rough for a number of reasons, the principal one being the uncertain demand from regional clients for paid work. Our assumption is that we will do no better next year than we have managed this year, when demand fell quite a bit. We could easily make the numbers look better by being more optimistic regarding demand, or indulging in wishful thinking regarding changes in the pricing formulae; neither course would serve any reasonable purpose.
2. The anxiety level in sections of the department has risen to the point where many people are looking for other work. If even half of the anxious and searching find other work, the budget projections would change radically (for example, G. Meyerman has been speaking to M. Conte and thinks there is a possibility that Conte would take the Corp Restruct group, wholesale, into FSD).
3. The uncertainty over the administrative status of the SME unit, and its physical/psychological separation from PSD, means we have no information on their approach or projected budget. We have thus excluded them from our calculations (as we did with CGAP).
4. You are the Director of PSAS, not just of PSD; thus we assume PSD should not have to bear the whole cost of your, and Jocelyn's (and anyone else who moves to your front office or carries out unit-wide, and not just PSD functions) salary and benefits. We thus estimate that PSD will bear one third of these costs, with CFS and FIAS bearing one third each, and have entered those sums in our front office estimates.
5. On the assumption that Nadereh is actually spending more time on corporate governance than on KM, I have placed her on the CG budget for 80% (as opposed to 60% in FY 00) of her costs.

6. We assumed that the maximum sum one could request for "own-financed work" (now called "Network functions") is the sum requested last year-----the "balanced budget" sum, not including any overrun. That figure was $2.9 million. We subtracted from that sum most of the "own-financed" monies allocated in FY00 to SME, and we arrived at a maximum request for "own financed work" in FY 01 of $2.77 million. The numbers attached below reflect that assumption.

A very brief "story line" for PSD; details found in the assorted one-page EMs from the managers that I am forwarding separately:

FY 01 will be a period of acute change for the PSD group. It will become smaller in overall size and budget, much more tightly focused on a smaller number of issue areas---areas in which it can bring a critical mass of expertise and resources to bear---and it will undergo a phase of integration with the other units making up the PSAS Department. It will concentrate on the core priority business areas where it has demonstrated competence and continuing demand from clients in the Bank group and in our borrowing countries, and synergies with the other units in its new organizational home. These areas include:

- upstream policy advice to government clients on how to launch and manage privatization programs (with emphasis on special "niche" markets such as postal and airport privatization);
- advice to clients on the institutional, regulatory, and increasingly the social dimensions (e.g., labor) of the private provision of infrastructure;
- insolvency resolution and bankruptcy systems (from the corporate, not the legal perspective); and
- measures to promote and maintain property rights; measures to enhance competitve forces.

Innovations receiving special effort in FY 01 include analysis of and dialogue on how to reconcile tensions between social and environmental concerns and demands, especially of the poorest segments of client societies, with the demands of market liberalization and efficiency-enhancing reform. This must be carried out in partnership with clients, civil society, and specialist technical bodies and groups.

The resources required to carry out these tasks depend heavily on the demand for the group's services coming from regional and country clients, which we have estimated conservatively. The budget proposed calls for an overall decline of some 29 positions----and it should be noted that PSD was somewhat smaller in FY 00 than in FY 99 and years earlier.

	FY00	**FY01**	**FY01 $ (000)**		**FY01**
Unit	**HL/ACS & LT Cons (till 2/00) (No.)**		**Cross Support +VP Sustaining**	**Network Budget Needed**	**Network Activities**
FO	7 HL/7 ACS	4 HL/4 ACS	300	1,010	• Sector Board
BE	7 HL/2 ACS 2 LTC	4 HL/ 2 ACS 1 LTC	695	200	• World Bus Environment Survey • Corp Governance Assessment • Competition Law Policy • Reducing Bus - Trans Costs

CR	18 HL/6 ACS 2 LTC	Target: 7 HL/2 ACS 1 LTC 6 Mths Notice for Reassignments/ Redundancies 11 HL/4 ACS	1,185 360	160 445	• Building implementation capacity to conduct case by case privatization • Development of a profession of insolvency practioners (trustees & liquidators) • Protection of outside investors and creditors rights • Organization of domestic IPOs • Development of secured lending instruments for SMEs
PP	19 HL/6 ACS 2 LTC	17 HL/5 ACS 2 LTC	2,660	365	
PS	13 HL/5 ACS 5 LTC	7 HL/3 ACS 4 LTC	1,435	80	
KM	3.4 HL /3 ACS 1 LTC	3.2 HL /3 ACS 1 LTC	175	508	• Help Desk • Quality Assurance & Enhancement • Databases • Training • Partnerships
Total			6,810	2,768	

To: Yunshin Kim Byrne
Stella G. Franco

Maria Pilar Z. Bowyer
01/19/2000 06:28 PM

Extn: 38608 PSDDR
Subject: PSD (FY01 Budget Projection)

--------------------- Forwarded by Maria Pilar Z. Bowyer/Person/World Bank on 01/19/2000 06:25 PM ---------------------------

Maria Pilar Z. Bowyer
01/19/2000 06:22 PM

Extn: 38608 PSDDR
To: John R. Nellis cc: Yunshin Kim Byrne, Stella G. Franco
Subject: PSD (FY01 Budget Projection)

John,

1. PP and PS have not submitted their list of activities - please fill in from the write-ups they're going to send you.
2. Assumptions: (a) Michael and Jocelyn's salaries plus benefits to be shared as follows:
- PSD 50%, FIAS 25%, and CFS 25%
(b) Nadareh and Vannee's salaries plus benefits:
- KM 20% and Corp Gov 80%.
3. FY00 Budget $2,980K - Our projection for FY01 is $2,768. We're assuming that the balance of $212 will go to SE.

Rica

	FY00	**FY01**	**FY01 $ (000)**		**FY01**
Unit	**HL/ACS & LT Cons (till 2/00) (No.)**		**Cross Support +VP Sustaining**	**Network Budget Needed**	**Network Activities**
FO	7 HL/7 ACS	4 HL/4 ACS	300	1,010	• Sector Board
BE	7 HL/2 ACS 2 LTC	4 HL/ 2 ACS 1 LTC	695	200	• World Bus Envirnomenet Survey • Corp Governance Assessment • Competition Law Policy • Reducing Bus - Trans Costs
CR	18 HL/6 ACS 2 LTC	Target: 7 HL/2 ACS 1 LTC 6 Mths Notice for Reassignments / Redundancies 11 HL/4 ACS	1,185 360	160 445	• Building implementation capacity to conduct case by case privatization • Development of a profession of insolvency practioners (trustees & liquidators) • Protection of outside investors and creditors rights • Organization of domestic IPOs • Development of secured lending instruments for SMEs

PP	19 HL/6 ACS 2 LTC	17 HL/5 ACS 2 LTC	2,660	365	
PS	13 HL/5 ACS 5 LTC	7 HL/3 ACS 4 LTC	1,435	80	
KM	3.4 HL /3 ACS 1 LTC	3.4 HL /3 ACS 1 LTC	175	508	• Help Desk • Quality Assurance & Enhancement • Databases • Training • Partnerships
Total			6,810	2,768	

To: John R. Nellis
cc: Yunshin Kim Byrne
Stella G. Franco

Maria Pilar Z. Bowyer
01/18/2000 05:51 PM

Extn: 38608 PSDDR
Subject: FY01 budget proposals/stories

--------------------- Forwarded by Maria Pilar Z. Bowyer/Person/World Bank on 01/18/2000 05:51 PM ---------------------------

JOHN R. NELLIS
01/17/2000 08:54 PM

Extn: 37482 PSDDR
To: Maria Pilar Bowyer, Andrew Vernon cc: Neil Roger
Subject: FY01 budget proposals/stories

Rica and Andrew,
See attached.
This should make life interesting.
I would like to meet with all available managers at 11 AM tomorrow to discuss our approach (not Ira or Elizabeth). Andrew, please arrange. I do not think Meyerman, Loup or Kumar are here, which complicates matters considerably. Make sure that whoever is acting for the absentees comes to the meeting. Tell them it is criticial; no excuses. Groups not represented run higher risks,
Ask Neil if he can sit in.
I would like to meet with Rica at 10 to prepare an agenda.
John
---------------------- Forwarded by John R. Nellis/Person/World Bank on 01/17/2000 08:47 PM ---------------------------

Neil D. Roger
01/17/2000 10:12 AM

Extn: 38720 PSDPP
To: Andre J. Cracco, John R. Nellis, Dale R. Weigel cc: Denise Leonard, Reyaz Ahmad, Loup J. Brefort, Nadereh Chamlou,
Subject: FY01 budget proposals/stories

Folks

From Michael re FY01 budget proposals/stories:

At the retreat for Directors on Saturday we were asked to come up with basic budget proposals/stories by Thursday COB this week!!!!!!

Given the request made by our VPs, having heard your views last week, and given the timing of this as well as uncertainty about the future I would think we should take the following basic approach (you need to provide basic aggregate numbers to go for):

* We assume that we will enter FY 2001 with the current budget and accounting mechanisms largely intact. New business model should drive systems change, not the other way around.
* CFS should propose a budget of 20(?) per cent above last year in real terms to enable some increase in work - without increasing number of people, but using the money to pay for contracted staff who may come from the Bank or IFC

* FIAS should continue with the currently proposed program. If it is possible to target an increase of 10 to 20 per cent (again without staff increase as above) then please go for that
* For the PSAS advisory mechanism(s) - yet to be (re-)designed - we should ask for an extra pot of money to sit in the regions, but earmarked for advisory services only. This to provide a strong incentive to jumpstart use of the mechanism and develop pipeline. There should be a three-year program with US$ 5 million in year 1, US$ 10 million year 2 and again US$ 5 million in year 3 consistent with the jumpstart philosophy
* For any business generated under the jumpstart facility PSAS must be able to retain the fees
* Corporate Governance: There should be clear expenditure and income budgets for the following items
  - country assessments
  - "principle" development
  - Forum
  - OECD collaboration on roundtables and on other items

* PSD department (excluding corporate governance):
  - estimated cross-support
  - Shape of package of cost-cutting measures (inlcuding time-path) sufficient to deal with deficit and to create significant headroom (with request to Richard Stern to extend central availability of redundancy funds if needed to FY2001): This must be a credible and decisive package: if we cannot show a plan for cleaning house we cannot ask for anything to develop, our business.
  - request for upfront funding for the usual overheads, KM, business development etc. with increase of 20 per cent in real terms - justification: this gives some extra funding to complement the jumpstart facitlities with more flexibility
  - special funds for sector board, thematic groups
  - quick assessment whether we could tap global gateway initiative for pilot project and to what extent (for rapid-response platform)
  - Income budget including trust fund sources

* A practical mechanism to facilitate using staff across the department. Maybe we can have general SAP accounts for two unnamed persons "IFC" and "Bank" to charge against for cross-support carried out by IFC staff and advisory work conducted by Bank staff or whatever way is relatively simple and above all effective. This should obviously take into account the existing ways to conduct such business.

Important!!!!!! The above are my current biases. I may not understand all the issues and constraints. So please think in the spirit of these suggestions and come up with your own. The general guideline is let's be aggressive about developing the advisory service. You may have bolder ideas and feel I am too restrained.

Let's be determined to make corporate governance a success, under scheme, where we get on a path that the Forum will be funded by donors and the assessments essentially by the regions.

Your input to me is required by COB Wednesday. By thursday morning you will have my reaction to finalise the proposal by Thursday COB.

In the interim, do call me or send ems to clarify. Unfortunately I will not be on em tomorrow, but you can try my mobile 011-44-171-7887-574 729

Good luck

Michael

To: Yunshin Kim Byrne
Stella G. Franco

Record Removal Notice

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File Title	Barcode No.
PSAS - Set-Up Information - Fiscal Year 2001	30233592

Document Date	Document Type
Jan. 18 - June 8, 2000	Chart / Table / Diagram

Correspondents / Participants
Private Sector Development Office of the Director and units

Subject / Title
FY01 Monthly Monitoring Table (all BBs)

Exception(s)
Personal Information

Additional Comments

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

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