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THE WORLD BANK Washington, D.C.

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1103872

Financial Files - Cofinancing - Correspondence

THE WORLD BANK/INTERNATIONAL FINANCE CORPORATION

OFFICE MEMORANDUM

DATE: November 3, 1986

TO: Mr. Barber B. Conable

FROM: S. Shahid Husain

EXTENSION:

SUBJECT: The Bank's Technical Assistance and Cofinancing Activities

In response to your request, here are (a) data on technical assistance (TA) from the Bank over the past five years (Annex A), and (b) data on cofinancing over the same period (Annex B). The cofinancing data is self-explanatory, except that the numbers on non-project lending are rather amorphous for reasons outlined in the note. The TA data falls into three categories:

- 1. <u>Project-related TA</u>. The largest source of Bank/IDA TA is components of investment projects, followed by free-standing loans and credits, the Project Preparation Facility (which advances funds -- subsequently refinanced in the loan/credit -- for preparatory work on projects when alternatives are not available), and the Special Project Preparation Facility (established in FY84 as a three-year \$10 million fund for investment-related work in Sub-Saharan Africa).
- 2. TA Financed from the Administrative Budget. A large amount of TA is implicit in the regular work (and the administrative budget) of the Bank, although we normally do not include it in our TA statistics. Approximately, and somewhat arbitrarily, we would consider 50% of our country economic and sector work, 50% of our supervision work, and 25% of our lending work as de facto TA. The work of the Economic Development Institute is entirely TA, and about 70% of the work of Cooperative Programs with FAO, UNESCO and UNIDO (for which we finance 75%) is TA. Lastly, we second about 20 staff under the "TA Program for IDA countries" to provide on-site TA.
- 3. TA Administered but not Financed by the Bank. The Bank serves as "executing agency" for many UNDP-financed projects, some of which also receive bilateral cofinancing. (Examples are the large management assistance program in energy and several key low-cost technology research and development projects related to the International Drinking Water Supply and Sanitation Decade). The Bank provides reimbursible technical assistance to capital-surplus countries, and to the International Fund for Agricultural Development for the preparation and appraisal of projects.

The attached table shows a fairly steady level of TA at about \$1.5 billion per year. The data does <u>not</u> include World Bank research or policy work (the results of which are of substantial assistance to member countries). Nor does it include Bank contributions to the Consultative Group for International Agricultural Research, the Tropical Disease Research Program, the International Center for Insect Physiology and Ecology, and the Special Program for African Agricultural Research -- which total some \$40 million.

I should mention that we are in the process of preparing a report to the Board -- for review in March, 1987 -- on the Bank's technical assistance policy.

NRaphaeli/PRichardson

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World Bank Technical Assistance, Fiscal Years 1982-1986 (in 'US\$' million)

Α.	Project-financed Technical Assistance	FY82	FY83	FY84	FY85	FY86	FY82-86
	Project components of Loans/Credits	1,150.7	1,275.3	1,093.1	1,148.4	1,114.5	5782.0
	"Free Standing" Loans/Credits	72.5	52.7	135.0	111.7	137.9	509.8
	Project Preparation Facility (PPF) *	31.3	33.9	32.3	28.0	31.7	157.2
	Special PPF (Grants)	-	-	-	2.9	3.4	6.3
	Subtotal	1,254.5	1361.9	1,260.4	1,291.0	1,287.5	6,455.3
В.	Technical Assistance Financed Through the Administrative budget						
	Country economic and sector work (estimated 50%)	31.5	35.0	36.5	39.0	40.0	182.0
	Supervision work (estimated 50%)	41.5	44.0	50.5	51.5	52.5	240.0
	Lending Work (estimated 25%, after deducting next item	m) 28.4	29.7	31.7	34.5	37.1	161.4
	75% contribution to FAO, UNESCO, WHO and	7.2	6.8	6.0	5.9	6.4	32.3
	UNIDO Cooperative Programs (70%)**						
	TA Program for IDA Countries	n.a.	n.a.	1.4	2.6	3.2	7.2
	Economic Development Institute	10.4	12.3	13.9	15.1	15.9	67.6
	Subtotal	119.0	127.8	140.0	148.6	155.1	690.5
c.	Bank-Administered Technical Assistance Financed by Others						
	As executing agency for United Nations Development Programme	41.8	33.1	12.3	10.0	47.9	145.1
	Reimbursable assistance to capital- surplus countries	5.9	5.0	6.5	8.7	6.7	32.8
	Other reimbursable assistance (including International Fund for Agricultural Development Program)	5.3	6.2	6.6	5.4	4.5	28.0
	Subtotal	53.0	44.3	25.3	24.1	59.1	205.9
	TOTAL	1,426.5	1,534.0	1425.7	1463.7	1,501.7	7,351.6

^{*} Refinanced by loan/credit when approved, but not then classified as TA.

^{**} WHO terminated in FY84; UNIDO to be terminated in FY87.

NOTE ON COFINANCING STATISTICS

- 1. The attached tables show the extent to which cofinanciers' contributions mobilized for supporting Bank-assisted projects have supplemented the contribution of IBRD/IDA. These tables, however, do not give a full measure of the catalytic effect of Bank operations, particularly in highly indebted countries where Bank support of their economic programs is crucial for mobilizing other resources well beyond those needed to directly cofinance Bank-assisted projects or programs.
- 2. For example, in Colombia, the Bank's support of the economic adjustment program with a trade policy and export diversification loan of US\$300 million in May 1985 helped persuade commercial banks to voluntarily restore the trade lines they had cancelled in 1986 and early 1985. The Bank support along with the quarterly review of the Colombian economy by the IMF also enabled Colombia to obtain commitments for US\$1 billion in medium-term financing from commercial banks for completing a number of export oriented projects. The commercial banks, while not entering into any formal cofinancing arrangements with the Bank, made the disbursement of the third and fourth tranches of this \$1 billion facility dependent on Colombia qualifying for disbursement from the second tranche of the Bank's trade policy loan.
- 3. Similarly in Chile, while the formal cofinancing provided by the commercial banks was only US\$300 million (underpinned with a guarantee of US\$150 million from the Bank) for a highway sector project, the successful completion of this loan helped complete the total money package of US\$1.1 billion and the multiyear rescheduling covering the 1985-87 maturities of Chilean commercial debt amounting to US\$6 billion.
- 4. Likewise in many low income countries, IDA operations, apart from providing direct opportunities for cofinancing to other donors, also form a base for an aid coordination effort by the Bank and help encourage other aid providers to support the adjustment program agreed by the borrower with the Bank and the IMF.

VPCOF October 1986

I. COFINANCED, NON-COFINANCED AND TOTAL NUMBER OF OPERATIONS

(FY82-86)

			FY82	FY83	FY84	FY85	FY86	HFY82	-86	1
								- [. ;
1		1						£ £		I
1		1						1 1		1
1	TOTAL NUMBER OF COFINANCED OPERATIONS	1	99	85	99	107	114	T 1	504	1
1	TOTAL NUMBER OF NON-COFINANCED OPERATIONS	1	148	157	135	129	112	8	681	1
1	TOTAL NUMBER OF ALL OPERATIONS	1	247	242	234	236	226	1 1	1185	1
1		i						1 1		1
1	COFINANCED OPERATIONS AS A PERCENTAGE	1						1 1		1
!	OF ALL OPERATIONS (%)	1	40	35	42	45	50	1 1	43	1
1		1						11		1

NOTE: IT SHOULD BE NOTED THAT THESE STATISTICS ARE COMPILED FROM THE FINANCING
PLANS PRESENTED AT THE TIME OF APPROVAL OF WORLD BANK LOANS BY ITS EXECUTIVE
BOARD. THE AMOUNTS OF OFFICIAL COFINANCING ARE, IN MOST CASES
FIRM COMMITMENTS BY THAT STAGE; EXPORT AND PRIVATE COFINANCING AMOUNTS ARE,
HOWEVER, ESTIMATES, SINCE SUCH COFINANCING IS ACTUALLY ARRANGED AS REQUIRED FOR PROJECT
IMPLEMENTATION AND GETS FIRMED UP A YEAR OR TWO LATER AFTER BOARD APPROVAL. THE
STATISTICS OF PRIVATE COFINANCING IN THESE TABLES FOR ANY FISCAL YEAR DO NOT, THEREFORE,
REFLECT MARKET PLACEMENTS IN THAT YEAR. IN ADDITION, BOARD PLAN FIGURES MAY THEMSELVES
BE REVISED IN THE COURSE OF PROJECT IMPLEMENTATION. THIS SERIES INCORPORATES SUCH
SUBSEQUENT REVISIONS AS THEY BECOME KNOWN.

VPCAU 11/3/84

II. BANK, COFINANCIER AND BORROWER CONTRIBUTIONS TO BANK-FINANCED

OPERATIONS --- (FY82-86)

			TOTALL OPERATED FY82	ATIONS			44.17.44.5	ANCED TIONS	TOTAL NON-COFINANCED OPERATIONS FY82-86		
	#		(US\$B)	7,	4		(US\$B)	1/2	#	(US\$B)	7,
"SPECIFIC" OPERATIONS (Project)	11101	!			1 47	0 1	a see the time was set the see upon the		1 631 1		
IBRD/IDA			63.0	32	1	1	25.7	25	£ .	37.2	40
COFINANCIERS	£	1	21.0	11	1	1 4	21.0	20	1 1		
BORROWER'S CONTRIBUTION	I.	Ī	113.6	57	1	1	56.7	55	i i	54.9	60
: TOTAL	1	1	197.6	100	1	1	103.4	100	1 !	94.1	100
: :	1	1			1	1			1 1		
PROGRAM/SAL/SECTOR LENDING	1 84	. !			: 3	4 1			1 50 1		
I IBRD/IDA	I A	1	10.7	53	!	!	1.8	32	f 1	8.9	62
COFINANCIERS	1	1	2.0	10	1	1	2.0	36	1 1		
BORROWER'S CONTRIBUTION	1	1	7.3	37	i t	1	1.9	34	1 1	5.4	38
: TOTAL	I	1	20.0	100	î L	1	5.6	100	! !	14.3	100
	== ====	= =			===	== =		=======	=====		
: TOTAL ALL OPERATIONS	11185	1			1 50	4 !			1 681 1		
I IBRD/IDA	ž.	1	73.7	34	I	1	27.5			46.1	43
COFINANCIERS	1	1	23.0	11	1	1	23.0	21	1 1		
BORROWER'S CONTRIBUTION	1 4	1	120.9	56	E E	1	58.5	54	1 1	62.3	57
! TOTAL	î î	1	217.6	100	ž.	1	109.0	100	1 1	108.4	100
1 1	1	į			l t	1			1 1		
1 1	I I	1			Į.	į			1 1		

NOTE: IT SHOULD BE NOTED THAT THESE STATISTICS ARE COMPILED FROM THE FINANCING
PLANS PRESENTED AT THE TIME OF APPROVAL OF WORLD BANK LOANS BY ITS EXECUTIVE
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SUBSEQUENT REVISIONS AS THEY BECOME KNOWN.

VPCAU 11/3/86

III. TRENDS IN COFINANCED AND NON-COFINANCED OPERATIONS

(FY82-86)

COFINANCED OPERATIONS

NON-COFINANCED OPERATIONS

AMOUNTS

AMOUNTS

(US\$B)

(US\$B)

			COOMDI									
	FY82	FY83	FY84	FY85	FY86	FY82	FY83	FY84	FY85	FY86		
"SPECIFIC" OPERATIONS (Project)	!					Access Malling States and States						
IBRD/IDA	1 5.2	4.1	5.8	5.9	4.8 1	6.6	8.3	7.1	6.8	8.4		
COFINANCIERS	1 4.6	5.3	3.8	4.1	3.1 1	0.0	0.0	0.0	0.0	0.0		
BORROWER'S CONTRIBUTION	1 9.5	10.1	11.6	10.9	14.6 !	11.1	11.6	10.2	9.5	14.4		
TOTAL (US\$B)	1 19.3	19.5	21.2	20.9	22.5		19.9	17.3	16.3	22.8		
NUMBER OF PROJECTS	; 78 ;	81	94	97	100		145	123	123	91		
	-				I E	1						
PROGRAM/SAL/SECTOR LENDING	i				1	Į į						
IBRD/IDA	0.1	0.2	0.4	0.6	0.6 1	1.2	1.9	2.3	1.0	2.		
COFINANCIERS	1 0.0	0.1	0.2	0.9	0.9 !	0.0	0.0	0.0	0.0	0.		
BORROWER'S CONTRIBUTION	0.0	0.0	0.3	1.5	0.0 (0.0	0.1	1.3	2.1	2.		
TOTAL (US\$B)	0.1	0.3	0.9	3.0	1.5 :		2.0	3.6	3.1	4.		
NUMBER OF OPERATIONS		4	5	10	14 :	7	12	12	6	1		
TOTAL ALL OPERATIONS	=====================================	on pain ann also pain vog par dep atte den en pain ann also den also dell'atte tota dell	2222222					100 MA 100 MA 100 MA 100 MA				
IBRD/IDA	1 5.2	4.3	6.1	6.5	5.4 !	7.8	10.2	9.4	7.8	10.		
COFINANCIERS	4.6	5.4	3.9	5.0	4.0 1		0.0	0.0	0.0	0.		
BORROWER'S CONTRIBUTION	1 9.5	10.1	11.9	12.4	14.6 1	1 11.1	11.7	11.5	11.6	16.		
TOTAL (US\$B)	1 17.3	19.8	21.9	23.9	24.0		21.9	20,9	19.4	27		
NUMBER OF OPERATIONS	1 99	85	99	107	114 !		157	135	129	1		
	!											

NOTE: IT SHOULD BE NOTED THAT THESE STATISTICS ARE COMPILED FROM THE FINANCING PLANS PRESENTED AT THE TIME OF APPROVAL OF WORLD BANK LOANS BY ITS EXECUTIVE BOARD. THE AMOUNTS OF OFFICIAL COFINANCING ARE, IN MOST CASES FIRM COMMITMENTS BY THAT STAGE; EXPORT AND PRIVATE COFINANCING AMOUNTS ARE, HOWEVER, ESTIMATES, SINCE SUCH COFINANCING IS ACTUALLY ARRANGED AS REQUIRED FOR PROJECT IMPLEMENTATION AND GETS FIRMED UP A YEAR OR TWO LATER AFTER BOARD APPROVAL. THE STATISTICS OF PRIVATE COFINANCING IN THESE TABLES FOR ANY FISCAL YEAR DO NOT, THEREFORE, REFLECT MARKET PLACEMENTS IN THAT YEAR. IN ADDITION, BOARD PLAN FIGURES MAY THEMSELVES BE REVISED IN THE COURSE OF PROJECT IMPLEMENTATION. THIS SERIES INCORPORATES SUCH SUBSEQUENT REVISIONS AS THEY BECOME KNOWN.

THE WORLD BANK/INTERNATIONAL FINANCE CORPORATION

OFFICE MEMORANDUM

A) For Pres. and Staff-B) For File-

To:

Files

From:

Thomas Ablinkhorn, PAD

Date:

July 8, 1986.

Subject:

Multilateral Cofinancing in Bank/IDA-Assisted Projects

1. In response to some recent inquiries about the volume of official multilateral cofinancing associated with Bank/IDA projects, Mrs.Schwartz has come up with data for the last five fiscal years which you might find useful(see attached table). The largest multilateral cofinancers(out of a total of 32 for the period) are as follows:

Multilateral Cofinancing, FY82-86

	Institution	No.Projects	Amount (US\$)	% of total multilateral
1.	African Dev.Bank/Fund	52	893.2	16.6
2.	Asian Dev.Bank	23	737.7	13.7
3.	European Coal and Steel Comm.*	1	600.0	11.2
4.	Special African Facility	21	535.8	10.2
5.	European Investment Bank	34	529.1	9.8
6.	Int.Fund for Agric.Dev.(IFAD)	41	382.6	7.1
7.	Inter-American Development Bank	8	349.8	6.5

Shares of Total Cofinancing (Official, Export, Commercial)

FY86

African Development Bank		5.99
Asian Development Bank		4.24
Inter-American Development	Bank	0.51
All Multilaterals		38.3

Note: Estimates for FY86 are still tentative

Attachment

Distribution: Messrs. Vogl, Burki, Bart, Stanton, Steel, Tokyo office, IPA managers, PAD specialists.

^{*} one loan in 1983 to a Brazilian mining Company for \$600 million for the Carajas Iron Ore Project

UFFICIAL MULTILATERAL COFINANCING BY SOURCE, FYB2 - 86 (US\$ MILLION)

	F	Y82		F	Y83		FY84			F	Y85		FYB6			TOT-NO. T	OT-AMT.
	MO.	AMT.	1	MO.	AMT.	7	Ю.	AMT.	Z	NO.	AMT.	Z ·	HO.	AMT.	7		
ÁFRICAN DEVELOPMENT BANK	7	72.2	9.3	. 5	85.8	6.2	8	127.4	16.8	11	261.7	22.3		199.6	15.6	40	746.7
AFRICAN DEVELOPMENT FUND	3	20.2	2.6	3	51.5	3.7	4	59.0	7.8			1244	2	15.8	1.2	12	146.5
ARAB BANK FOR ECONOMIC DEVELOPMENT IN AFRICA	2	16.6	2.1	4	33.4	2.4	2	19.0	2.5	1	2.8	.2	2	13.4	1.1	11	85.2
ARAB FUND FOR ECONOMIC AND SOCIAL DEVELOPMENT	4	47.2	6.1	4	81.3	5.8	5	100.6	13.2		Secondon name	and the same of	2	22.5	1.8	15	251.6
ASIAN DEVELOPMENT BANK	4	171.6	22.1	2	115.5	8.3	2	6.2	.8	5	303.3	25.8	10	141.1	11.1	23	737.7
CARTEBEAN DEVELOPMENT BANK							1	4.5	.6	1	1.9	•2				2	30.
CENTRAL AMERICAN BANK FOR ECONOMIC INTEGRATION							1	26.0	3.4	1	4.3	.4				2	17.7
COUNCIL OF EUROPE		- 1		1	6.3	.5	1	7.8	1.0	1							14.
DEVELOPMENT BANK OF THE CENTRAL AFRICAN STATES	1	1.3	.2													1	1.
DEVELOPMENT BANK OF THE GREAT LAKES REGION							1	1.9	.2							1	
FURDIPEAN COAL AND STEEL COMMUNITY				1	600.0	43.1										1	600. 3.
EUROPEAN CONFIDENTY: SPECIAL ACTION ACCOUNT	1	3.4	.4									100		1		1	315.
EUROPEAN DEVELOPMENT FUND	6	39.8	5.1	2	6.8	.5	5	76.6	10.1	8	32 (52 (52 (52 (52 (52 (52 (52 (52 (52 (5	4.3		141.9	11.1	32	
EUROPEAN INVESTMENT BANK	5	50.9	6.6	7	151.5	10.9	7	141.6	18.6	3	30.4	2.6	12	154.7	12.1	34	529 ·
FONDO FINANCIERO PARA EL DESARROLLO DE LA CUENCA DEL PLAT	A						1	15.0	2.0							1	3.
FOOD AND AGRICULTURE ORGANIZATION	1	3.5	.5								TOTAL DESCRIPTION OF		11	40.0		1	349.
INTER-AMERICAN DEVELOPMENT BANK	1	31.1	4.0	1	80.0	5.7	2		8.3	-	158.1	13.5	1	17.0	1.3		382
INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT	8	100.8	13.0	10	102.3	7.3	11	85.6	11.3	5		3.2	7	607 F100070	4.4	41	85
ISLANIC DEVELOPMENT BANK	3	33.0	4.3	3	20.5	1.5				1	9.3	.8	3	22.4	1.8	10	20
MORDIC INVESTMENT BANK				3	20.3	1.5					100	10.10				3	208
OPEC FUND	14	155.9	20.1	6	21.4	1.5	2	9.0	1.2	4	14.0	1.2	3	10000000	.7	29	535
SPECIAL AFRICAN FACILITY										7	112.0	9.5	14	423.8	33.2	21	7
U.N. CHILDREN'S FUND	1	.7	.1	1	.4	.0	1	1.7	.2	1	4.9	.4	2.			- 4	105
U.M. DEVELOMENT PROGRAMME	13	20.5	2.6	9	8.3	.6	10	15.0	2.0	16		2.2	21	36.2	2.8	69	1000000
U.W. FUMB FOR POPULATION ACTIVITIES		.6	.1							1	.2	.0				2	
U.N. INDUSTRIAL DEVELOPMENT ORGANIZATION										1	5	.0				1	1
U.N. INTERIN FUND ON SCIENCE AND TECHNOLOGY	1	1.0	.1													1	1
WEST AFRICAN DEVELOPMENT ASSOCIATION		1.1											ž 4 <u>.</u>			1	5 mm.
WEST AFRICAN DEVELOPMENT BANK	TA .	3.7		1	3.5	.3						V 12	2	9.2	.7		16 41
WORLD FOOD PROGRAM										4	39.3	3.3		1.9	.1	100	2
WORLD HEALTH ORGANIZATION :				1	.6	.0	1	5	.1	. 1	.2	.0		7	.1		133
MULTILATERAL INSTITUTIONS (UNIDENTIFIED)				1	4.2	.3	1				2 118.6	10.1	1	10.6	.8	•	133

TOTAL 55 100.0 775.1 52 100.0 1393.6 51 100.0 760.4 56 100.0 1175.1 72 100.0 1275.7 286 500.0

NOTE: THE NO. OF OPERATIONS DO NOT ADD UP TO THE TOTAL NO. SHOWN IN THIS TABLE SINCE MANY PROJECTS ARE COFINANCED FROM MORE THAN ONE OFFICIAL SOURCE. ALSO, SUPPLEMENT PROJECTS ARE COUNTED HERE.