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Dates: 01/03/1995 - 07/03/1995

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Fonds: Records of the Office of the Chief Economist

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Paris - GEN

The World Bank/IFC/MIGA
OFFICE MEMORANDUM

DATE: July 3, 1995 09:00am

TO: HASSAN FAZEL (HASSAN FAZEL @A1@WBWASH)

FROM: Ronald Brighish, IECDR (RONALD BRIGISH@A1@WBHQB)

EXT.: 33868

SUBJECT: MACEDONIA: The Paris Club

Hassan,

As indicated last week, Macedonia has been invited and will probably attend a rescheduling negotiation, slotted for the week beginning July 17.

To represent the Bank at the meeting, I need to ask you for a speech -- to be delivered to creditors following presentations of the government and the Fund.

The speech need not be long -- 3-4 pages, double-spaced, will suffice. It should cover major policy reforms introduced by the government since independence and recent developments in the economy. The government's development strategy and reform program should be outlined, with an indication from us of how we see growth prospects -- and what the sources of the growth are expected to be.

The Bank's assistance strategy should then be summarized, together with an indication of the scope and content of the lending-- focusing on adjustment lending.

In view of the special circumstances facing the country, I'd suggest a separate paragraph on external capital requirements, leading to a call for and justification of special treatment we think is appropriate to be accorded Macedonia.

Separately, but as part of the rescheduling exercise, I shall also need an indication of our disbursements (broken down by project and adjustment lending) for the duration of the Fund program, as well as any repayments due us (in terms of amortization (doubtful, I suppose) and interest.

I'd appreciate receiving the speech, either by diskette or as an attachment to an EM by c.o.b. July 13. I shall be happy to answer any questions you may have.

Many thanks and regards,

Ron

CC: CHRISTIAAN POORTMAN
CC: Institutional ISC Files

(CHRISTIAAN POORTMAN @A1@WBWASH
(INSTITUTIONAL ISC FILES @A1@WBW

PARIS-GEN

The World Bank/IFC/MIGA
OFFICE MEMORANDUM

DATE: July 3, 1995 08:45am

TO: Habib Fetini (HABIB FETINI@A1@WBHQB)
TO: SAMIA ELBAROUDY (SAMIA ELBAROUDY @A1@WBWASH)

FROM: Ronald Brigish, IECDR (RONALD BRIGISH@A1@WBHQB)

EXT.: 33868

SUBJECT: ALGERIA: The Paris Club

Algeria has been slotted for a rescheduling during the week beginning July 17, 1995. In order to represent the Bank at that meeting, I need to ask you for a speech on country prospects.

The speech, which will be delivered to the meeting following presentations of the Government and the Fund, should be 3-4 pages (double-spaced), and should deal with the following:

Major structural reforms introduced by the Government in the recent past, with their achievements in terms of supply response. Additional policy measures intended by government. Growth prospects in the short-and medium term, with an indication of the sources of that growth.

Bank's assistance strategy, with an indication of scope and content of lending operations, emphasizing adjustment operations.

Speech should also give an indication of the capital requirements of the country, and call for support to the rescheduling effort.

I'd be grateful to receive the speech as an attachment o an EM (or by diskette) to facilitate presentational changes to conform with Paris Club conventions. By c.o.b. July 13, please.

I shall be happy to answer questions. Many thanks.

CC: Christian Delvoie (CHRISTIAN DELVOIE@A1@WBHQB)
CC: Institutional ISC Files (INSTITUTIONAL ISC FILES @A1@WBW)

Paris - GEN

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

DATE: March 31, 1995 09:04am

TO: Bruno Boccara (BRUNO BOCCARA @A1@WBWASH)

FROM: Ronald Brigish, IECDR (RONALD BRIGISH@A1@WBHQB)

EXT.: 33868

SUBJECT: RE: SENEGAL The Paris Club

Bruno,

We appreciate it's still a little early in the year for the calculation of the per capita income figure. But, the French will be interested in its timing as much as its results, since they will want to tell the Senegalese how long they will have to wait to get the 67% rate. Do you have a timetable? Is there any reason to quibble with IECSE's April/May schedule?

Ron

CC: HASAN TULUY (HASAN TULUY @A1@WBWASH)
CC: BIRGER FREDRIKSEN (BIRGER FREDRIKSEN @A1@WBWASH)
CC: Institutional ISC Files (INSTITUTIONAL ISC FILES @A1@WBW)

PARIS

The World Bank/IFC/MIGA
OFFICE MEMORANDUM

DATE: March 30, 1995 11:27am

TO: HASAN TULUY (HASAN TULUY @A1@WBWASH)
TO: BRUNO BOCCARA (BRUNO BOCCARA @A1@WBWASH)

FROM: Ronald Brigish, IEC DR (RONALD BRIGISH@A1@WBHQB)

EXT.: 33868

SUBJECT: SENEGAL The Paris Club

Senegal has been slotted for a rescheduling negotiation on April 19, 1995. In order to represent the Bank at the meeting, I shall need a speech on country performance and prospects, and the Bank's assistance strategy.

The speech need not be long. A 3-4 (double-spaced) page piece will suffice. The speech will be read out to the meeting following presentations of the Government, and the Fund, and will be distributed in hardcopy thereafter. The presentation should not dwell on stabilization, which the Fund would have analyzed in detail, but should concentrate more on the achievements to date and remaining agenda for structural reform.

It should also say what the growth targets are of the reform program, and say what the sources of that growth are expected to be.

Moving to our program, we should outline our assistance strategy, and touch on the scope, content and tentative size of the lending program.

Separately, but as part of the exercise, I shall need an estimate of Bank disbursements for the duration of the Fund program, broken down by adjustment and investment operations, as well as the repayments due to us -- amortization and interest.

We are also going to have to touch base again on the per capita income numbers, since these will determine the rate of reduction Senegal will receive on maturing debt. I'd appreciate receiving a draft of the speech (electronically, please, to facilitate changes needed to conform to presentational nicety) by c.o.b. April 12. Meanwhile, I'd be happy to answer questions. Many thanks.

CC: BIRGER FREDRIKSEN (BIRGER FREDRIKSEN @A1@WBWASH)
CC: Institutional ISC Files (INSTITUTIONAL ISC FILES @A1@WBW)

PARIS

The World Bank/IFC/MIGA
OFFICE MEMORANDUM

DATE: March 30, 1995 12:07pm

TO: Ronald Brighish (RONALD BRIGISH @A1@WBHQB)

FROM: Bruno Boccara, AF5CO (BRUNO BOCCARA)

EXT.: 34689

SUBJECT: RE: SENEGAL The Paris Club

Ronald,

Received your EM and will work on this starting April 10th (but not before) so the deadline requested is fine. I should also have enough time between the 12th and the 19th to assist you with further revisions. I also did not get back to you on the GNP per capita figure since my mission to Senegal was cancelled and, as a result, did not have any new information.

Bruno

CC: HASAN TULUY (HASAN TULUY)
CC: BIRGER FREDRIKSEN (BIRGER FREDRIKSEN)
CC: Institutional ISC Files (INSTITUTIONAL ISC FILES)

PARIS

The World Bank/IFC/MIGA
OFFICE MEMORANDUM

DATE: March 30, 1995 06:38pm

TO: Birger Fredriksen (BIRGER FREDRIKSEN)

FROM: Bruno Boccara, AF5CO (BRUNO BOCCARA)

EXT.: 34689

SUBJECT: RE: SENEGAL The Paris Club

OK, thanks for the advices and information on pitfalls to avoid. Will follow your recommendations.

CC: HASAN TULUY (HASAN TULUY)
CC: Institutional ISC Files (INSTITUTIONAL ISC FILES)

PARIS

The World Bank/IFC/MIGA
OFFICE MEMORANDUM

DATE: March 30, 1995 03:09pm

TO: Bruno Boccara (BRUNO BOCCARA)

FROM: Birger Fredriksen, AF5CO (BIRGER FREDRIKSEN)

EXT.: 35033

SUBJECT: RE: SENEGAL The Paris Club

Bruno,

You have seen Ron's request for a draft speech for the Paris Club. We had similar requests for Guinea and Guinea Bissau, prepared by Alain and Marcelo. You may want to talk to them.

The experience with Guinea showed the need for us to review the speeches internally before releasing them (JLS, Francois and I should see them). Also, I believe we asked to see what Ron delivered for GB before it was delivered because of an error that occurred for Guinea. You may want to talk to Hassan on this.

Birger

CC: HASAN TULUY (HASAN TULUY)
CC: Institutional ISC Files (INSTITUTIONAL ISC FILES)

PARIS - GEN

The World Bank/IFC/MIGA
OFFICE MEMORANDUM

DATE: March 2, 1995 11:14am

TO: Noriko Iwase (NORIKO IWASE@A1@WBHQB)

FROM: Ronald Brigish, IEC DR (RONALD BRIGISH@A1@WBHQB)

EXT.: 33868

SUBJECT: BOLIVIA: The Paris Club

Noriko,

Bolivia has now been firmly booked for a rescheduling negotiation on March 23, 1995. For that meeting I shall need a speech which presents, briefly, country prospects and the Bank's assistance strategy.

The speech need not be long -- 3-4 pages (double-spaced) will suffice. It will be read to the meeting following presentations by the Government and the Fund, and be distributed in hardcopy thereafter.

The speech should outline the major accomplishments of the Government in terms of structural reform. (It need not dwell on stabilization, which the Fund would have covered in detail.) It should also mention what the policy agenda is for the future. It should describe how the economy has performed, what the growth prospects are for the economy, and what the sources of that growth are expected to be.

The speech should then touch on the Bank's assistance strategy, and on the scope and content of our lending program (sectoral focus and broad indications of amounts will do).

Separately, but also for the meeting, I shall need our estimate of Bank group disbursements to Bolivia for the duration of the Fund program (broken down by adjustment and investment lending) and what Bolivia will pay us during this period (broken down into amortization and interest, please).

In order to allow time for changes to be made (to reflect ONLY presentational conventions) may I ask for the speech --on diskette-- by c.o.b. March 15? I shall be happy to answer any questions.

Many thanks indeed.

Ron

CC: Dan Morrow (DAN MORROW@A1@WBHQB)
CC: Institutional ISC Files (INSTITUTIONAL ISC FILES @A1@WBW)

PARIS-GEN

The World Bank/IFC/MIGA
OFFICE MEMORANDUM

DATE: February 15, 1995 06:05am

TO: Sawai Boonma (SAWAI BOONMA@A1@WBHQB)

FROM: Ronald Brigish, IECDR (RONALD BRIGISH@A1@WBHQB)

EXT.: 33868

SUBJECT: GUYANA: The Paris Club

Guyana is up for discussion again at next week's Paris Club session. Has anything significant happened since we last spoke? Has there been any movement on the PSD credit? Is the Fund program stuttering?

As you know, the PC is discussing the timing of a future meeting to discuss possible debt stock reduction, so I need a fairly good feel for the government's commitment to adjustment.

I am on mission, so would ask for this by EM. Many thanks.

CC: Institutional ISC Files (INSTITUTIONAL ISC FILES @A1@WBW

PARIS-GEN

The World Bank/IFC/MIGA
OFFICE MEMORANDUM

DATE: February 15, 1995 08:41am

TO: Ronald Brigish (RONALD BRIGISH@A1@WBHQB)

FROM: Sawai Boonma, LA3C2 (SAWAI BOONMA@A1@WBHQB)

EXT.: 33058

SUBJECT: RE: GUYANA: The Paris Club

There has been movement on the PSDAC. Negotiations are set to start on March 20th. Completion of negotiations should help facilitate the Fund's ongoing review as well.

We have been requested by the Government to send a mission down to Georgetown to further discuss debt management strategy; the mission is departing this weekend. I myself have been informed by an intermediary that a Canadian concern is willing to put in at least US\$50 million for a swap deal for part of the Trinidadian debt vis-a-vis a tax concession in the mining sector in Guyana. I understand the Government are aware of this offer and the Trinidadians are willing to entertain the idea. I will know more about the Government's reaction when I get there.

On the assumption that this offer is firm, and I have no reason to believe that we have been misled, there is a ray of hope to launch a comprehensive debt management scheme, which as you know, to be viable, must include agreement on the Trinidadian debt - about 25% of Guyana's external debt. It will likely be, however, a long drawn-out process before a deal can be completed. I will let you know the progress.

By the way which are the three countries being considered for the PC 67% reduction?

CC: Institutional ISC Files (INSTITUTIONAL ISC FILES @A1@WBW

The World Bank/IFC/MIGA
OFFICE MEMORANDUM

DATE: February 15, 1995 12:48pm

TO: Ronald Brigish (RONALD BRIGISH@A1@WBHQB)

FROM: Noriko Iwase, LA3C1 (NORIKO IWASE@A1@WBHQB)

EXT.: 30137

SUBJECT: RE: Bolivia: The Paris Club

Ron,

In response to your request, please find a brief overview of recent developments since last December.

Current Status of Our Country Dialogue and Lending

As you are aware, we are working on many projects to help the Government's ambitious reform programs, including the capitalization. If the Government is prepared, up to 8 projects might go to the Board before the end of FY95. The two projects were already approved in the beginning of FY95--i.e., the Education Reform Project (\$40 m) and the Regulatory Reform TA Project (\$14.7 m).

We will start negotiations for the Capitalization Program Adjustment Operation (\$50 m) next week together with IDB (providing \$70 m quick-disbursing). If the Government can meet two board conditions related to the hydrocarbons sector quickly, this operation could go to the Board before end FY95.

We are also working on three TA operations associated with the adjustment operation--hydrocarbons, power and financial markets (mainly pension reform and share distribution of capitalized companies). They are at appraisal/negotiations stage.

In addition, there are two projects likely to go to the Board within FY95. The Judiciary Reform Project was negotiated in Jan. 1995 (technically we cannot call it negotiations because conditions of negotiations are not fully met but expected soon). The Land Administration Project will be negotiated at the end of February.

Given the uncertain availability of IDA resources in FY96 and beyond, we are encouraging the Government to speed up processing of the projects so that they can be approved by the Board by the end of FY95 or early FY96.

The third tranche conditions of the on-going SAC are not yet met. Together with two IDA reflows, the amount of the

third tranche is about \$25 million. The remaining conditions to be met are privatization of small- and medium-size public enterprises and liquidation of the state bank's, BANEST, assets. The importance of the third tranche release was emphasized by Mr. Abe during his recent visit. We expect it to happen by the end of March.

Fund Relations

As you know, PFP was discussed by the Fund board on December 19, 1994 and we believe that the first tranche of ESAF was released at that time. A mid-term review is expected in May 1995.

So far, the program is on track. The fiscal deficit for 1994 was 3.1%, lower than the ceiling of 3.3%. Inflation for 1994 was 8.5%, on target.

Arrears and Paris Club

According to the Central Bank, Bolivia has accumulated arrears up to \$96 m vis-a-vis its bilateral creditors since the previous agreement expired last May. Bolivia does not have funds to clear these arrears.

Minister of Finance, Mr. Cossio, is going to Europe from Feb. 20 for two weeks to visit 7-8 countries and is then planning to go to Japan on March 6-8 to lobby prior to a Paris Club meeting on March 24. He will make two requests to the bilateral donors; (1) to include \$96 m arrears in a package to negotiate at the Paris Club; and (2) to include the debt covered by the Paris Club agreement III and IV (these agreements contain concessional elements more favorable than regular rescheduling, we understand) in a debt stock operation so that it can be an exit operation.

I hope the above is useful. I understood from the Bolivians that Bolivia will be invited to negotiate on March 24. Is it not yet definite?

Regards. Noriko

CC: Institutional ISC Files

(INSTITUTIONAL ISC FILES @A1@WBW

PARIS-GEN

The World Bank/IFC/MIGA
OFFICE MEMORANDUM

DATE: February 15, 1995 06:00am

TO: Noriko Iwase (NORIKO IWASE@A1@WBHQB)

FROM: Ronald Brigish, IECDR (RONALD BRIGISH@A1@WBHQB)

EXT.: 33868

SUBJECT: Bolivia: The Paris Club

Noriko,

Bolivia is up for discussion next week at the Paris Club, and I would like to ask you for a briefing of developments in country relations/lending since we last spoke in December. (I am on mission, so would ask that this be by EM.)

The PC is discussing the timing of a negotiation with Bolivia, and discussing the appropriateness of considering it for a debt stock reduction, so I shall need a brief overview of Fund relations (including problems) as well.

Many thanks. I shall also try to call at some time this week.

Ron

CC: Institutional ISC Files

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PARIS GEN

The World Bank/IFC/MIGA
OFFICE MEMORANDUM

DATE: February 6, 1995 02:19pm

TO: JENNIFER EDWARDS (JENNIFER EDWARDS @A1@WBWASH)
TO: MARCELO ANDRADE (MARCELO ANDRADE @A1@WBWASH)

FROM: Ronald Brigish, IECDR (RONALD BRIGISH@A1@WBHQB)

EXT.: 33868

SUBJECT: GUINEA-BISSAU: The Paris Club

I have just been informed that Guinea-Bissau has been slotted for a rescheduling on February 23, 1995. As part of the Bank's presentation to the meeting, I shall need to ask you for a 3-4 page (double-spaced) speech on country prospects. The speech is to be read out to the meeting following presentations of the Government delegation and the Fund, and will then be distributed in hardcopy.

The speech should cover the following: major accomplishments in terms of structural policies adopted, and their impact on the economy thus far. It should also summarize the remaining reform agenda. If implemented, what are the country's growth prospects, and what are the sources of that growth. What are the critical elements of the Bank's assistance strategy, and the scope, structure and content of the lending program. We should then also be specific about next adjustment operation. I would end the speech with a call for continued support from the international community in the form both of debt relief and fresh concessional assistance.

For the meeting also (but not necessarily as part of the speech), I shall need a projection of IDA disbursements (broken down into adjustment and investment lending), as well as repayments due us, in terms of amortization and interest.

I shall be in Paris for the whole week preceding the rescheduling, so we shall need to exchange faxes so as to ensure that the speech meets presentational conventions of the Paris Club. I would therefore ask that you send a copy of the draft to Moira Coleridge-Taylor by c.o.b. February 15, and it would then be forwarded to me in Paris.

Thanks very much. Please feel free to contact me if you have any questions.

CC: BIRGER FREDRIKSEN (BIRGER FREDRIKSEN @A1@WBWASH)
CC: HASAN TULUY (HASAN TULUY @A1@WBWASH)
CC: Institutional ISC Files (INSTITUTIONAL ISC FILES @A1@WBW)

PARIS-GEN

The World Bank/IFC/MIGA
OFFICE MEMORANDUM

DATE: January 26, 1995 02:46pm

TO: Ronald Brigish (RONALD BRIGISH @A1@WBHQB)

FROM: Gianni Zanini, AF4CO (GIANNI ZANINI)

EXT.: 85747

SUBJECT: RE: NIGERIA: The Paris Club

Thanks for your update.

The cash flow of the CBN in the last two years clearly show regular and full payments on all commercial creditors (par bonds from the London Club deal and under promissory notes). It also shows large payments to suppliers, which we think is mostly the settlement of current and past off-budget purchases of training aircraft for the military, other military hardware, and for construction projects (Aluminum, Ajaokuta, Petrochemical, Abuja). These are not insignificant, as they amount to about \$450-500 million a year. They are also classified under debt service, although no record of these debts can be found in the Bank's database.

Thus we suspect that the \$2 billion allocated for debt service in the 1995 budget do not contain more than a few token dollars for the Paris Club, while they fully cover par bonds and promissory notes, and at least partially cover the dues on (mostly off-budget) suppliers' credit.

Gianni Zanini

CC: Jose Sokol (JOSE SOKOL @A1@WBHQB)
CC: HAZEL DENTON (HAZEL DENTON)
CC: AMAR BHATTACHARYA (AMAR BHATTACHARYA)
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PARIS-GEN

The World Bank/IFC/MIGA
OFFICE MEMORANDUM

DATE: January 26, 1995 06:39am

TO: See Distribution Below

FROM: Ronald Brigish, IECDR (RONALD BRIGISH@A1@WBHQB)

EXT.: 33868

SUBJECT: NIGERIA: The Paris Club

Many thanks for the briefing.

Creditors didn't do much more than listen to the Fund and the Bank and, as usual, bemoan their fate.

In the end, though, it was decided that the glimmer of hope which they saw in our presentations justifies consulting with their embassies (and High Commissions) so as to formulate an eventual joint demarch to the Government on arrears. We shall therefore know more at the next meeting (week of February 20), at which time I shall also revert to you for an update of developments. One question that is bound to come up is whether the budget just announced has anything in it for bilateral and commercial debt service. PC creditors are of course concerned about getting paid (and they asked the Fund to ensure that any discussion with the Nigerian authorities emphasize this); but they also are concerned about not being treated worse than other creditors (other than preferred creditors, of course) and want to see if Nigeria is paying its commercial bank creditors.

That's it for now.

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PARIS- GEN

The World Bank/IFC/MIGA
OFFICE MEMORANDUM

DATE: January 24, 1995 02:59am

TO: LAURENS HOPPENBROUWER (LAURENS HOPPENBROUWER @A1@WBWAS

FROM: Ronald Brigish, IEC DR (RONALD BRIGISH@A1@WBHQB)

EXT.: 33868

SUBJECT: SYRIA: The Paris Club

Laurens,

Little of substance happened during yesterday's discussion. Germany and the Netherlands expressed fears that pressures from Syria on individual creditors to reschedule outside of the Paris Club would become too great to resist. They asked the Secretariat to come up with a solution that would permit a multilateral reshceduling in the absence of a Fund program. The pleas were rhetorical, since the conclusion of the meeting was that unity should be the watchword for now.

By the way, the Fund said that Syrian reserves (at some \$450 million) were at levels low enough to ensure that arrears could not be cleared, even if Syria were willing to do so. This is not my understanding, though I didn't contradict the statement.

Ron

CC: SPIROS VOYADZIS (SPIROS VOYADZIS @A1@WBWASH)
CC: MOHUA MUKHERJEE (MOHUA MUKHERJEE @A1@WBWASH)
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PARIS-GEN

The World Bank/IFC/MIGA
OFFICE MEMORANDUM

DATE: January 3, 1995 01:53pm

TO: CARMEN MARTINEZ (CARMEN MARTINEZ @A1@WBWASH)
TO: ALAIN THERY (ALAIN THERY @A1@WBWASH)

FROM: Ronald Brigish, IECDR (RONALD BRIGISH@A1@WBHQB)

EXT.: 33868

SUBJECT: GUINEA: The Paris Club

As you no doubt know, Guinea has been slotted for a rescheduling on January 25, 1995. I shall be representing the Bank at the meeting and, for that, I shall need to make a speech to the creditors supporting the country's rescheduling.

The speech need not be long -- 3-4 double-spaced pages will suffice. It will be read following presentations by the Government and the Fund, and will then be distributed in hard copy.

It should not dwell on stabilization (which the Fund would have covered in detail) but should look at prospects related to the supply side of the economy: the policies that are being implemented, those that are still to be introduced; growth prospects and SOURCES; and the most critical policy issues that the government should address to make growth self-sustaining.

There should then be a section on the Bank's program -- size, composition, and how the reform agenda (presumably that mentioned in the previous paragraph(s) is to be operationalized.

The speech should then move to close with a brief presentation of the external financing requirements -- highlighting the need for both new money and rescheduling, and should include an indication of the Bank's part in financing the gap -- i.e. our disbursement estimates, broken down into adjustment and project lending.

(A word of caution about the disbursement projection: it should be conservative, and not be so optimistic as to have the effect of reducing that portion of the financing requirement that will be met through the rescheduling (hence hurting the country.)

Could I please have the speech by c.o.b. January 18, 1995 -- on diskette, please, to facilitate presentational changes that may be needed to meet the meeting's conventions.

Please let me know if you need any assistance. Many thanks in advance.

CC: BIRGER FREDRIKSEN
CC: Institutional ISC Files

(BIRGER FREDRIKSEN @A1@WBWASH)
(INSTITUTIONAL ISC FILES @A1@WBW)