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Dates: 03/06/1987 - 12/14/1987

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1818 H Street NW

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Masood Ahmed - Chronological File - January to December 1987



Record Removal Notice

File Title Masood Ahmed - Chronological File - January to December 1987		Barcode No. 30450195		
Document Date December 14, 1987	Document Type Memorandum			
Correspondents / Participants To: Mr. A. McKechnie, Chief, IENEE From: Masood Ahmed, Chief EM2IE				
Subject / Title Mr. Abderrezzak Ferroukhi				
Exception(s) Personal Information				
Additional Comments		<p>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.</p> <table border="1"><tr><td>Withdrawn by Shiri Alon</td><td>Date November 14, 2022</td></tr></table>	Withdrawn by Shiri Alon	Date November 14, 2022
Withdrawn by Shiri Alon	Date November 14, 2022			



Record Removal Notice

File Title Masood Ahmed - Chronological File - January to December 1987		Barcode No. 30450195
Document Date December 7, 1987	Document Type Memorandum	
Correspondents / Participants To: Mrs. Maria Clark, Personnel Office EMNVP From: Masood Ahmed, Chief EM2IE		
Subject / Title Mr. André Léoni		
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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Record Removal Notice

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File Title Masood Ahmed - Chronological File - January to December 1987		Barcode No. 30450195		
Document Date December 4, 1987	Document Type Memorandum			
Correspondents / Participants To: Mr. Manuel Penalver, Chief AF3IE From: Masood Ahmed, Chief EM2IE				
Subject / Title Mr. Patricio Millan - Candidate for Energy Economist				
Exception(s) Personal Information				
Additional Comments		<p>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.</p> <table border="1"><tr><td>Withdrawn by Shiri Alon</td><td>Date November 14, 2022</td></tr></table>	Withdrawn by Shiri Alon	Date November 14, 2022
Withdrawn by Shiri Alon	Date November 14, 2022			

December 3, 1987

To: Mr. A. El-Maaroufi

Re. Technical Note on Alternative Repayment Terms

Abdallah:

I have the following comments on the above note, which I found to be a lucid and concise expose of a potentially difficult to explain topic:

- (i) The basic logic of the analysis is relatively simple: if you extend the average loan life either by extending the grace period or by shifting to a level annuity system, the burden of repayments and (although by a smaller amount) total debt service is smaller in the early years of the loan's life. For the Bank such a potential change in repayment terms would be reflected in higher net disbursement figures for the decade of the 1990's, the desirability of which is not at issue.
- (ii) The interesting question, therefore, is the relative impact of the two alternatives explored in the note, i.e. extending the grace period to 5 years for middle income countries versus moving to a level annuity repayment system for all countries. On this, table 4 of the note contains the key data but I would have cast the accompanying text in a slightly different light. The three points that strike me about this table, particularly with reference to the EMENA region, are as follows: First, for middle income and/or highly indebted borrowers the move to a level annuity system will have negligible benefits in the medium term. Between 1991-95, net disbursements for all middle income countries would rise under this scheme by US\$100 million a year. The increase for the heavily indebted borrowers is (coincidentally) the same. This is not a significant sum and will have virtually no impact on their aggregate debt service payments or ease their resource shortage. Second, and in contrast, an extension of the grace period to 5 years will have a major impact in the early 1990's on the net disbursement figures for both middle income and highly indebted borrowers. This level of increase (US\$1 bn/year for all middle income, US\$0.5 bn/year for heavily indebted) would significantly ease their resource shortage and is a level that would be difficult to achieve by the

alternative of increasing commitment level which would have to go up by US\$4 bn and US\$2 bn/year respectively. However, and thirdly, if the horizon is extended to the second half of the 1990's, the impact of level annuities on middle income and heavily indebted borrowers is much more significant and is actually greater than the benefits that would accrue from a temporary extension of grace periods for 5 years. What this suggests to me is that the choice between these alternatives is a function of what we are trying to achieve. If the concern is with low income countries the obvious solution is to move to level annuities. If the issue is one of the immediate problem of the middle income or the heavily indebted countries the answer lies in extending grace periods.

(iii) Another issue is whether any relaxation of repayment terms should be temporary or permanent in nature. The significance of this is in terms of the impact on the next capital increase (see also table 5). Again the choice is dictated by what we are trying to achieve. A temporary change appears very attractive because it has no effect on the capital increase. However, this may be misleading because the problem is unlikely to go away in 5 years. Consequently, if at the end of that period it were decided to convert the temporary change into a permanent one, the impact on the subsequent capital increase would be far greater because it would need to allow for the overhang effect of the measures taken now on a temporary basis. My own feeling is that we should bite the bullet ex ante even if this means that the next capital increase will not go as far, rather than postpone taking the medicine till later on the basis of wishful thinking.

(iv) Some points of omission:

- (a) The note assumes a fixed interest rate in all its calculation; it would be interesting to see how the impact of the alternative measures is affected by significant changes in interest rates during the life of the loan;
- (b) there is no discussion of the effect of inflation on these numbers. Obviously, the higher the rate of inflation (and assuming that the interest rate is fixed) the more beneficial for the borrower will be the scheme that defers repayment furthest into the future;
- (c) there is no discussion of whether we should have the same terms for all borrowers in a given income group or terms that reflect their creditworthiness. This is a real issue in terms of our increasing

non-competiveness for the more creditworthy borrowers and the impact of their lower demand for our funds on our own credit rating; and

- (d) there is also no discussion of the broader question of repayment in terms of the World Bank determined currency basket. To my mind, the effect of these potential foreign exchange gains or losses by our borrowers on their demand for our funds is a much more pressing issue.

I hope that the above comments are useful. Please do not hesitate to call me if I can be of further help. Otherwise, I will talk to you upon my return from mission at the end of the month.

Regards.



Masood Ahmed

MAhmed:cg

OK

WDIAL
.EM2IE
OINFO

-SUBJECT: PROPOSED SYMPOSIUM ON NEW TRENDS IN INDUSTRIALIZATION
-DRAFTED BY: MAHMED:CG EXT: 32340
-AUTHORIZED BY: MASOOD AHMED, CHIEF EM2IE
-CC AND CLEARED WITH MESSRS. CHAPARRO, TAYLOR
-CC: MR. DERVIS, MRS. FERNANDES-PALACIOS
-2532L

934 14673 =

-MR. MONCEF BOUCHARA
-NTI SYMPOSIUM
-TUNIS, TUNISIA

BT

WASHINGTON DC 02-DEC-87

A L'ATTENTION DE MONSIEUR MONCEF BOUCHARA, NTI SYMPOSIUM. REF.
PROJET DE SYMPOSIUM SUR TENDANCES RECENTES EN MATIERE
D'INDUSTRIALIZATION (QUI SE DEROUlera A TUNIS DU 14 AU 17
DECEMBRE), ET VOS CONTACTS AVEC MESSIEURS K. DERVIS ET E. CHAPARRO
SUR POSSIBILITE DE PARTICIPATION DE LA BIRD.
HEUREUX DE VOUS INFORMER QUE MONSIEUR ROBERT TAYLOR (ECONOMISTE DE
LA DIVISION COMMERCE ET INDUSTRIE) QUI SEJOURNERA A TUNIS LA
SEMAINE PRECEDENTE PROLONGERA SON SEJOUR POUR SUIVRE AU MOINS UNE
PARTIE DU SYMPOSIUM. M. TAYLOR VOUS JOINDRA PAR TELEPHONE AU COURS
DE LA SEMAINE DU 7 DECEMBRE POUR PRECISER ET CONFIRMER CE QUI
PRECEDE. SALUTATIONS DISTINGUEES, MASOOD AHMED, CHEF DE LA
DIVISION INDUSTRIE ET ENERGIE, DEPARTEMENT MAGHREB, EMENA, INTBAFRAD

OFFICE MEMORANDUM

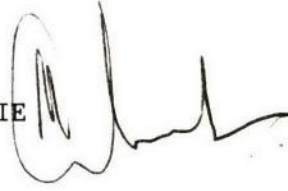
DATE: December 1, 1987

TO: Mr. Kemal Derviş, Director EM2

FROM: Masood Ahmed, Division Chief, EM2IE

EXTN: 32340

SUBJECT: FY88 Mid-Year Review



1. Attached please find the Industry and Energy Division's submission for the above review. Before making any specific comments on the numbers and projections in the attached table, I would like to stress that this year--more than usual--these numbers should be interpreted with caution and extrapolated with care. For this Division, as for most others, the past few months have seen a combination of a very slow start in July/August followed by a burst of catch-up activity which is still continuing in many cases. The overall results are thus particularly sensitive to the period covered; I am sure that the final results, including November data, will be significantly different from the preliminary results based on the first four months. Having said that, there are some specific points which I would like to raise at this time.

2. Work Program: As we discussed in July, the initial priorities of the Division have been: First, to take charge of and internalize the portfolio of projects that we inherited from a variety of Bank units, each with its own standards and systems of portfolio management; and second, to move forward with the preparation and processing of the three projects scheduled for Board presentation this fiscal year. In retrospect, I can say that the effort needed has been greater than we originally envisaged on both fronts. For portfolio management, the reasons are set out in my memorandum of November 4, 1987 forwarding the results of the divisional Project Implementation Review; suffice it to say that the hiatus in project supervision caused by the reorganization has exacerbated the supervision requirements of a portfolio which already had a number of problem areas. As regards FY88 project preparation, the slippage of the Algeria Power Project appraisal into this fiscal year, and the substantial reworking needed on the Tunisia SSI II project to reflect the changed circumstances since its early 1987 appraisal, have both added to the resource needs for this category of the Division's work program in the fiscal year. Nevertheless, I am convinced that these were the right starting priorities and I am reasonably satisfied with the results. We have now developed a coherent supervision strategy for a very diversified portfolio, and the widespread disbursement problems on the industrial credit line projects should be much improved during this year. We should also be able to maintain the FY88 lending projections for the Division and, depending on the final decisions taken on loan amounts, be able to present to the Board three projects totalling US\$250 - US\$325 million in lending commitments.

3. I am less satisfied with the status of preparation of the FY89 pipeline. As you know, we started the fiscal year with virtually no work done on any of the four projects scheduled for FY89 Board presentation and, following our discussions of October 28, we had agreed to slip one of these projects (Morocco Industrial Sector Loan) to an FY90S operation. As a result we now have two projects in Algeria (BAD II and Pilot Industrial Efficiency) and the PERL in Tunisia scheduled for next year. Of these, the two Algeria projects are now well into preparation but neither is likely to be ready for appraisal until September of next year and the issues underlying the BAD projects have still to be addressed since the overall program of reforms of the Government is not yet available. The Tunisia PERL is at an even earlier stage with the first concrete identification mission being my own visit next week; by all accounts the Government is strongly committed to this project and we should be able to move quickly but I would not like to underestimate the complexity of what will be a major sector adjustment loan. On balance, I am reasonably confident that we will be able to deliver three operations in FY89 but I do not foresee any improvement in the distribution of Board presentations in that year. On the positive side there are three additional project options for FY89/90. First, as you know we have been requested by the Government of Morocco to support the reorientation of ONAREP through a petroleum exploration promotion project; this is a project that we support and could prepare quickly if it were brought into the lending program and the necessary resources allocated. Secondly, following our joint discussions in Morocco last week, there may be a strong possibility to advance the next industrial project by changing its focus to supporting much needed export oriented industrial investment by the private sector and to bringing about the further improvements required in the policy/institutional framework for exports. Third, recent discussions in Algeria have identified the need for a technical assistance and training loan for the banking sector; although small, such a project could have substantial benefits in terms of facilitating the proposed reform of the banking sector in that country. If you agree with the proposals and assuming that our preliminary conclusions are verified through more detailed project preparation, these operations would provide a useful safety net for FY89 in the event that one of the other three projects is slower to materialize than we expect.

4. Administrative Budgets: The analysis done for this mid-year review confirms the Division's earlier submission that the dollar budget allocated for this year was gravely inadequate to carry out the agreed CAM allocated work program, even without allowing for any new work on much needed pipeline development. Without reopening the entire issue, I would simply like to make the following specific points which affect this Division:

- (i) The diversity of the Division's portfolio sharply restricts the possibilities for economies of scale from using one staff member to work on many tasks in one mission; there is little to be gained and much to be lost by trying to get an energy economist to spend part of his mission in following-up on the conditions of effectiveness for an industrial credit project.

- (ii) The shortage of French speaking staff in the Technical Department has limited the possibility of their participation and thus increased the need for consultants.
- (iii) The reliance by the Industry and Energy Divisions on specialized staff grouped together in the Technical Department of other Regions has reduced the flexibility in grouping mission; moreover, and this is not reflected yet in the attached estimates, it appears that the use of these staff will have to be compensated for by a dollar transfer even though the time has already been transferred in the original CAM allocations and the Division has not received the funds to provide for this transfer.
- (iv) The absence of one staff member on 12 weeks of maternity leave has resulted in the increased use of consultants, but according to Bank rules I am told that the Division receives no compensation. This may have been manageable when the average size of divisions was nearer twice the current average--it certainly makes a significant dent into a division of 10 higher level staff.
- (v) The unit cost of consultants in the industry, energy and finance area is widely accepted as being higher than the Bank average; the figures for the first five months of this fiscal year bear out this fact for the Department: US\$400/day for the Division versus about US\$350 for the Department as a whole. Moreover, the significant decline in the dollar is already beginning to have an impact on the unit cost of non-American consultants and on the travel costs of all consultants and staff.

5. It was in recognition of these facts and the imperatives of the work program, that in our initial budget submission we had estimated a requirement of US\$1.3 million for the year. We recognize that there is an overall resource constraint and we have now reexamined our needs for the fiscal year based on the experience of the first five months and on the savings that could accrue from the use of consultant trust funds. We estimate that we would still need about US\$1.1 million for the entire fiscal year to carry out the agreed work program. I appreciate that this is significantly higher than the "approved budget" for the Division of US\$800,000. However, it reflects our judgement that the approved budget will not permit us to deliver the quality and volume of work expected during this year. In this context, it is difficult to decide without further consultation on which tasks would be slipped if the Division's dollar budget were to be maintained at a level of 80% of needs. Given the diversity of staff skills and work program tasks, such a cut could not easily be transferred into the slippage of one discrete task. To the extent that this could be done, my proposal would be to defer the following:

- Identification/preparation of Algeria Telecommunications II.
- Financial sector update mission for Morocco.
- Preparation of Morocco PERL II (subsector investment program).
- Slower preparation of Tunisia PERL (especially items needing consultants input).
- Preparation/appraisal of the Morocco Petroleum Exploration promotion project (potential FY89 operation).
- Preparation of Morocco Industrial Restructuring Project (potential FY90 operation).
- Preparation of Algeria Banking Sector TA project (potential FY90(S) operation).

I would be grateful for your comments on the above and stand ready to provide any clarifications that may be required.

cc. Messrs/Mme. Costa, Ng, Pham
MAhmed:cg

EUROPE, MIDDLE EAST AND NORTH AFRICA REGION
 CD2 INDUSTRY & ENERGY OPERATIONS
 FY88 MID-YEAR BUDGET REVIEW
 TABLE 1

01-Dec-87

	ACT/CMT JULY-NOV	ESTIMATED DEC-JUN	TOTAL ESTIMATE	CURRENT BUDGET	OVER (-) UNDER
HQ POSITIONS					
HIGHER LEVEL	11.0	11.0	11.0	11.0	0.0
SUPPORT LEVEL	5.0	6.0	5.5	6.0	0.5
TOTAL	16.0	17.0	16.5	17.0	0.5
HQ STAFFYEARS					
HIGHER LEVEL	4.58	6.42	11.0	10.70	-0.30
SUPPORT LEVEL	2.08	3.50	5.6	5.84	0.26
TOTAL	6.66	9.92	16.6	16.54	-0.04
CONSULTANT STAFFYEARS	1.10	2.72	3.8	0.00	-3.82
DISCRETIONARY COSTS					
REGULAR SALARIES	322.0	450.8	772.8	0.0	-772.8
TEMPORARY	10.0	14.0	24.0	20.0	-4.0
OVERTIME	1.5	2.5	4.0	4.0	0.0
STAFF TRAVEL	123.8	386.0	509.8	281.8	-228.0
CONSULTANT TRAVEL	31.2	127.2	158.4	131.2	-27.2
REPRESENTATION	0.2	0.0	0.2	0.0	-0.2
HOSPITALITY	0.0	0.0	0.0	0.0	0.0
CONSULTANT FEES	95.3	316.4	411.7	292.8	-118.9
CONTRACTUAL SERVICES	0.0	2.0	2.0	3.0	1.0
DIRECT COMMUNICATIONS	1.5	4.0	5.5	12.1	6.6
INTERNAL COMPUTING	3.7	10.0	13.7	18.0	4.3
TRANSLATION	1.7	8.0	9.7	26.5	16.8
EQUIPMENT HQ	0.0	0.0	0.0	0.0	0.0
TOTAL	590.9	1320.9	1911.8	789.4	-1122.4
TOTAL EXCLUDING SALARIES	268.9	870.1	1139.0	789.4	-349.6

EUROPE, MIDDLE EAST AND NORTH AFRICA REGION
 CD2 INDUSTRY & ENERGY OPERATIONS
 FY88 MID-YEAR BUDGET REVIEW
 TABLE 2

01-Dec-87

	COMMITTED THRU NOV/87	ESTIMATED 7 MONTHS	FY88 TOTAL
STAFF TRAVEL			
1. NUMBER OF TRIPS			
A) LONG ZONE	31.0	72.0	103.0
B) SHORT ZONE	1.0	0.0	1.0
2. TOTAL COST	123.8	386.0	509.8
3. AVE. COST PER TRIP	4.0	5.4 /A	4.9

CONSULTANTS TRAVEL

1. NUMBER OF TRIPS			
A) LONG ZONE	13.0	42.0	55.0
B) SHORT ZONE	0.0	0.0	0.0
2. TOTAL COST	31.2	127.2	158.4
3. AVE. COST PER TRIP	2.4	3.0	2.9

CONSULTANT FEES

1. NUMBER OF DAYS	285.0	707.0	992.0
2. TOTAL COST	95.3	316.4	411.7
3. AVE. COST PER DAY	0.3 /B	0.4	0.4

/A Combined mission counted as one trip and therefore results in higher cost per trip.

/B Average cost for July-Nov. 87 is \$380/day but figure reflects the fact that \$16,050 have been charged to the Consultants Trust Funds.

OFFICE MEMORANDUM

DATE: December 1, 1987

TO: Mr. Kemal Derviş, Director EM2

FROM: Masood Ahmed, Division Chief EM2IE

EXTN: 32340

SUBJECT: Individual Performance Plan

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NOV 14 2022

WBG ARCHIVES

1. As a Unit Manager I recognize that there is considerable overlap between my personal objectives and performance indicators and those which are agreed for the work of the Division as a whole. For FY88, as you know, we proposed a set of specific divisional objectives in July and although these are in need of some modification at the margin, they can still serve as a basis for guiding and evaluating the Division's work during this year. A copy of these objectives is attached for your reference. Drawing upon these objectives, and extending the horizon to the end of FY89, I would propose the following as the priority objectives for my own efforts during this period.

(a) Ensuring the Development of a Medium Term Strategic Framework for our Individual Operations:

I continue to be struck by the haziness of our medium term strategy for intervention in individual sectors. We have a good idea of sector issues and generally a good justification for any given project, but we lack--in both industry and energy and for all three countries--a clearly thought through strategy as to how these issues will be addressed by a series of operations in the next five years. This makes for overloaded projects (when we try to address all the issues in a given operation because there is no agreed vision of subsequent operations) and a weak pipeline (because the focus is very much on the next operation). It also makes our relationship with the Borrower more episodic and less strategic. I would like to change the emphasis, so that for each of our sectors and Borrowers we have a broadly agreed medium term framework setting out how, through individual operations, we would work towards addressing the major sector issues. It is important, however, that this understanding not become a straight jacket for our relationship; we will need to be pragmatic in designing individual operations and we should be willing to recognize that there are some issues we will simply not be able to tackle. But, I think it is important that we do so within an overall strategy than by default.

In practical terms, this will mean significantly changing the approach of some of our Borrowers who have got used to such a relationship, and of the staff in the Division who have worked in project divisions where the focus has been largely project specific and short term. As a specific goal I would like to see an initial strategic framework developed for our industrial and energy operations in all three countries by the end of this fiscal year.

(b) Improving the Development Impact of Industrial Projects:

The issues associated with the Bank's industrial lending are well known. Our portfolio is not atypical: The lines of credit have had limited policy content and the direct appraisal projects have in many cases turned out to be less attractive investments than initially envisaged. And yet industry is the key sector for the future growth of our countries. I do not believe that we should (or will be allowed to) address industrial policy issues only through quick disbursing adjustment loans. What we need to do is to make our regular investment projects (including lines of credit) more effective investments for policy and institutional change in the sector. I propose to focus my own efforts in a substantive way to help the Division in developing and testing alternative approaches to achieve this objective in our industrial lending.

(c) Building a Cohesive and Effective Work Unit:

This is a special challenge for our Division because of the diversity of work and of the skills and experience of the Division's staff. Although personal relationships among the staff seem to be working out well, there is still some feeling of an "energy group" and an "industry group" working for the same manager and sharing office facilities. By building country teams within the Division, by selective use of fungible staff (Barbu, Kebet) across sectors, and by involving someone from the "other side" in peer review of reports, I hope to build a cohesive unit with a single team spirit. I am also liaising with the other Industry/Energy SOD's to see how we can profit from each other's experience.

(d) Fostering Inter Unit Collaboration:

Having spent a long time in a Division which was outside the regular programs-projects structure, I have had some occasion to view from the outside the inefficiencies caused by these rigid partitions. The reorganization's single most important contribution should be our ability to assign the best people to each task regardless of which Division

they are located in. Moreover, given the smaller size of individual units, this increased coordination is not simply desirable but essential if we are to deliver the work that is expected of us. However, sharing work (and glory) with staff from other units will require a change in behaviour and culture at the staff level and I see one of my own roles in the Division as being the agent for bringing about this collaboration, recognizing that there will be some resistance. I believe that these efforts will be facilitated if divisional boundaries--in terms of lead responsibility for types of work--are reasonably clearly defined because then collaboration on tasks is not seen as a turf issue. For this reason, in parallel I would like to work both within the Department and with the TD in helping to clarify issues of interface and coordination. As a specific goal, I would like to see a work pattern developing for the Division whereby in about a third of the tasks there was significant extra-divisional input of a non-specialist nature.

(e) Professional Growth:

I am learning about a whole range of new areas in this job, but at this stage it is still very much an absorbtive process. I suspect that for the remainder of the fiscal year my priorities will remain almost exclusively management oriented--getting the program and the division on a firm, self sustaining footing. However, during FY89 I would like to revert to a larger share of professional work in my own time allocation. This could include being task manager for one of the more complex/innovative operations in the Division or working on a piece of sectoral policy or cross country analytical work.

I recognize that this is an unusual format for an IPP, but given that my specific objectives for the Division are already encapsulated in the attached statement, I thought it would be useful to set out for your review and comments the qualitative areas of emphasis that I see for my own efforts in the coming year. I would very much welcome your feedback and guidance on these points.

EM2 - Industry and Energy Division

FY88 Priority Objectives

The central mission of the Division is to provide effective and timely service to our borrowing member countries in the design and implementation of appropriate development strategies for the industrial, energy and telecommunications sectors. In support of this basic objective we will develop and deploy the best available mix of Bank assistance instruments, ranging from policy advice through sector work and technical assistance, to specific lending operations which support the realization of agreed sector strategies. Specifically, during FY88 we will focus on the following key areas:

1. FY88 Program Delivery

Ensure the delivery of three lending operations (Algeria Power III, Morocco Power Distribution, and Tunisia SSI II) and two sector reports (Tunisia Public Enterprise Review and Morocco Enterprise Development Study) during this fiscal year.

2. Business Development

Develop an operational assistance strategy and a supporting pipeline of ESW and project work for each sector in the three countries. Specifically, this will entail the following:

- (i) Develop and document, by the end of September 1987, a thorough understanding of past operations and relationship in the industry and energy sectors, including an explicit focus on lessons learned;
- (ii) review the current issues and priorities facing the countries in these sectors and outline an operational assistance strategy for the Bank to help address these issues; prepare these strategies for internal discussion in at least two countries by fall CY87 and in all three countries by early 1988; and
- (iii) based on these revised operational strategies, actively seek to strengthen the currently approved Lending and ESW Program for FY89-92, such that by the end of this fiscal year this program reflects more accurately the needs and priorities of the borrowing countries for assistance in the industry, energy and telecommunications sectors.

3. FY89/90 Projects Preparation

Ensure that at least two FY89 projects have been appraised by the end of this fiscal year. Advance preparation of the FY90 project portfolio so that during FY89 we can reach or exceed the regional pipeline factor of 75%, and lay the basis for the development of a sustained operational pipeline in subsequent years. Establish appropriate contacts for the possible cofinancing of these projects.

4. Portfolio Management

Make project supervision more outcome and target oriented. Separate the supervision budget allocation into two parts: a non-discretionary part needed just to follow-up project implementation; and a discretionary part. Also prepare specific objectives and uses for the discretionary part.

3. Work Coordination

- (i) In the spirit of the reorganization, maximize the interface with staff in the TD, PPR and in the other units of CDII;
- (ii) actively support the concept of Department wide teams for major tasks and ensure that we identify and draw upon the best suited staff from across the Department to contribute to tasks managed by EM2IE. In particular, identify and foster opportunities for inputs from the economists in the COD to both sector reports and lending work and by divisional staff into COD managed economic work; and
- (iii) explore and encourage occasional cross assignments of staff to/from other CD's, where this is in either the best interest of the task or of the staff member's career development.

6. Internal Management and Organization

- (i) Establish the systems, procedures and norms that will enable the Division to function effectively by the fall of 1987 as a cohesive and results oriented unit;
- (ii) ensure adequate access to office technology and computing support; seeking to move to a machine ratio of 1:1 for all higher level staff by December 1987 at the latest; and
- (iii) develop a divisional MIS system that meets our needs with minimal additional data entry or manipulation over and above that required for departmental and regional management; make this divisional MIS system as "user friendly" as possible through the introduction of graphic or other innovative reporting formats.

July 30, 1987

WDIAL
.EM2IE
OINFO

-SUBJECT: MALTA - POWER PLANT PROJECT
-DRAFTED BY: MAHMED:CG EXT: 32340
-AUTHORIZED BY: MASOOD AHMED, DIVISION CHIEF, EM2IE
-CC: MESSRS. DERSIS, COSTA
-2532L

851 957015 =
-MR. HEATHER-TENMAR AND CO
-HASTINGS
-UNITED KINGDOM

BT
WASHINGTON DC 23-NOV-87
ATTENTION MR. HEATHER-TENMAR AND CO. RE YOUR TELEX NR1348/1/3107
OF NOVEMBER 11, 1987. THE PROJECT YOU REFER TO HAS NOT BEEN
PROPOSED TO THE BANK FOR FUNDING AND WE HAVE NO INFORMATION ON IT.
IN FACT, PLEASE NOTE, THAT THE BANK'S ACTIVITIES IN MALTA DO NOT
INCLUDE PROJECT FINANCING BECAUSE OF THE RELATIVELY HIGH LEVEL OF
PER CAPITA INCOME IN THAT COUNTRY. REGARDS, MASOOD AHMED, DIVISION
CHIEF, INDUSTRY AND ENERGY, COUNTRY DEPARTMENT II, EMENA, INTBAFRAD

OFFICE MEMORANDUM

DATE: November 20, 1987

TO: Mr. David Gill, Director CCMD

FROM: Masood Ahmed, Division Chief, EM2IE


EXTN: 32290

SUBJECT: MOROCCO - Capital Markets Development

Following our meeting of November 4 with Messrs. van der Bijl and Pang, we confirm our request for assistance from the IFC Capital Markets Department for the definition of an action plan to develop the Capital Markets in Morocco. This plan will be used as part of the policy content of a SAL and/or an Industrial/Financial Sector Operation of the Bank currently under preparation.

cc. Messrs./Mmes. Tata, van der Bijl, Pang, Brigish, Coudol, Basterra,
Kumar, EMENA Files
CBasterra

OFFICE MEMORANDUM

DATE: November 5, 1987
TO: Mr. David B. Gill, Director CCMD
FROM: Masood Ahmed, Division Chief, EM2IE 
EXTN: 32290
SUBJECT: MOROCCO - Capital Markets Development

Following our meeting of yesterday with Messrs. Van der Bijl and Pang, we confirm our request for assistance from the IFC Capital Markets Department for the definition of an action plan to develop the Capital Markets in Morocco. This plan will be used as part of the policy content of a SAL and/or an Industrial/Financial Sector Operation of the Bank currently under preparation.


cc: Messrs/Mmes. Tata, van der Bijl, Pang, Brigish, Coudol, Basterra, Kumar, EMENA files.

CBasterra:yd

PCR with Hilde

THE WORLD BANK/INTERNATIONAL FINANCE CORPORATION

O F F I C E M E M O R A N D U M

DATE: November 9, 1987
TO: Mr. Ram Chopra, OED
FROM: Masood Ahmed, Division Chief, EM2IE 
EXTN: 32340
SUBJECT: MOROCCO - Oil Shale Engineering Project (Loan 2114-MOR)

Attached please find the Project Completion Report for the above mentioned project, which has been prepared by Messrs. H. Hendriks (ASTEG) and A. Barbu of this division. Any comments or queries could be directed to them or to myself.

Thank you.

cc: Messrs. El-Maaroufi (EMNVP), Dervis (o/r), Costa (o/r) (EM2DR),
Brigish (EM2CO), Barbu (EM2IE), Bouhaoula, Amin (EMT),
Hendriks (ASTEG)

MAhmed:hph

TO: Mr. Kemal Dervis, Director EM2
FROM: Masood Ahmed, Chief EM2
SUBJECT: Briefing Note - Your visit to Morocco, November 15-21, 1987.

Documents attached:

- BTOs of Mr. Coudol's mission in October 1987 concerning:
 - a) PERL
 - b) Effectiveness of Industrial Export Finance Project - Reimbursement by Treasury of BNDE's Foreign Exchange Losses.
 - c) Potential Bank Assistance in the Industrial Sector.

Issues you may want to raise:

- Effectiveness of Industrial Export Finance Project. The original limit date of effectiveness of October 27, 1987 has been extended to December 31, 1987. We are still awaiting to receive:

- a) Legal opinions from the Government and the participating banks;
- b) Letter from the Ministry of Finance confirming arrangements for coverage of FE risk;
- c) Confirmation of payment by the Treasury to BNDE of the first installment (due by June 30, 1987) under scheme agreed at negotiations for reimbursement of foreign exchange losses and amounts due from the Caisse Centrale de Garantie (CCG).

Other issues

- Negotiations of the Power Distribution Project have now been confirmed for the first week of December;

- Supervision mission to be in Morocco November 9-25 will look at the need for partial cancellation of loan amounts in the Small Scale Industry II and Electromechanical Industries Projects due to slow utilization of Bank funds.

November 4, 1987



Record Removal Notice

File Title Masood Ahmed - Chronological File - January to December 1987		Barcode No. 30450195
Document Date November 5, 1987	Document Type Memorandum	
Correspondents / Participants To: EM2IE Staff From: Masood Ahmed, Chief EM2IE		
Subject / Title Individual Performance Plans		
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.
		<table border="1"><tr><td>Withdrawn by Shiri Alon</td><td>Date November 14, 2022</td></tr></table>
Withdrawn by Shiri Alon	Date November 14, 2022	

WDIAL
.EM2IE
OINFO

-SUBJECT: MOROCCO - MISSION VISIT

-DRAFTED BY: MAHMED

-AUTHORIZED BY: MASOOD AHMED, DIVISION CHIEF, EM2IE

-2655L

EXT: 32340

933 31005 =

-MR. STEPHEN KLEIN

-CHIEF OFFICER

-USAID

-RABAT, MOROCCO

BT

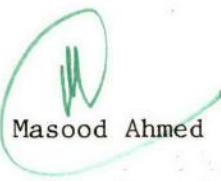
WASHINGTON DC 03-NOV-87

ATTENTION MR. STEPHEN KLEIN, CHIEF OFFICER, USAID. I WILL BE
ARRIVING MOROCCO ON NOVEMBER 11 AND WOULD LIKE TO MEET WITH YOU
DURING THIS PERIOD. I SHALL BE STAYING AT THE TOUR HASSAN HOTEL IN
RABAT AND WILL CONTACT YOU UPON ARRIVAL. LOOKING FORWARD TO SEEING
YOU. REGARDS, MASOOD AHMED, DIVISION CHIEF, INDUSTRY AND ENERGY,
COUNTRY DEPARTMENT II, EMENA, INTBAFRAD

October 27, 1987

To: Messrs./Mme. Effron, O'Sullivan, Blanchi

Given the linkage with the Ag. Credit Project, it may be useful if you could join us for the IEPS review meeting of the proposed BAD Project in Algeria. We would appreciate your comments/guidance.



Masood Ahmed

FORM NO. 75
(6-83)

THE WORLD BANK/IFC

ROUTING SLIP		DATE: October 27, 1987	
NAME		ROOM NO.	
Messrs. Coudol			
Basterra			
Brigish			
Klein			
Ms. Kumar			
APPROPRIATE DISPOSITION	NOTE AND RETURN		
APPROVAL	NOTE AND SEND ON		
CLEARANCE	PER OUR CONVERSATION		
COMMENT	PER YOUR REQUEST		
FOR ACTION	PREPARE REPLY		
INFORMATION	RECOMMENDATION		
INITIAL	SIGNATURE		
NOTE AND FILE	URGENT		
REMARKS: The meeting on Morroco Industrial Strategy will be in Mr. Ahmed's office at 5:00 p.m. today. Attached is the "Morocco Industrial Sector Lending" that will be discussed at the meeting. The Morocco PERL Back-to-Office Report has already been distributed.			
FROM: M. Ahmed's Office		ROOM NO.: H-4-061	EXTENSION: 37077

October 26, 1987

To: Messrs./Mmes. Shilling ✓
Costa ✕
Rahim ✕
Grais ✕
Fernandez-Palacios ✓
Chaparro ✓
Coudol ✓
Carrere ✓
Brajobic ✓

Attached please find a draft action program for Tunisia - PERL that we propose to send to the Government as a basis for discussing next steps in project identification/preparation. Selected chapters from Mr. Lopez' report will also be send as background documents.

I would appreciate any comments on the attached before it is finalized.


Masood Ahmed

cc. Mr. R. Taylor
MAhmed:cg

TUNISIA

PUBLIC ENTERPRISE REFORM PROGRAM:

OBJECTIVES, ACTIONS AND CONSTRAINTS

This preliminary outline of an action program has been drawn up based upon the findings of the February 1987 World Bank mission as summarized in the Aide-Mémoire left with the Government and by the mission. The outline represents what the World Bank considers essential components of a comprehensive PE reform program. The specific phasing and sequencing of the measures must be discussed with Government, taking into account recent actions and experience with the measures undertaken to date.

The broad objectives of the PE reform program are to: (1) reduce the financial burden of the PE sector on Government; (2) reduce the extent of Government's involvement in the sector through divestiture; and (3) improve the efficiency and performance of those PEs remaining in the public sector and ensure that they operate in commercial manner.

Reform of the PE sector must, however, be accompanied by: macroeconomic reforms (price decontrols, trade liberalization, etc.) to ensure appropriate incentives for economic efficiency; reforms in the fiscal policy and regulatory environment to facilitate private sector growth and operation; and strengthening of the financial sector to enable efficient resource mobilization and allocation. These reforms are critical, not only to support privatization but also to enable successful restructuring of priority PEs remaining in the Public Sector.

Given increasing budgetary constraints and the trade liberalization measures now underway, the PE sector will face increasing financial and competitive pressures over the next few years. Many PEs will no longer be economically or financially viable; others will require substantial restructuring. The Government will face substantial financial and social costs during this adjustment phase. The initial focus of the action program must be on managing the adjustment process.

Over the longer term, the objective of the reform program is to have in place a more streamlined, commercially-oriented and financially self-sufficient PE sector that operates without direct or indirect Government subsidies.

The action program set out below is geared towards managing the adjustment process and addresses five key areas: (1) a broad action plan for divestiture (privatization and liquidation) of enterprises along with the constraints associated with these measures; (2) policy reforms (both macroeconomic and sectoral) to ensure PEs operate in a commercial manner; (3) institutional reforms to streamline and improve management and supervision of those PEs which will remain in the Public Sector; (4) financing and restructuring issues and the reforms required to restore financial discipline, improve the financial position of PEs and reduce the fiscal burden upon Government; and (5) the steps required to reduce excess staffing and facilitate redeployment.

Several of the actions outlined here are clearly underway, while others will require considerable further refinement and discussion. The purpose of this note is to provide a proposed agenda for action and a basis for determining feasible phasing and sequencing of the program.

I. DIVESTITURE OF PUBLIC ENTERPRISES (PEs)

Objectives

Divestiture is an important instrument in the PE reform program for increasing economic efficiency, through: (1) infusing new capital, management and technology into privatized PEs, and (2) liquidating non-strategic PEs which are no longer economically or financially viable. Moreover, by reducing the extent of Government involvement in the PE sector, divestiture reduces the fiscal and administration burden of the sector on Government.

Strategy

Tunisia has already embarked upon a privatization program and has successfully divested its holdings in some PEs. Nevertheless, the program has not proceeded as quickly as originally envisaged. To advance the divestiture program, ^{the next step is to} ~~it is recommended that the Government~~ formulate a more detailed strategy which incorporates the following elements: (1) flexibility in the selection of divestiture candidates and the method of divestiture; (2) balancing the privatization of profitable (or potentially profitable) PEs which are attractive to investors (thereby creating momentum for the program) with the liquidation of loss making non-viable PEs to reduce the fiscal burden; (3) measures to facilitate divestiture, in terms of both investor interest and public support.

The action program for divestiture should include: identification of priority divestiture candidates for the initial phase; establishing policies, guidelines and procedures for the program; strengthening the Government's administrative and technical capacity to implement the program; and introducing measures to ensure that the investment climate is conducive to divestiture. The detailed actions are discussed below.

A. Identification of Divestiture Candidates

As a first step, government should identify priority candidates for divestiture, including those PEs which (i) can be privatized in the next 1-2 years; (ii) should be privatized in the next 5 years; (iii) are non-viable or non-marketable and should be liquidated in the next 1-2 years; (iv) should be liquidated in the next 5 years.

There should be considerable flexibility in the selection of candidates for privatization. New PEs could be added periodically to the initial list depending upon investor interest and the circumstances and requirements of particular PEs. Government should indicate to the business community that it is prepared to consider seriously reasonable offers. The selection of PEs for early privatization should reflect the expected ease with which this privatization could occur. Possible criteria are: enterprises in which the direct and indirect participation of the state is lower than 34 percent; small PEs for which it may be easier to find interested buyers; medium-sized PEs with more satisfactory potential for producing profits (e.g., exporters) and therefore more likely to attract the interest of prospective buyers.

B. Divestiture Policies and Guidelines

In addition to identifying priority candidates for divestiture, Government should formulate its policies and guidelines for the program. All known methods of total or partial privatization should be envisaged, including, total or partial sale of assets by open bidding or by direct negotiation; capital increase offered to private shareholders; sales of shares in the stock exchange; detachment of some units or activities from PEs and sale of the corresponding assets; leasing etc. If one method proves to be unsatisfactory in a particular case, others should be tried.

In establishing the guidelines for privatization, four points would require special attention:

- (i) sales prices in public tenders should reflect the prospective demand by interested buyers rather than a theoretical calculation of the value of the assets to be transferred. Privatization attempts in Tunisia so far show that minimum prices fixed by the government have been considered excessive by prospective buyers. At the same time, it is important to recognize the political and public sensitivity of the pricing of public asset sales and to develop appropriate mechanisms in order to alleviate these concerns.
- (ii) the requirement that prospective buyers retain a significant proportion of the workers of PEs to be privatized has been a major obstacle to privatization. Prospective buyers will seek maximum flexibility in reducing the workforce and in adjusting

their skill mix and terms. While privatization may result in some employment generation compared to liquidation, the number and skill mix for workers and their terms of employment under private ownership are likely to be significantly different from employment conditions in the original PE. Improvements in the severance pay to workers to be laid off may be necessary.

- (iii) credit facilities and tax incentives should be considered for prospective buyers (including tax incentives for buyers of shares in the stock exchange).
- (iv) in the case of those PEs which have serious financial and structural difficulties but which could be made profitable through restructuring, it may be preferable to privatize them on an as-is-basis so that the necessary restructuring can be designed and implemented by the new owners. This may, however, entail the absorption by the government and the banking system of some of the financial liabilities of these enterprises.

C. Management of Divestiture Program

To ensure that divestiture is handled in a systematic manner, it is recommended that Government designate a single agency to oversee and manage the program. The agency could be in the Ministry of Finance or in the Prime Minister's office. The head of the agency (reporting directly to the Minister of Finance or the Prime Minister) should be a very senior official able to devote full-time to this function. The study and implementation of

privatization and liquidation operations for specific enterprises involves a number of specialized, technical tasks and will require a full-time technical team with a variety of professional skills (financial, legal, accounting and industrial). Moreover, it will likely be necessary to hire auditors and specialized consultants to facilitate in implementation of the program.

The precise organizational structure for these operations must be discussed and agreed as a first step in the divestiture program. The primary objective should be to establish an operational structure (with adequate technical support) which has legal and administrative flexibility and sufficient political status to reach agreements and to implement them.

In this context, we understand that Government recently established a Commission de Restructuration des Entreprises Publiques to oversee privatization. It would be useful for the Bank to discuss with Government the Commission's responsibilities and work program.

In addition to designating an agency to manage the program, government should also set out the procedures to be followed in the divestiture program. While divestiture is best implemented on a flexible case-by-case basis, it is useful for government to have a clear process and procedures to be followed to ensure that all divestitures satisfy a few essential requirements. For example, it would be desirable to outline the procedures to be followed with respect to such issues as:

- (i) the preparation of dossiers for each divestiture candidate, setting out the valuation, divestiture options and recommend method, legal issues to be addressed, and liabilities to be settled;
- (ii) contacting investors and inviting bids;
- (iii) negotiating and finalizing sales agreements; and
- (iv) the government approval process for: (a) the selection of PEs to be divested, (b) the method of divestiture, and (c) the terms and conditions of the divestiture.

D. Measures to Facilitate Divestiture

At present, there are a number of constraints to divestiture.

Constraints to privatization include:

- the Tunisian stock exchange is very weak; the market for shares is very narrow; it will not be possible to privatize a large number of enterprises over a short period of time by selling shares of PEs to the general public, as has been done in industrialized countries;
- the existing tax regime apparently discourages the purchase of shares;

- there are few private entrepreneurs in Tunisia with the financial capacity to acquire and run the larger PEs which should be privatized;
- the interest of foreign (including Arab) investors in acquiring Tunisian PEs seems to be very weak;
- the role and capacity of local banks in privatization operations seems to be weaker than was formerly expected.

In this context, the program must include broader measures to: develop the capital markets; improve the overall investment climate; and facilitate the financing of privatization. In the short term, the initial privatizations will likely involve private placements with a great deal of flexibility in the design of these deals.

There are also significant constraints to liquidation, including:

- Laying off of workers will temporarily increase unemployment and the pressure on the Government budget for severance pay.
- Non-viable enterprises identified for liquidation will not be able to repay all outstanding debts. The "privilege du Trésor" will need to be abandoned in many cases with priority accorded to enterprise debts to workers, suppliers and banks. Typically, debts to Government and to the Social Security system may not have been serviced for some time. However, when an enterprise

is liquidated, the Government will have to recognize in its accounts that this debt will not be serviced, and this will have budgetary implications.

Given these constraints, the action program should also include: an assessment of the fiscal implications of the divestiture program (e.g., settlement of outstanding debts, severance pay) and development of a financing strategy and plan for handling divestiture-related liabilities. All Government liabilities must be systematically included in the annual budget.

II. POLICY REFORMS

Objectives

For those PEs remaining in the private sector, a major objective of the reform program is to establish the appropriate policy environment to ensure that PEs are financially self-sufficient and operate on a commercial basis.

Strategies

The PE reform program can only be successful if undertaken in a context of broader macroeconomic reforms and strengthening of the private sector. In this context, the reform program must include: (i) macroeconomic policy reforms to ensure economic efficiency for both private and public enterprises; (ii) industry and regulatory reforms to stimulate private sector growth and commercial operation; (iii) strengthening of the financial sector

and capital markets to finance private sector growth as well as PE privatization and restructuring (see Section IV-Financing); and (iv) reforms in Government policies for the PE sector to increase autonomy and ensure PEs operate on a commercial basis.

A. Macroeconomic Policy Reforms

A number of macroeconomic reforms (exchange devaluation, price decontrols, trade liberalization) are currently underway. However, in the PE sector, several PEs will, in the medium term, be subject to price controls or will have monopoly powers in production, importing and distribution. The action program must include measures not only for continued economy-wide liberalization, but also to ensure that these reforms will be applied throughout the PE sector. In this context, Government should review the PE sector to ensure that all price controls (except for regulated utilities) and monopoly powers are being eliminated.

B. Industrial/Regulatory Reforms

Efficient commercial operation by both private and public enterprises requires liberalization of the existing industrial and regulatory environment. The reform program should include a review of the investment climate (tax rates, investment code, exchange restrictions) and the labor environment (labor code, etc) and the introduction of further reforms to stimulate investment and facilitate commercial operation.

C. Government Policies vis-à-vis PE Sector

Current Government policies and legislation restrict PE managerial autonomy in the key areas of pricing, staffing and procurement. These policies should be revised to enable full PE autonomy in these areas. However, accountability must also be enhanced through strengthening of PE Boards of Directors and improving the Government's supervision of PE performance.

III. INSTITUTIONAL REFORMS FOR PUBLIC ENTERPRISES (PEs)

REMAINING IN THE PUBLIC SECTOR

Objective

At present, Government oversight of the PE sector is characterized by excessive a priori controls of PE operations, yet ineffective monitoring and evaluation of actual managerial performance. A number of institutional reforms are required to increase managerial autonomy, while also increasing accountability.

Strategies

The proposed strategy involves: (a) revising the institutional arrangements to streamline and reduce the direct control of PEs by the state; (b) replacing a priori controls by ex post evaluation of overall results achieved; (c) strengthening the Board of Directors of priority PEs; and (d) improving the management, information and auditing systems at the level of enterprises.

A. Revise the Institutional Arrangements for the Control of PEs by the State

As noted in the aide-mémoire, there is a plethora of a priori controls and Government agencies with responsibilities vis-à-vis the PE sector; these agencies have been largely ineffective . A key element of the PE reform program must be streamlining and reducing the direct controls of Government on the PE sector. One option involves the consolidation of PE oversight functions in a single agency; this could be a new agency (e.g. "Commissariat des Entreprises Publiques" as recommended by the World Bank mission) or an existing agency. Consolidation of PE oversight functions would directly impact upon the role and functions of a number of existing Government departments.

Key decisions are required by Government on the specific institutional reforms to streamline Government controls. As a first step, Government should designate a single agency as responsible for managing the overall PE reform program.

B. Performance Monitoring/Evaluation

Replacement of a priori controls by ex-post controls based on performance monitoring/evaluation is designed to increase both PE autonomy and accountability. A key requirement is a system of explicit, transparent performance indicators for major PEs to enable a priori agreement on performance targets and effective ex-post monitoring of performance. The performance targets should be incorporated in a medium-term corporate or restructuring plan which sets out, inter alia, the enterprise's objectives and

strategies, investment/financing plan, operating budget and personnel plan. The corporate plan should be approved annually by the Board of Directors and by Government. The corporate plan could be articulated in a "Contrat Programme" or in some other form of performance agreement between the Government and the enterprise on their respective responsibilities and entitlements. During the initial phase, the system would be very rudimentary (e.g., turnover, number of staff, wage costs, liabilities, investments, return on capital employed, etc.).

Performance monitoring/evaluation (including corporate plans and contracts-programmes) should initially be limited to a core group of priority PEs (some 10-20 PEs) selected on the basis of their size, economic importance and their impact on government finances. These PEs would prepare corporate plans according to specified guidelines and on agreed time schedules for review and approval by the Government. The Government would monitor the implementation of the corporate plan and these findings would form the basis for subsequent performance evaluations. A format and timetable for corporate plan presentation should be established. As well, a coordination mechanism and process should be established within Government to ensure the participation of relevant agencies in the review of corporate plans and the negotiations of performance agreements (e.g., the Direction du Budget concerning state subsidies, the Central Bank concerning domestic and foreign borrowing, the Direction de la Planification concerning investments, the tutelle ministry on sectoral policy).

It is recognized that Tunisia has experienced some difficulties in implementing contract-programmes to date. Revisions may be necessary in the current format and implementation of the contracts-programmes to ensure that some form of effective performance monitoring is put in place.

C. Strengthen PE Boards of Directors

A key element of the reform program ^{will be} to strengthen the Conseils d'Administration of a limited number of the largest PEs (20 to 30). The program would involve: greater emphasis on management and commercial experience in the members appointed to the Conseils d'Administration; adequate remuneration to attract qualified candidates; replacement of non-active members; and periodic seminars for improving the training of the members of the Conseils d'Administration.

D. Improving the Management, Accounting and Budgetary Systems of a Core Group of PEs

To enable improved management and also to facilitate effective performance monitoring/evaluation, a program should be initiated to improve the management, accounting and budgetary systems of priority PEs.

The program would follow from a review of external auditing practices of priority PEs and would focus on the measures needed to revise accounting norms to reflect current international practices in such areas as treatment of foreign exchange risks, etc., and to strengthen computerization, professional training and internal auditing in PEs.

IV. FINANCING

Objective

A primary objective of the PE reform program is to strengthen the financial position of PEs and reduce the fiscal burden of the PE sector on the state.

Strategy

The proposed strategy involves: (a) restoring financial discipline in the PE sector; (b) reducing Government fiscal support for PEs; (c) restructuring priority PEs which are to remain state owned; and (d) broadening the financing base for PEs. However, these measures must be accompanied by parallel strengthening of the capital markets and financial sector, which are critical for the successful financing not only of privatization, but also of restructuring of key PEs to remain in the public sector.

A. Actions Required to Restore Financial Discipline

Many PEs face a serious liquidity crisis and have accumulated substantial arrears and cross-debts with other PEs, Government and the banking sector. Restoring and maintaining financial discipline in the PE sector will require eliminating these arrears and implementing procedures to prevent their recurrence. Initially, the Government should focus on a group of priority PEs (minimum 20) and identify cross-debts and arrears between these PEs, between the PEs and the Government, and between the PEs and the banking sector. A

plan for settlement of cross-debts and arrears should be prepared outlining the timing, method and financing for elimination of all payment arrears for services, taxes, etc.

Procedures should be introduced to ensure that the annual Government budget includes sufficient amounts to pay for services provided by PEs. To ensure future financial discipline, the Government should monitor major PEs and Government to ensure timely payment of respective obligations.

B. Actions Required to Reduce Government Fiscal Support

Given increasing budgetary constraints, it is critical that Government reduce its fiscal support to PEs, in the form of subventions (operating and investment) and investment financing (equity and loans). As an immediate step, Government should develop clear guidelines and criteria ensuring that:

- aggregate Government subventions to PEs are progressively reduced;
- all Government transfers (subventions, loans, equity) are justified in terms of an approved corporate/restructuring plan or a signed contract programme;
- all major investment projects have satisfactory economic and financial returns; and
- PEs bear the foreign exchange risk for all external loans or lent by the Government.

In addition to reducing direct financial support, Government must establish ceilings for its guarantees of PE loans to ensure that Government's contingent liability is within an acceptable limit. Guarantees must also be justified in an approved corporate plan or contract programme.

To implement these guidelines, Government must strengthen its capability to review/analyze PE investment and financing proposals and to monitor PE arrears and external debt.

C. Actions Required for Restructuring of PEs

As an initial step, Government must identify priority enterprises for restructuring. The work already done by the Commission Nationale d'assainissement should make it comparatively easy to establish these priorities. The PEs which require major budgetary support and/or are in arrears to other non-financial enterprises (public or private) should be included in the priority list. One important purpose of restructuring programs should be to eliminate these arrears and to avoid their future growth (see "A" above). Arrears to the banking system, to the social security fund and to the treasury should also be eliminated.

The restructuring of PEs should not be limited to financial restructuring; reductions in the labor force, rationalization of investment programs, strengthened management and other cost reductions are generally essential components of successful restructuring programs.

The Government must also identify the financing sources for restructuring and the phasing of their availability for supporting restructuring programs. This would include inter alia:

- (a) Fonds de Restructuration des Entreprises (FRE). Given the tight budgetary situation, and the need for coordinated support for the PEs, all resources to be provided by the budget should be channelled through one source such as the FRE. The granting of "prêt du Trésor" should be discouraged. If indispensable, they should be replaced by subsidies. At present, they are not recorded as public expenditure and escape budgetary discipline. In restructuring operations, the Treasury and the Social Security System may have to convert their credits to PEs into equity.
- (b) Resources provided by the banking system (including the Central Bank). The banks should not be put under pressure by the Gouvernement to extend new credits to PEs in difficulty which need financial restructuring. Their autonomy in this area should be preserved to avoid precipitating a deterioration in their financial structure. However, in some cases, they may have to reschedule their credits to such enterprises (lengthen the maturities of loans, capitalization of interest due, etc.).

The extensive involvement of some banks with particular PEs in poor financial condition may give rise to liquidity or profitability problems for those banks. Where these difficulties are extremely serious and could jeopardize the financial system, the debts and the corresponding losses may need to be transferred to the budget or the Treasury.

Specific restructuring programs should be established for the following enterprises which together weigh very significantly on the Government's budget for which individual reviews have been carried out as part of the Public Enterprise Review Mission:

- Société Nationale des Chemins de Fer Tunisiens (emphasizing the control of investment expenditures and the containment of operating costs, including labor costs);
- Compagnie des Phosphates de Gafsa (emphasizing the reduction of the workforce and improvements in productive operations);
- Groupe Chimie (emphasizing financial restructuring and the reallocation or reduction of production if international prices fall below avoidable cash costs).

Programs for other PEs may be based on the work already done by the Commission Nationale d'assainissement, once that work is analyzed. The number of restructuring programs for specific PEs should be comparatively small at any time to permit effective management and to keep the financial requirements within the budgetary constraints.

D. Actions Required to Broaden the Financing Base for PEs

The Government should take steps to increase recourse to the issue of domestic bonds by profitable PEs with strong financial structures. The market for bonds has been very narrow and has been tapped mainly by development

banks. Efforts should be made to make this market more dynamic mainly by: (i) fixing better terms for bonds offered to the public; (ii) more aggressive marketing; and (iii) review of existing tax incentives and analysis of the possibilities of improving these incentives.

V. LABOR AND REDEPLOYMENT

Objectives

A further objective of the PE reform program is to reduce overstaffing in the PE sector and improve productivity.

Strategy

The increasing fiscal pressures and trade liberalization reforms now underway will create substantial pressure on PE managers to reduce their current surplus labor and adjust wages in line with productivity. However, there will be considerable union resistance to these measures. As well, the Government faces severe budgetary constraints in financing the associated redeployment costs. In this context, the proposed strategy involves: (a) increasing PE managerial autonomy in all personnel/staffing matters; (b) reducing surplus labor and improving productivity; and (c) introducing a redeployment program to assist with financing redeployment.

A. Actions Required to Increase Autonomy

As a first step, it is recommended that Government replace the special statutes for personnel in the PEs, where these exist, by the "régime des conventions collectives regissant leur secteur d'activité" or by "le régime

statutaire fixé par la loi." Special legislation is probably required for this purpose; a list identifying all PEs which have a "Statut particulier" is also essential. Other Government policies and legislation should also be reviewed to ensure that PEs have managerial autonomy in personnel matters (recruitment, staff reductions, promotions, etc.).

B. Actions to Reduce Staff Number in Those Enterprises with Surplus Labor

While PE managers should be responsible for adjusting the labor force, in the short-term the Government should ensure that there is an overall labor reduction in the PE sector and that PE managers are taking steps to improve productivity. In this context, it is recommended that Government establish targets for the reduction of staff numbers in a group of priority PEs. The targets would cover a period of 3-5 years to allow for gradual reductions. The enterprises to be included in the group of PEs would be those with a larger payroll, with clearly recognized problems of excess labor, or in which the existing labor force is a major obstacle to early privatization or successful restructuring.

Targets for a group of PEs rather than for PEs considered individually should allow more flexibility. There should, however, be individual targets for CPG, SNCFT and possibly two or three more PEs with particularly severe labor problems. The individual targets should be incorporated in the approved corporate plans on contrats-programs.

C. Redeployment

Labor force resistance and budgetary pressures are serious constraints in Tunisia to an effective redeployment program. To address these problems, the action program must include: (1) identification of the expected level of PE redeployment and the net Government liability; (2) development of retraining and redeployment programs to facilitate transfer of the surplus PE workers to the private sector (special credit schemes are one option), and (3) ensuring that there is sufficient financing (both in PE budgets and the Government budget) to cover the liabilities associated with redeployment.

VI. CONCLUSIONS

This program was proposed to provide a clear basis for seeking the views of the Tunisian authorities on the next steps to be taken and the role which the World Bank could play in supporting the reform program. Key decisions will be necessary on: (a) the agency responsible for managing the reform program; (b) the agency responsible for managing the divestiture program and the initial candidates for privatization and liquidation; (c) the priority PEs to be restructured and the size and availability of the Fonds de Restructuration.

In parallel, Government must review the overall industrial and regulatory environment and take steps to improve the investment climate and strengthen the capital markets and banking system, as these elements are essential for successful PE restructuring and privatization.

The Bank looks forward to discussing with Government an action program for PE reform and, in particular, the implementation of this program.

OFFICE MEMORANDUM

DATE: October 26, 1987
TO: EM2 Management Group
FROM: Masood Ahmed, Division Chief EM2IE
EXTN: 32340
SUBJECT: Reorganization Follow-Up



As I mentioned at last Wednesday's meeting, the informal group looking at reorganization implementation issues has drawn-up a list of questions to which we are seeking reactions. A copy is attached for your review. I would very much welcome any thoughts you might have on the points raised in the attachment or on the subject as a whole. You may also want to solicit inputs from your staff on some of these points.

The Group is hoping to complete this phase of the work by the end of this week so any inputs before then would be particularly useful.

Thanks.

MAhmed:cg

Reorganization Implementation Group

Preliminary list of issues.

TD_CD Interaction.

TD-CD interaction issues are complex and interlinked, and their relative importance and severity varies from sector to sector as well as across departments. Moreover, some of them result from the intrinsic nature of the new organizational structure and can thus only be resolved through basic changes to this structure. Nevertheless, in a number of areas improvements can be made through modifications in the process and procedures governing this interaction and through some redefinition of functions and better staffing. In its initial meetings the Reorganization Implementation Group has identified a number of such areas which it proposes to use as a basis for its subsequent deliberations and as a tool for obtaining the reactions and inputs of other managers and staff in the Region.

These issues can be grouped into two broad and interlinked categories:

(i) how to best deploy the staff in both the TD and the CD's so that each task is optimally staffed from a "Regional" perspective and all of the region's staff receive equitable opportunities for career development; and

(ii) what the relative responsibilities are of the TD and the SOD's in the design, management and quality enhancement of operational work.

A number of questions need to be addressed in these two areas and these are listed below. This listing does not address issues in other areas such as intra-CD coordination (COD-SOD interface; role of project advisor, lead economist, country officer), interface with PPR or with other parts of the Operational complex, etc; however, it is recognized that some of these other issues will also have a bearing on the relationship between the TD and the COD's.

(i) Staff Deployment Issues.

-Task Management Responsibilities: Are TD staff underutilized as Task Managers even allowing for the fact that the TD's have a higher proportion of technical specialists? If so, how can the proportion of Task Managers coming from the TD be increased without increasing the SOD's perception of vulnerability and reduced control over their programs? Should the role of the Task Manager be redefined to reduce the staff perception that it is the primary (only?) route to career growth? Is the concept of "The Task" itself in need of clarification?

-Supply-Demand Balance and Skills Mix: In the aggregate, the CD's demand for support from the TD falls short of the TD's existing resources. Is this a generalized problem across sectors or does it reflect underlying imbalances in the supply and demand for resources within sectors in the region as a whole? To the extent that this is a generalized problem, does it reflect a mismatch in the skills profile of TD staff versus the skills needed by the SOD's to supplement their own staff? To what extent is the similarity of the staffing profile of the SOD's and the corresponding TD division aggravating the problem? Moreover, is a certain level of TD staff underemployment inherent in the design of the system because of scheduling conflicts? If so, can a higher degree of

flexibility be built into the system either by increasing the TD's " own use " budget or by allocating them a consultant budget which when added to their staff would sum to the total demand from the CD's? Can the problem of TD staff underutilization be ameliorated by the TD's supplying better information on the skills and experience profile of their staff?

-TD Staff as Consultants: Inherent in the design of the reorganization is the use of TD staff to work on tasks managed by many units. However, it must be recognized that this results in both morale problems among the staff (the consultant marketing syndrome) as well as problems for their effective management (scheduling conflicts, no sense of belonging to the group, etc.)

(ii) Functional Responsibility Issues.

-Product Mix: As an organizational unit, what should be the mix of TD output between the supply of individual staff for tasks to be managed by the CD's and that of completed products? In the former case, should the responsibility of the TD also extend to guaranteeing the quality of its staff's inputs, including the review and clearance of their contributions? In the latter case, what safeguards can be built into the system for allievating the SOD's concerns about the quality and timeliness of these "turnkey" contracts?

-Quality Enhancement: Is there a need to build in additional mechanisms into the processing of operations whereby the TD can contribute more effectively in an advisory capacity? Is the more systematic use of peer review groups one vehicle for achieving this? Would a strengthened advisory role also help to make more effective use of the more experienced TD staff? How can this be done without diluting line management responsibility and adding to the cost and time of processing?

-Economies of Scale: Are there economies of scale to be exploited by using the TD as a central point for the identification of consultants and for coordinating the Region's demands on other parts of the Bank, notably PPR and the other TD's who supply specialized inputs for some of the SOD's?


-Role of TD Division Chiefs: Are the TD division chiefs to be seen primarily as the "Principal Regional Advisors" in their sectors or as operational managers who control the deployment of their staff and sign-off on the quality of all the output produced by these staff? To what extent is the former role compatible with the broader objectives of staff training and career development? To what extent is the latter role compatible with the job descriptions and functions of the SODC's and with the need to promote harmony and constructive relationships between TD and CD managers?

10/19/87.

OFFICE MEMORANDUM

DATE: October 26, 1987

TO: Maria Clark, Personnel Officer, EMNVP

FROM: Masood Ahmed, Division Chief, EM2IE 

EXTN: 32340

SUBJECT: Support Level Vacancy in EM2IE

As you know, the initial design of support level skill requirements for the Division had identified the need for a Level 15-16 procurement assistant who would serve as a back-up to project officers in the processing and review of procurement documents. During Rounds 1 and 2, no suitable candidate for this position was identified and available. With the reopening of the VIS we are now in a position to fill this position through Bank wide recruitment. However, one important development has been taken place at the Regional level which will alter the staffing strategy for this Division. This is the decision, made last week, that Mr. E. Siou, a procurement specialist, will be made available on a full time basis to this Department to provide back-up support to the project officers in the review of procurement documents. Moreover, within the Department it has been agreed that given the relative balance of needs and engineering expertise among the various divisions, EM2IE will have a priority call on Mr. Siou's time.

With this development, the justification for recruiting a full time procurement assistant in the Division itself becomes much less clear. To be sure there is still some procurement related work to be done in the Division by a support staff member, but this is essentially the logging of incoming procurement documents, their routing to project officers (or to Mr. Siou in their absence) and their routine follow-up to record and report progress. This is a typical "staff assistant" function and one which one of the existing staff assistants in the Division could be trained to perform.

Under these new circumstances, I would like to recruit an additional biligual secretary for the Division which would enable the Division's regular secretarial needs to be met more effectively and would also improve the balance of staff assistants to secretaries in the Division (currently 4 to 2 including the admin. secretary and a full time temporary). A position description for the vacancy is attached for insertion into the next VIS announcement.

Please do not hesitate to call me if you have any queries.

cc. Messrs. Dervis/Costa
Ms. Vendryes
MAhmed:cg

Amos

OFFICE MEMORANDUM

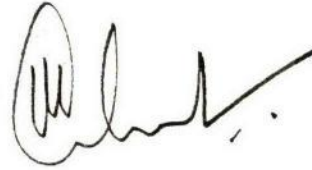
DATE: October 23, 1987

TO: Files

FROM: Masood Ahmed, Division Chief EM2IE

EXT: 32340

SUBJECT: MOROCCO: Power Distribution Project
Yellow Cover Package



Mr. El Maaroufi met me on October 20 to convey to me Mr. Thalwitz's comments on the above package. The principal comments and changes agreed upon were the following:

1. Link with the PERL Project: While the SAR clearly defines the complementarity between the objectives and conditionality for the proposed project and those for the PERL project, this link could be better presented in the Memorandum of the President. The final (buff) cover version of the MOP will be amended accordingly.
2. Income and Cash Generation Covenants for the Regies: Mr. Thalwitz questioned whether it would not be less cumbersome to replace the two covenants on cash generation and net income with a single cash generation covenant which took account of depreciation. This possibility will be explored during negotiations. However, any change will need to ensure that such a revised definition of cash generation in this project would not create any confusion for the regies who are also involved with the parallel Water Supply Project where cash generation is defined without taking account of depreciation.
3. Automatic Fuel Price Adjustment Clause: Mr. Thalwitz questioned the wisdom of dropping the proposed conditionality for automatic price adjustment resulting from fuel price changes. I explained that the proposed condition, as it has been discussed with the Moroccans, was in fact a requirement that the Government review and approve electricity price changes subsequent to major fuel price changes. However, it did not introduce any "automaticity" in the price change mechanism which would be a much more useful improvement to the current situation. I also explained that the removal of the fuel price adjustment clause, as currently defined, would not be operationally damaging because the conditionality on internal cash generation would, in any event, require price changes subsequent to a fuel price increase; and because domestic fuel price are not expected to increase significantly over the coming two years. We agreed that during negotiations we would propose to the Moroccan delegation that the proposed study on electricity tariffs also include a review of the process whereby tariffs are adjusted, with a view to introducing a truly automatic fuel cost adjustment mechanism for the future.

4. Timing of Hydrovariations Compensation Mechanism: Mr. Thalwitz asked whether the proposed review and introduction of a mechanism to compensate ONE for unusual variations in its cost of production resulting from variations in the hydrological regime could not be completed before the end of 1988. I explained that the date of end 1988 had been chosen to coincide with the anticipated timing of the finalization of a Contract-Plan between the Government and ONE, which was a condition under the PERL project. It was agreed that the Buff cover documents would reflect this linkage more explicitly.

5. Mr. El Maaroufi also made a number of other suggestions to improve the presentation of the MOP/SAR. These comments will be incorporated in the final version of these documents.

Following our discussion, which Mr. El Maaroufi reported back to Mr. Thalwitz, Mr. Thalwitz approved the package as a basis for inviting the Government to negotiations starting November 16, 1987. A telex to this effect has been sent to the Government and the necessary follow-up within the Bank is being attended to.

cc. and cleared with Mr. El Maaroufi (EMNVP)

cc. EM2 Management Group

Messrs. Amin (EMTIE), Shilling (EM2CO) (4), Hamilton o/r, Léoni o/r (EM2IE), Verdelho (EMTIE)

EM2IE Staff


MAhmed:cg

Chrons

OFFICE MEMORANDUM

DATE: October 23, 1987

TO: Mr. Reza Amin, Division Chief EMTIE

FROM: Masood Ahmed, Division Chief EM2IE 

EXT: 32340

SUBJECT: FY87 Operational Support Requirements

Further to our recent conversations, I would like to confirm our understanding of the support to be provided during FY87 by your Division for the industry and energy operational work in the Maghreb countries. The latest estimate that we have just entered into the MIS, is for a total input of 115 sw distributed as follows:

(i) Power:

MOR: Power Distribution project	18 sw (Verdelho)
TUN: Power IV - Supervision	14 sw (Verdelho)
MOR: Power Subs. Project - Prep. and Uniden. Support	3 sw (Fin. Analyst)
Sub-total	<u>35</u> sw

(ii) Oil/Gas/Energy:

MOR: Petroleum Exploration - Supn.	4 sw (Geophysicist)
TUN: Energy Cons. Demons. - Supn.	4 sw (Conserv. Eng.)
TUN: 2nd Nat. Gas Pipeline PCR	6 sw (Petroleum Eng.)
Sub-total	<u>14</u> sw

(iii) Industry:

MOR: Indus. Subsec. Analysis and Project Identification	30 sw (Boring, et al)
ALG: Industrial Exports Mission	15 sw (t.b.d.)
ALG: Pilot Industry Efficiency	6
TUN: PERL Prep. (Phosph./Chemicals)	20 sw (t.b.d.)
Sub-total	<u>71</u> sw

TOTAL	<u>120</u> sw
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For the above, your Division would also provide the task manager for the Tunisia project supervision (Verdelho) and for the industrial subsector analysis and project identification mission in Morocco (Borin). Moreover, I anticipate that the nature of the proposed contributions to the industrial exports work in Algeria and the PERL in Tunisia is such that these would essentially be self-contained sub-tasks to be managed by EMTIE staff.

Please call me if you have any queries or comments on the above.
Thanks.

cc. Messrs. Dervis, Bouhaoula
Ms. Ng
MAhmed:cg

Chono

October 22, 1987

Mrs. Sonja Gerlo
Directeur d'Administration
Direction d'Administration des Relations
Bilatérales (AGCD)
Place du Champ de Mars 5 - Bte 57
1050 Bruxelles

Dear Mrs. Gerlo:

It was pleasure to meet you and Mr. Frix during your visit to Washington last week and to discuss with you our respective programs of assistance in the Industry and Energy Sectors of the Maghreb countries. Let me reiterate also our appreciation of the fruitful collaboration that is taking place between our two Agencies with regard to the small scale industry sector in Tunisia in particular. As we agreed, we will keep you informed of any developments in the further processing of our proposed small sector industry project. We also hope that representatives of the Belgian Government will be able to join us at the time of the negotiations of this project which are currently scheduled to take place in Washington, towards the end of 1987.

Regarding our discussions of potential collaboration in the energy area, we have provided Mr. Kalim with some proposals for pre-investment and technical assistance studies in Morocco and Tunisia. He will be presenting these to you during his forthcoming visit to Brussels to discuss ESMAP matters in general. These proposals are as follows:

1. Morocco: Power Sector Loss Reduction Study.
2. Morocco: Energy Sector Financing Study.
3. Tunisia: Macro Economy/Energy Sector Interaction Study.
4. Tunisia: Energy Sector Financing Study.
5. Tunisia: Household Energy Study.

We very much hope that the Belgian Government will be able to support the execution of this work which would contribute to the resolution of important issues in the energy sector of these two countries. As I mentioned to you, we see no difficulty at all in using the existing modus operandi established under the ESMAP program for doing this work. If you have any specific queries on the content and timing of these study proposals, please do not hesitate to call me.

Finally, let me say that given the active program of Belgian technical assistance in industry and energy in these countries, I hope that we will be able to maintain close and regular contact to update each other on our ongoing work.

Sincerely yours,




Masood Ahmed, Chief
Industry and Energy Division
Country Department II
Europe, Middle East and North Africa Region

cc. Messrs./Mmes: Kalim, Mckechnie, Mullan (EIN), Costa,
Fernandez-Palacios, Brigish (EM2), Amin (EMT)
EM2IE Reading file

OFFICE MEMORANDUM

DATE: October 15, 1987

TO: Mr. Antoun Moussa, EMTTF

FROM: Masood Ahmed, Division Chief, EM2IE 

EXT: 32340

SUBJECT: MOROCCO: IEPS - Public Administration Project

Attached please find some comments on the IEPS for the above project. You may wish to take these points into account in preparing the revised version of the IEPS and in designing the project itself. Ms. Kumar and Mr. Basterra will be happy to provide additional details or clarifications.

cc. Messrs. Derviş, Costa, Shilling (4), Chaparro, Basterra
Ms. Kumar
MAhmed:cg

OFFICE MEMORANDUM

DATE: October 13, 1987

TO: Mr. Masood Ahmed, Chief, (EM2IE)

FROM: A. ^{AK}Kumar/C. ^{CB}Basterra, EM2IE

EXT: 32345/32290

SUBJECT: MOROCCO: IEPS: Public Administration Project

1. The proposed project seems plausible, but perhaps a little large for technical assistance, at US\$25 million. (Of this, US\$6 million is for 'studies'. Some further information on this would be welcome). Our comments are as follows:
2. On (i) - assisting the Minister of Finance - this could include technical assistance to improve the system for issuing Treasury bonds and bills to the public (mix of maturities, schedule of issues, bidding process).
3. On (iii) - supporting reform to strengthen anti-dumping policies, etc.
 - (a) We feel that some caution is necessary before setting up a sophisticated and possibly expensive administrative apparatus for this. While Morocco may be eager to proceed, being enthusiastic about their recent accession to GATT, it is worth remembering that in practise the procedures for formal investigations of anti-dumping cases are difficult and rarely have developing countries used them. According to a recent analysis of a total of 1,914 anti-dumping notification received by the GATT between 1982 and 1986, only 2 were from a developing country; South Korea. Of the total 1,905 were from the USA, the EEC, Australia and Canada.
 - (b) If such an apparatus is necessary, it should also examine countervailing measures. Though more rare in aggregate (only 536 over the last four years) some developing countries (notably Chile) have made several such notifications; and finally,
 - (c) these measures are only used for manufacturers; if Morocco wants protection against low cost primary or agricultural imports, different measures are required.

4. The Export Industries Project approved in April 1987 envisaged a technical assistance component to the Centre Marocain de Promotion des Exportations to be financed through concessional sources not yet identified at time of appraisal. As far as this financing cannot be secured, this component could also be included in the Public Administration Project, under (iii).

OFFICE MEMORANDUM

cc. Arjati
Carlos

DATE: October 6, 1987

TO: Distribution

FROM: Antoun F. Moussa, Task Manager, EMTTF

EXT: 32984

SUBJECT: MOROCCO: Public Administration ProjectPls review
✓ advise
a of
C.F.

1 Attached for your review and comments is the draft Initial Executive Project Summary for the above FY88L project, dated October 6, 1987. This is a revised version of the original draft which was prepared prior to the reorganization.

2. I would appreciate if you could indicate to me (3-2984) within three working days:

- (a) Whether you approve the draft without any change, and without a meeting;
- (b) Whether you wish to propose changes to the draft, but without a meeting; if so, please convey your proposed changes; or
- (c) Whether you request that a meeting be held to review the draft.

Cleared with and cc: Mr. Shilling

Distribution: Mr. Dervis, Director EM2
 Mr. Bouhaouala, Director EMT
 Mr. O'Sullivan, EM2
 Mr. Ahmed, AFR
 Mr. Ludwig, EM2
 Mr. Rogerson, EM2
 Messrs. Brigish, Hewer, Mateus, Porter, EM2CO

cc: Messrs. Chaparro, Taylor, EMTTF
 Mmes. Brajovic-Bratanovic, Sharkey, EMTTF

INITIAL EXECUTIVE PROJECT SUMMARY

October 6, 1987

<u>Country and Borrower</u>	:	Kingdom of Morocco
<u>Project Name</u>	:	Public Administration
<u>Probable Cost</u>	:	About US\$28 million
<u>Proposed IBRD Financing</u>	:	About US\$25 million (amount dependent on availability of co-financing)
<u>Financing Plan</u>	:	Not yet defined
<u>Year in 5-Year Lending Program</u>	:	FY88
<u>Tentative Appraisal Date</u>	:	January 1987

Background and Project Objective: The Bank is supporting the Government's structural adjustment programs through a number of sector adjustment operations and a SAL scheduled for appraisal in October 1987. To facilitate the implementation and increase sustainability of the required policy reforms (trade, business environment, public finance), the Government and the Bank realize the need for an institutional support project to strengthen key economic institutions (through better organization, procedures, automation and human resource development) in managing taxation, government expenditures and the economic planning and budgeting framework. The proposed project, which has been requested by the Government in view of the scarcity of technical assistance funds from UNDP and other donors, would support actions to institute key institutional reforms that will assist Morocco to improve the reform program supported by the SAL. It is parallel and complementary to the SAL, although its disbursement period is considerably longer (4-5 years) as it aims at the long-term sustainability and institutionalization of changes. The project will also aim to coordinate closely with other donors financing technical assistance in Morocco, in order to provide an overall cohesiveness to such activities.

Project Description: The project would include the following components:

- (i) Assisting the Departments of National Budget, Tax Administration, and Public Treasury of the Ministry of Finance (MOF) in the areas of implementing system and administrative reforms to promote domestic resource mobilization and tax administration. This would include provision of advisory services, training, and automation to support institutional reforms and simplify tax regulations and procedures, and initiating the establishment of a national center for fiscal training.
- (ii) Strengthening the role of the Government in the area of Government expenditure management, including budgetary planning and expenditure control. This would include institutional assessment, revision and streamlining of budgetary procedures and investment planning, introduction of improved expenditure control processes, provision of advisory services, training and automation.

- (iii) Strengthening the Government capacity to continue liberalizing trade and the business environment. This would include supporting reforms to strengthen anti-dumping and anti-trust policies, to simplify customs nomenclatures and tariff procedures, to facilitate enterprise entry and exit, to improve interministerial coordination, and assess the need for training and automation, tools and services to address these reforms.
- (iv) Improving the Government's capacity to define and manage macroeconomic policies and tools. The project would provide for studies, advisory services required for both specific macroeconomic and adjustment programs. Activities under this component would be financed through an unallocated reserve fund of about US\$6.0 million.

Rationale for Bank Involvement: By assisting the Government in defining a broad policy reform strategy, the Bank is uniquely positioned to help design and support a specific institutional strengthening activity which is indispensable for the successful implementation of SAL measures, and thus, the project would strengthen the Bank's active association with the Government's adjustment programs. It would greatly increase the level and quality of resources available to core macroeconomic ministries for improving management of key finance and economic policy functions of the Government. It would provide a framework for coordinating external assistance to modernize public sector management and, consequently, attract co-financing from bilateral donors. It would also provide flexible commitment authority to help generate and implement actions required for the structural and sectoral adjustment programs addressed by the SAL.

Actions to be Agreed Upon: The following actions should be agreed with the Government prior to appraisal:

- (i) Specific project components to be financed.
- (ii) Financing plan, including government financing of local currency, particularly for acquisition of equipment, and arrangements for possible co-financing and related issues.
- (iii) Management of economic policy study reserve fund.
- (iv) Project organization and management. This will include coordinating responsibilities for project implementation among five Ministries of which the Ministry of Finance would be the largest recipient.
- (v) Procurement arrangements for acquisition of computer and other equipment and services.

Justification and Risks: The project would strengthen the Government's capacity to manage the economy and its gradual modernization. It would also contribute towards strengthening domestic capabilities to develop, implement, and sustain policy reforms agreed under the SAL.

The main risks of the project relate to the relatively large number of beneficiary agencies and sub-projects regarding the ability to provide adequate supervision. They also relate to the methods to be used to ensure effectiveness of transfer of know-how and to the speed by which reforms will be approved and implemented. The project organization and management would be designed to ensure continued supervisory input from the Bank and substantial commitment and coordination on the part of the Government's agencies.

Tentative Project Schedule:

Preparation Mission	October 1987
Appraisal Mission	January 1988
Yellow Cover Review	March 1988
Negotiations	May 1988
Board Approval	June 1988

WDIAL
.EM2IE URGENT
OINFO

-SUBJECT: MOROCCO - PERL
-DRAFTED BY: MAHMED:CG EXT: 32340
-AUTHORIZED BY: NOEL CARRERE, ^{NR}ACTING CHIEF EM2IE

936 66111 =
-MR. JACQUES COUDOL
-C/O HOTEL DJAZAIR
-ALGIERS, ALGERIA

BT

WASHINGTON DC 14-OCT-1987

ATTENTION MR. JACQUES COUDOL, WORLD BANK STAFF MEMBER, HOTEL
DJAZAIR.

REGRET HAVE ONLY JUST RECEIVED YOUR TELEX AND HOPE THE FOLLOWING
INFORMATION REACHES YOU BEFORE DEPARTURE.

AAA REGARDING TRANSPORT STUDY UNDER PERL. IF YOU HAVE BEEN ABLE
TO REACH CONSENSUS, PLEASE PROCEED WITH AUTHORIZATION TO SIGN
CONTRACT.

BBB REGARDING YOUR NEXT MISSION TO ALGERIA. SSI NEGOTIATIONS WILL
BE HELD TOWARDS END NOVEMBER SO SOME OVERLAP WITH CORDET MISSION
SHOULD BE POSSIBLE, BUT SUGGEST YOU FIX PRECISE DATE UPON RETURN.
REGARD, MASOOD AHMED, DIVISION CHIEF, INDUSTRY AND ENERGY, MAGHREB
DEPARTMENT, EMENA, INTBAFRAD

OFFICE MEMORANDUM

DATE: October 8, 1987

TO: Mr. Kemal Dervis, Director EM2

FROM: Masood Ahmed, Chief EM2IE

EXT: 32340

SUBJECT: Project-Related Training in EM2 Operations

We have reviewed Mr. Verdier's memorandum of October 2, 1987 and fully support the approach proposed therein. By mid November we will be able to define our own precise needs for his involvement in the identification and supervision of Project-Related Training components for industry and energy projects. In the meantime, he has kindly agreed to assist the appraisal mission for the Algeria Power project in better defining the training component for Sonelgaz.

cc. Messrs. Costa, Ludwig, Rogerson, Verdier
cc. EM2IE Staff
MAhmed:cg

OFFICE MEMORANDUM

DATE : October 2, 1987

TO: : Kemal Dervis, Director, CDII

THROUGH: Peter Ludwig, Division Chief, EM2IN

FROM : Jean-Michel Verdier, EM2IN

EXT. : 32372

SUBJECT: Project-Related Training in EM2 Operations

1. Please find herewith attached a draft proposal for the above subject which has been cleared with Mr. René Costa, Project Adviser.

Attachment

cc: EM2 Division Chiefs, René Costa, Project Adviser, EM2IN staff

J.M. Verdier:arm
7137d

Mr. M. Ahmed

- Zuberida
Has there been much PRT
power
in projects?
Manning

PROJECT-RELATED TRAINING IN EM2 OPERATIONS

Purpose

1. This paper proposes a departmental strategy to deal systematically and efficiently with Project-Related Training (PRT) within the context of institutional development (ID).

Background

2. In 1982 OED issued the Bank's first comprehensive review of PRT. That report pointed out that to meet their economic, technical, institutional, and sociological objectives, projects need to address manpower constraints more thoroughly. Since 1982, Bank managers at every level have increasingly insisted that project training components be accorded the same treatment as all other components in terms of preparation, design, and implementation. Prior to Board presentation, managers now systematically review training components to ensure that the human resources inputs needed to meet project objectives are clearly defined, whether these are to be provided for under the project or through bilateral aid.

3. By 1982, the Bank had already built up its training expertise within the Education and Training Department of the former OPS. A central Training Unit (TU) was staffed by a Division Chief, who was a technical/vocational training specialist, eight sector training specialists (three in agriculture, two in transport, one in energy/industry, one in water), and one research/operations analyst. These experts reviewed and monitored regularly Bank training operations at every stage of the project cycle. Much of their time was also spent on direct operational support to regional projects divisions. The TU also engaged in research, policy analysis, and training of Bank and Borrower staff in PRT design and implementation. In connection with these activities, it produced (a) guidelines for sector and project work; (b) annual issues-oriented retrospective analyses of PRT operations; and (c) general operational reviews of PRT and ID in Bank-financed projects. In 1986, Bank management decided to dismantle the TU with the expectation that regional TUs, which had been organized between 1983 and 1985, would be reinforced by redeployed TU staff. Consequently, the Regions would be adequately staffed to carry out their own PRT operations.

4. As a result of 1986 Bank management decision and 1987 Bank reorganization, training expertise in EM2 now comprises two former central TU staff: one Senior Expert in PRT and ID and one operations analyst with five years' bankwide PRT experience.

5. Presently, there are insufficient data available to show the extent of PRT investment in Bank-assisted projects in the Maghreb region, mainly because technical assistance components cannot be easily disaggregated. However, experience shows that all projects in Algeria, Morocco, and Tunisia require training components.

General

6. The strategy presented hereafter is aimed at strengthening planning systems and establishing linkages among institutions with common human resources development goals. It is based on the specific needs in the region for: (a) a coherent approach among projects directed to various local institutions; (b) increased local motivation through information and competition; (c) coordination with other donors and aid agencies; and (d) more sophisticated and advanced management, planning and development of human resources.

Institutional Arrangements for PRT/ID

7. It is proposed first that a PRT/ID Steering Committee be formed in EM2. This Committee would be chaired by SOD Population and Human Ressources Chief and be composed of the Projects Adviser, EM2 Division Chiefs, and the Senior Expert. It would be responsible for defining and approving the PRT/ID work program to be implemented by the Senior Expert, and it would allocate financial and staff resources required by him for implementing the work program. This committee would meet at least four times a year.

PRT/ID Operations

8. The Senior Expert would:

- (a) support the project task team, either directly or indirectly by supervising PRT-related responsibilities performed by other staff or consultants;
- (b) ensure that comprehensive data are gathered and analyzed in an effort to design more coherent, and consistent, PRT components and to identify potential free-standing sectorial, cross-sectorial, or regional projects; components and projects would be aimed at addressing issues, interalia, arising from the interface between the project and the external environment in terms of structures and content;
- (c) encourage and help develop research programs related to Bank lending operations to be undertaken by universities, engineering schools, and other training institutions in the Maghreb region;
- (d) develop tools to carry out and monitor PRT/ID activities, such as sample terms of reference for consultants, a consultants' roster, project and component preparation and appraisal checklists, inventory of training institutions, a country data base, a monitoring system, and standard formats to be used by the Borrowers to report on the progress in implementing training projects and components;

- (e) prepare a training plan on PRT/ID and related subjects to be directed to EM2, (and possibly other EMENA) staff and the Borrowers. The plan would be reviewed and updated periodically;
- (f) propose and implement policies, guidelines, and practices related to joint efforts with other donors (e.g. bilateral aid agencies) and international training institutions (e.g. ILO, UNCTAD);
- (g) liaise with other Bank departments, such as PPR and EDI, on PRT/ID matters; and
- (h) disseminate PRT data and data analysis.

Conclusion

9. The proposed strategy can be justified at both the organizational and efficiency levels. At the organizational level, the establishment of a Steering Committee would enhance the flow of information among EM2 Divisions and consistency of PRT components, while providing guidance and feedback to the Senior Expert, other PRT practitioners, and other involved staff and consultants. Cross-sectoral activities could be defined and implemented as required. Under this arrangement, the following results are expected: (a) use of a common terminology in EM2 and Borrowing agencies; (b) a consistent policy for, and approach to, human resources planning and development; and (c) a unified approach to interfacing with other parts of the Bank.

10. At the efficiency level, the proposed strategy would improve PRT/ID quality and efficiency. In particular, it would enhance cross-sectorial, inter-agency efforts to develop and upgrade knowledge and skills, resulting in economies of scale and an increase in synergy among Borrower institutions. In addition, it would provide a comprehensive data base to assess human resource needs and the effectiveness of past investment in training, resulting in better capacity to address future manpower weaknesses and to devise training plans that are more coherent and broader in scope. This would ultimately create a pipeline of investment priorities in PRT/ID to be covered through various future lending instruments.

OFFICE MEMORANDUM

DATE: October 8, 1987

TO: Miss Myrna Gary, Staff Services, PMD

FROM: Masood Ahmed, Division Chief, EM2IE

EXT: 32340

SUBJECT: Farewell Function

We are planning to have a farewell party for Mrs. Corazon B. Mendoza on Friday, October 23, 1987, from 5:00-7:00 p.m. at the D Executive Dining Room, private room "A". We expect to invite about 70 guests.

It would be appreciated if you would please issue a check for \$800 to the Bank's Food Service Office to cover the costs of this cocktail party.

October 7, 1987

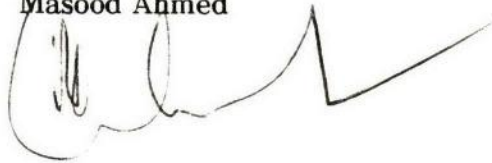
To: Ms. Céline Ng

Re: Lending and Operations Programs

Céline:

As per Mr. Stichenwirth's memo of October 5, please find attached a draft on the status of reports for the FY88/89 projects managed by this Division.

Masood Ahmed

A handwritten signature in black ink, appearing to be 'Masood Ahmed', written over a horizontal line.

MAhmed:cg

cc. Mr Costa

Notes on Status of Preparation for FY88/FY89 Projects

FY88

ALGERIA - Power III

Approval by the Interministerial Committee of a financial restructuring plan for Sonelgaz which was a condition of appraisal departure, has been met. Appraisal mission will leave this week.

MOROCCO - Power Distribution

Yellow Cover Report has been reviewed and is being revised to incorporate new assumptions about exchange rates.

TUNISIA - SSI II

Pre negotiations mission has just returned from the field. The Government and participating bank have requested certain changes in project design. Specifically they have asked for the scope of the project to be broadened to include restructuring investment as well as new investment projects. Incorporation of these changes in the loan documents will now cause negotiations to be held in November.

FY 89

ALGERIA - BAD II Rehabilitation

Following the positive discussions with the Algerian delegation at the Annual Meetings, the identification mission is now in the field. An IEPS will be issued upon its return. Time table envisaged for project processing is tight but could be met if the discussions in the field confirm the Government's interest in proceeding rapidly with this operation.

ALGERIA - Pilot Industry Efficiency

An identification/preparation mission is planned for end October. This mission will define the precise scope of the project and agree upon the enterprises to be included therein. Based on recent discussions, the Government appears to be strongly committed to the rapid implementation and processing of this project.

MOROCCO - Industrial Sector Loan

The scope and precise coverage of this project has yet to be defined. The preliminary review of sector issues suggests that the next policy based operation will probably cover not only industrial regulatory issues, but also those relating to the financial sector/capital markets and to the next phase of public enterprise reform.

TUNISIA - Public Enterprise I

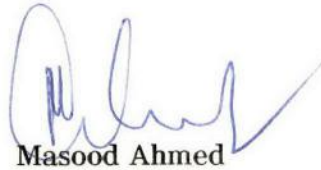
The discussions with the Tunisian delegation at the Annual Meetings confirmed their interest in proceeding with the Tunisia PERL as the major policy based operation after the SAL. Based on the findings of the spring 1987 sector mission, a package of documentation (including a preliminary plan of action for the next phase of PE reform) is to be sent to the Government this month. This will be followed by an identification mission by the end of the year.

October 5, 1987

NOTE

To EM2IE Staff

Now that everyone is going on mission, I want to remind you that you should keep the Division informed of your whereabouts at all times when on mission. A simple telex with a contact address each time you are moving as needed.

A handwritten signature in blue ink, appearing to read 'Masood Ahmed', with a stylized, flowing script.

Masood Ahmed

OFFICE MEMORANDUM

CONFIDENTIAL

DECLASSIFIED

NOV 14 2022

WBG ARCHIVES

DATE: September 25, 1987

TO: Mr. Arturo Roa, Procurement Advisor EMNVP

FROM: Masood Ahmed, Chief EM2IE

EXT: 32340



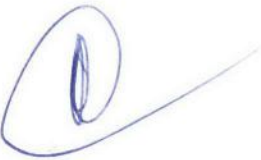
SUBJECT: Contracting of a Consultant Study Financed Under the Morocco PERL

The attached memo is self-explanatory. I propose to act as recommended therein but we should realize that there may be a further comeback from SEMA, the non-selected consultants.

I would appreciate any ideas/guidance you might have. Thanks.

MAhmed:cg

OFFICE MEMORANDUM

DATE: September 23, 1987
TO: EM2IE Staff
FROM: Masood Ahmed 
EXT: 32340
SUBJECT: The Bank's Role in Industrial Restructuring

I recommend the attached report for your reading. It is a comprehensive statement of where the Bank is in its operational work on industrial restructuring. We will discuss this at one of our forthcoming staff meetings. You might also wish to attend the review meeting scheduled for October 13, 1987.

MAhmed:cg

OFFICE MEMORANDUM

DATE: September 22, 1987
TO: Mr. Kevin Casey, ITF
FROM: Masood Ahmed, Division Chief EM2IE
EXT: 32340
SUBJECT: Office Contruction

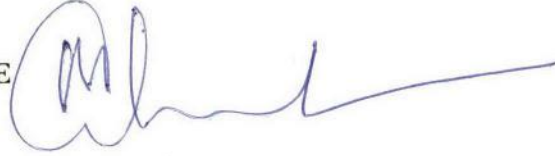


As you know the large inside office facing H-4073 has to be converted into 4 inside offices for this Division. I believe that the detailed construction plan has already been submitted to you. However, I would like to request that the upper part of the walls for these offices include a glass panel to provide some natural light to the occupants. Please contact Ms. Carmen Gad if you need any further clarification or if this request face any difficulties.

cc. Mr. Stichenwirth
MAhmed:cg

OFFICE MEMORANDUM

DATE: September 21, 1987
TO: EM2IE Staff
FROM: Masood Ahmed, Chief EM2IE
EXT: 32340
SUBJECT: Divisional Meeting

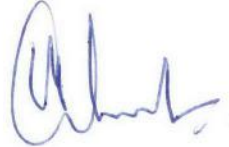
A handwritten signature in blue ink, appearing to be 'Masood Ahmed', written over the 'FROM' line of the memorandum.

At our next divisional meeting Rene Costa and Edouard Siou will join us to talk about how procurement issues will be handled in the Department. We should also take this opportunity to raise with Rene any questions or clarification that are needed on the new operational procedures. The meeting will be held on Thursday, September 24 at 3:30 p.m. in Room H-4-026.

cc. Mr. Costa
MAhmed:cg

OFFICE MEMORANDUM

DATE: September 15, 1987
TO: EM2IE Staff
FROM: Masood Ahmed, Chief EM2IE
EXT: 32340
SUBJECT: Delegation of Authority



While I am attending the Regional Management Retreat on Friday, September 18, 1987, Jacques Coudol will be in charge of the Division.

cc. EMII Management Group
MAhmed:cg

The World Bank

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION

1818 H Street, N.W.
Washington, D.C. 20433
U.S.A.

(202) 477-1234
Cable Address: INTBAFRAD
Cable Address: INDEVAS

September 8, 1987

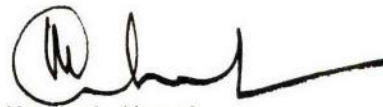
Mr. Arif Alauddin
4600 S Four Mile Run # 539
Arlington, Va. 22204

Dear Mr. Alauddin:

Further to our conversation, this is to confirm that I would like you to work as a short term consultant in the Industry and Energy Division, Country Department II, beginning Tuesday, September 8, 1987. Your task will be to prepare study on the estimation of consumer surplus benefit for the Electric Power Project that the Division carries out in its responsible countries. During your work you will be working closely with Mr. Richard Hamilton, Energy Economist for the Division.

I look forward to the results of your work.

Sincerely yours,



Masood Ahmed

Chief, Industry and Energy Division
Country Department II
Europe, Middle And North Africa Region

Chvor MA

OFFICE MEMORANDUM

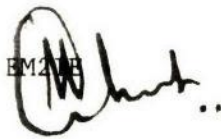
DATE: September 8, 1987
TO: Mrs. Hawkins, GSDSP
FROM: Masood Ahmed, Division Chief, EM2IE
EXT: 32340
SUBJECT: World Bank pass for Mr. Jose Silva Lopes

Please issue a World Bank pass in the name of Mr. Jose Silva Lopes, who will be working, for two weeks, in the Maghreb Industry and Energy Division, starting on September 9, 1987.

Mr. Silva Lopes can be reached at extension 32342.

ChroulA

OFFICE MEMORANDUM

DATE: September 4, 1987
TO: Mrs. Hawkins, GSDSP
FROM: Masood Ahmed, Division Chief, EM2 
EXT: 32340
SUBJECT: World Bank pass for Mr. Arif Alauddin

Please issue a World Bank pass in the name of Mr. Arif Alauddin, who will be working, for three days, in the Maghreb Industry and Energy Division, starting on September 8, 1987.

Mr. Alauddin can be reached either at Mr. Z. Drabek's office - extension 32287 - or mine.

WORLD BANK / INTERNATIONAL FINANCE CORPORATION

September 2, 1987

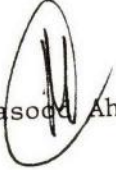
NOTE

To: Messrs. Coudol, Carrere, Basterra
Mdes. Donovan, Kumar

This looks like an interesting paper by Manuel. Once you have read it, we should meet to discuss our comments and also to pass on any comments to Manuel.

Jacques, you might check if some of the COD staff have received copies and are reading it. If so, if they are interested we could invite them to the discussion of the paper.

Let me know if the end of next week is not a feasible time for discussing our comments.


Masood Ahmed

OFFICE MEMORANDUM

DATE August 31, 1987

TO Hotel Section

FROM Masood Ahmed, Division Chief EM2IE

EXTENSION 32340

SUBJECT Hotel Reservation

I would appreciate your making hotel reservation for Mr. Silva Lopes at the Guest Quarters, New Hampshire Ave., from Sept. 8 to Sept. 18, 1987.

/cg

July 31, 1987

Celine:

Re: Monthly Operational Report

I found the format and content of this report very well done. Congratulations. As far as I am concerned, with minimal additional information this report could also be used at the divisional level as a work program monitoring tool.

One comment. You propose that this report be filled in at the end of each month. However, the project timetables are updated in the middle of each month. This means that the staff and managers have to revise essentially the same subject twice a month. It would be more efficient if the two sets of documents were generated and reviewed on the same cycle. If we can't get the region-wide project timetable cycle changed, let's produce our own departmental report in the middle of the month as well.

The current report is being finalized for our division and will be sent to you early next week by Paula Donovan who will be in charge of the division.

Masood Ahmed

OFFICE MEMORANDUM

DATE: July 30, 1987

TO: EM2 Industry and Energy Staff

FROM: Masood Ahmed, Chief EM2IE

EXTENSION: 3-2206

SUBJECT: EM2IE - FY88 Objectives

Attached please find a set of the Division's priority objectives for FY88, as revised following our discussion earlier today. These objectives should be read in conjunction with the broader operational objectives set at the Departmental and Regional levels, copies of which I will circulate to you as they become available.

cc. Management Group

EM2 Division Chiefs

Messrs. Schramm, Saunders and Ms. Barry (IEN)

MAhmed:cg

EM2 - Industry and Energy Division

FY88 Priority Objectives

The central mission of the Division is to provide effective and timely service to our borrowing member countries in the design and implementation of appropriate development strategies for the industrial, energy and telecommunications sectors. In support of this basic objective we will develop and deploy the best available mix of Bank assistance instruments, ranging from policy advice through sector work and technical assistance, to specific lending operations which support the realization of agreed sector strategies. Specifically, during FY88 we will focus on the following key areas:

1. FY88 Program Delivery

Ensure the delivery of three lending operations (Algeria Power III, Morocco Power Distribution, and Tunisia SSI II) and two sector reports (Tunisia Public Enterprise Review and Morocco Enterprise Development Study) during this fiscal year.

2. Business Development

Develop an operational assistance strategy and a supporting pipeline of ESW and project work for each sector in the three countries. Specifically, this will entail the following:

- (i) Develop and document, by the end of September 1987, a thorough understanding of past operations and relationship in the industry and energy sectors, including an explicit focus on lessons learned;
- (ii) review the current issues and priorities facing the countries in these sectors and outline an operational assistance strategy for the Bank to help address these issues; prepare these strategies for internal discussion in at least two countries by fall CY87 and in all three countries by early 1988; and
- (iii) based on these revised operational strategies, actively seek to strengthen the currently approved Lending and ESW Program for FY89-92, such that by the end of this fiscal year this program reflects more accurately the needs and priorities of the borrowing countries for assistance in the industry, energy and telecommunications sectors.

3. FY89/90 Projects Preparation

Ensure that at least two FY89 projects have been appraised by the end of this fiscal year. Advance preparation of the FY90 project portfolio so that during FY89 we can reach or exceed the regional pipeline factor of 75%, and lay the basis for the development of a sustained operational pipeline in subsequent years. Establish appropriate contacts for the possible cofinancing of these projects.

4. Portfolio Management

Make project supervision more outcome and target oriented. Separate the supervision budget allocation into two parts: a non-discretionary part needed just to follow-up project implementation; and a discretionary part. Also prepare specific objectives and uses for the discretionary part.

3. Work Coordination

- (i) In the spirit of the reorganization, maximize the interface with staff in the TD, PPR and in the other units of CDII;
- (ii) actively support the concept of Department wide teams for major tasks and ensure that we identify and draw upon the best suited staff from across the Department to contribute to tasks managed by EM2IE. In particular, identify and foster opportunities for inputs from the economists in the COD to both sector reports and lending work and by divisional staff into COD managed economic work; and
- (iii) explore and encourage occasional cross assignments of staff to/from other CD's, where this is in either the best interest of the task or of the staff member's career development.

6. Internal Management and Organization

- (i) Establish the systems, procedures and norms that will enable the Division to function effectively by the fall of 1987 as a cohesive and results oriented unit;
- (ii) ensure adequate access to office technology and computing support; seeking to move to a machine ratio of 1:1 for all higher level staff by December 1987 at the latest; and
- (iii) develop a divisional MIS system that meets our needs with minimal additional data entry or manipulation over and above that required for departmental and regional management; make this divisional MIS system as "user friendly" as possible through the introduction of graphic or other innovative reporting formats.

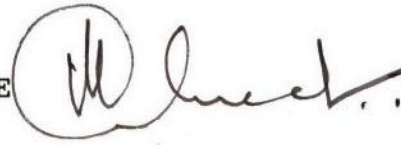
July 30, 1987

OFFICE MEMORANDUM

DATE: July 29, 1987

TO: Ms. Anjali Kumar, EM2IE

FROM: Masood Ahmed, Division Chief, EM2IE



EXTENSION: 32206

SUBJECT: Conference: "Issues in the Uruguay Round of the GATT negotiations".
Terms of Reference

A one day conference is being organised by the National Bureau of Economic Research, Cambridge, Mass. on "Issues in the Uruguay Round of the GATT negotiations".

You will participate in the conference on August 14, 1987, and collect all available information regarding major issues in the present round of the GATT negotiations, particularly with regard to:

- Safeguard provisions, Countervailing duties and Anti-dumping actions
- Trade barriers against developing countries and North-South trade issues
- Special international trade arrangements, such as the MFA, for the textile sector.

On your return, you will write a brief summary of your findings and note any major issues which may affect the countries and sectors dealt with in the division.

cc: Messrs. Dervis, Shilling, Graiss, Chaparro
EM2IE Staff

OFFICE MEMORANDUM

DATE: July 28, 1987

TO: EM2 - Industry and Energy Staff

FROM: Masood Ahmed, Chief EM2IE

EXT: 32206

SUBJECT: Historical Profile of Operations

As we discussed at our staff meetings last week I would like to develop a historical profile of the Bank's work in Industry and Energy in our borrowing countries. The purpose of the exercise is to try and retain as much of the "institutional memory" of this work as we can, so that our future operational strategy and project design benefit from (and do not duplicate) our past experience. It is particularly important to carry out such a task in the industry and energy sectors because it is here that the Bank's reorganization has had the greatest impact in terms of changed responsibilities. Moreover, almost half of the staff in our division have not been directly involved with industry and energy work in the Maghreb countries and this would be a specially helpful tool for them to become thoroughly familiar with the history of our operational work.

The format that we should use to develop the historical profile is as follows:

- (i) A summary project data sheet (sample attached) would be prepared for each project that is either under supervision or has been completed; this would be supplemented by a copy of the EPS (wherever one has been produced) or by the production of a brief text in EPS format setting out this information from the Appraisal Report or the PCR. For repeater projects that have been completed, we should produce an "EPS" that covers more than one operation if this is easier.
- (ii) A list of the relevant pieces of sector work or sector strategy papers produced within the Bank in the last few years; I would suggest anything produced since the beginning of FY81 but this will need to be interpreted flexibly. We should also obtain copies of each of these reports for our divisional files.

- (iii) A list of the major non-Bank reports produced for the sector in the past few years; again we will need to exercise judgement in compiling a list but we should include those reports which have had an impact on sector strategy, or which have a bearing on our own operations. This includes project financed studies as well as studies funded directly by the Government or other aid agencies.
- (iv) A brief overview paper for each sector in each country that would provide complementary comments on the history of our relationship with the clients as opposed to our operations. This would provide insight into any particular difficult periods or issues which have recurred frequently in our work or personalities which have been/are important. I am not looking for polished prose and I recognize that some of this will be subjective. However, it is important that we go into our future work fully conscious of the strength and weaknesses in our previous relationships.

The responsibility for preparing these historical profiles will naturally lie heavily on those staff who have already been working on these countries and who therefore have a clear comparative advantage. They should also consult as much as possible with their previous colleagues who may have valuable information or input to impart before they too become fully immersed in their own new assignments. The specific responsibilities are shown in the attached listing. As regards timing, I would like this work to be largely completed by the end of August so that we can begin in September to focus on the next step which is to develop a proposed strategy for our future operations in each sector/country.

Let us discuss any comments/queries you might have on the above at our next staff meeting on Wednesday.

MAhmed:cg

EM2 - Industry and Energy

Historical Profile of Operations

Preparation Responsibilities

1. Summary Project Data Sheet and EPS:

(a) For all active projects - Task Manager

(b) For completed projects:

Power	- Algeria	-	Ladhibi
Power	- Morocco	-	Hamilton
Power	- Tunisia	-	Kebet
Mining	- all countries	-	Barbu
Petroleum	- all countries	-	Barbu
Telecoms.	- all countries	-	Kebet
IDF	- Algeria	-	Coudol
IDF	- Morocco	-	Basterra/Carrere
IDF	- Tunisia	-	Carrere/Basterra
Other Industry/SECAL	- Morocco	-	Kumar
Other Industry/SECAL	- Tunisia	-	Donovan
ESMAP Energy Conser.	- all countries	-	Ferroukhi

2. Bank Sector Reports/Strategy Papers and other Agencies Reports:

Energy	- Morocco	-	Hamilton/Barbu
Energy	- Algeria	-	Kebet/Barbu/Ladhibi
Energy	- Tunisia	-	Ferroukhi/Kebet
Industry	- Algeria	-	Coudol/Carrere
Industry	- Morocco	-	Kumar/Basterra/Carrere
Industry	- Tunisia	-	Donovan/Carrere
Telecoms	- All countries	-	Kebet

3. Overview Briefing Notes:

Energy	- Algeria	-	Ladhibi/Kebet
Energy	- Morocco	-	Hamilton/Barbu
Energy	- Tunisia	-	Ferroukhi/Kebet
Telecoms	- General Note	-	Kebet/Lomax
Industry	- Algeria	-	Coudol/Carrere
Industry	- Morocco	-	Basterra/Kumar
Industry	- Tunisia	-	Carrere/Donovan

EM2IE
SUMMARY PROJECT DATASHEET

COUNTRY - PROJECT NAME

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Status of Project Financed Studies:

Title _____ - (Cost US\$_____) Status: e.g. carried out by _____ Cons.;

Final report submitted 0/00; copy of final report in Division File.

Special Features/Comments [These should supplement and not repeat information that is in the EIPS/MOP; e.g. innovative loan documentation used; difficulties encountered or expected in project prep./impl.; any components or conditionalities that require special attention; any special actions that will be required in near future; etc.]

To: EM2IE Staff
From: Masood Ahmed
Subj: Divisional Objectives for FY88.

7/28

1. Attached please find a set of draft divisional objectives for FY88 which I would like to discuss at Wednesday's staff meeting. Also attached is a draft of the Region's overall objectives for this fiscal year, which provide a context for our own priorities and efforts. Both the divisional and Regional objectives are in draft form and will be modified in the light of discussions in the coming weeks before they are finalized.

2. Regarding our own objectives, I have drafted them in the form of specific points because this makes them both more action oriented and more easily monitorable. I have not dwelt on the central mission of the division which is to provide effective and timely service to our borrowing member countries in the design and implementation of appropriate development strategies for the industrial, energy and telecommunications sectors. In support of this basic objective we will develop and deploy the best available mix of Bank assistance instruments, ranging from policy advice through sector work and technical assistance, to specific lending operations which support the realization of agreed sector strategies. Given the resource constrained environment within which the whole Region will be operating this year and the importance to our own division of developing a firm lending pipeline for the future, the central challenge for FY88 will be to identify ways by which we can achieve more for less. The key to overcoming this challenge is efficiency in the execution of our work and a constant search for innovation -- both in terms of what we do and how we do it. I expect and encourage all of us to identify specific ways in which the division can become more innovative and efficient in the design and delivery of its work, and I propose to make this one explicit criterion in evaluating individual contributions to overall divisional performance.

3. At the divisional meeting please come prepared with your ideas and suggestions on how these draft objectives can be modified and improved. Following the meeting, I propose to finalize them before my departure on Thursday evening.

EMENA: FY88 Regional Objectives

I. The Overall Context

1. For EMENA countries, the most significant event of the past year has been the massive downward adjustment of energy prices. While some upward movement in these prices has occurred in recent months, they still remain substantially below the levels of the early 1980's. The oil-exporting borrowers--Algeria, Egypt, Syria and Tunisia--suffered major declines in export receipts and a sharp deceleration in GDP growth. Current account deficits increased and debt indicators deteriorated. This brought structural problems into sharp relief, underlined the continuing importance of the debt issue, and intensified the need for economic reform. The picture is more mixed for the oil-importing countries. Several (e.g., Morocco, Pakistan, Portugal, Turkey and Yugoslavia) gained from terms of trade improvements which permitted somewhat higher GDP growth, but they were not able to use their additional resources to deepen the adjustment process, and the debt burden even went up in some cases. Despite the oil price decline and somewhat lower interest rates, there were few signs of sustained improvements in the external account. Export volume growth was weaker in many countries, in part reflecting lower import demand from the high-income oil-exporting countries. Import demand rose substantially in a number of countries following several years of severe import compression. Lower worker remittances and aid flows from the high-income oil-exporting countries put additional pressures on the balance of payments of some countries (notably Jordan, Morocco, Pakistan, Syria and the Yemens). In some cases (e.g., Hungary, Turkey), the weaker performance on the external account also reflects some relaxation of adjustment efforts, especially control of domestic expenditures.

2. The experience of the past year and projections for 1987-1989 show there is no scope for relaxation of adjustment efforts. Middle East export markets, flows of remittances and concessional assistance are not expected to show substantial recovery. With sluggish OECD growth expected in 1987 and 1988, the external stimulus to growth in the countries of the Region is likely to be weak. At the same time, debt burdens remain very high, despite the fall in interest rates. For most major borrowers of the Region, debt service payments still constitute a major proportion of total exports. Consequently, emphasis will have to continue to be placed on issues of macroeconomic and debt management, on establishing and implementing programs for economic reform, on reducing budgetary deficits and on securing efficiency improvements that can lead to improved growth. In addition, most countries of the Region face major long-term problems such as high population growth, rapid urbanization, the issue of conservation of natural resources and the need for human resource development. Poverty alleviation, particularly in the countries of the Middle East and North Africa, must also remain high on the agenda both as an end in itself and as a means of enhancing economic efficiency and the acceptability of adjustment programs. Initiatives in these areas must be integrated into the adjustment process.

3. We, therefore, start FY88 in the full knowledge that we must redouble our efforts to assist and support our member countries in formulating, deepening and implementing programs of adjustment and reform, leading not only to short-term crisis control but to sustained growth and enhanced creditworthiness.

II. FY88 Objectives

4. The major objective for the Region will remain the effective and timely support of member countries in their efforts to achieve adjustment with sustained growth. To that end, we will:

- further improve the formulation of integrated medium-term country assistance strategies as a basis for policy dialogue with member countries;
- strengthen the operations program through judicious and imaginative use of the variety of lending instruments at our disposal;
- improve efficiency of operations through enhanced timeliness and quality of output; and
- promote aid coordination where appropriate and assist member countries in improving resource mobilization both domestically and externally.

5. Two special themes permeating the whole program will be (i) the consolidation of the 1987 Reorganization which provides for increased country focus through greater integration of macroeconomic and sectoral perspectives in both planning and implementation of country assistance strategies, and (ii) the achievement of at least some of the efficiency gains expected to result from the Reorganization.

6. One major task ahead will be the appropriate dovetailing after the Reorganization of country focus with sectoral coherence and technical excellence. The Region has been deliberate -- and fortunate -- in quality appointments of managers and staff in both Country Sector Divisions and in the Technical Department. It is a commitment of Regional Management to foster productive interaction between the two groups.

7. Another major task will be to forge cohesiveness in the new management team. The intellectual quality of all members of the Group is high and their experience varied, but many of them will need to develop experience and expertise about countries and/or sectors with which they may be dealing for the first time or with which they may not have dealt for some time.

III. FY88 Action Plan

Economic and Sector Work (ESW)

8. Economic and Sector Work (ESW) will continue to provide the intellectual and analytical basis for country assistance strategy formulation and country dialogue. We will:

- continue to emphasize macro-economic work by ensuring that medium term macro-frameworks are updated for all EMENA countries within an annual cycle through the vehicles of

CEM's, Plan Reviews, "work-out" papers or stand-alone exercises; these macro-frameworks will intensively cover issues of creditworthiness and debt;

- strengthen integration of sector work with macro-economic work through improved coordination between sector and economic/strategy divisions in order to increase the usefulness and operational relevance of ESW to clients;
- encourage the early production and review of Issues Papers to allow for upstream commentary and task assistance by managers;
- program realistic levels of formal output, concentrating on producing reports central to country dialogues. The Region expects to produce about 50 formal reports (Yellow Cover or beyond) in FY88 (this is substantially below the CAM proposals for FY88, and will be accomplished through the alignment of work programs with budgets); and
- tackle the "slippage" problem by more careful attention to work programming; in FY87, about a third of the tasks slipped an important date by more than two months; in FY88, we intend that careful planning of work will reduce overprogramming to a minimum and correspondingly reduce slippages.

Lending

9. In FY88, we expect to reach Bank lending objectives in the range of \$3.6 - 4 billion. IDA is relatively unimportant for EMENA with an allocation of \$236 million. Preparatory work continues on a gross program of 57 operations with loans and credits aggregating \$5.7 for the Bank and IDA. The lending program encompasses 47 operations for \$4.9 billion in Bank and IDA funds, but this may not be fully achieved due to the uncertainties outlined below and the range of \$3.6 - 4 billion may be a more likely result. Of this, some 8 operations are of a policy-based nature covering \$1.6 billion or 33% of the program.

10. One of the major tasks in EMENA is the management of the three main uncertainties and risks to the institution associated with the lending program.

Fragile Adjustment Programs. It must be one of the Region's objectives to develop politically feasible approaches to initiate or rekindle adjustment processes in some of the major borrowing countries. This will be necessary--and difficult--to initiate in Egypt, and to maintain in Turkey and Morocco; genuine adjustment efforts are still bogged down in Yugoslavia and endangered by resource mobilization problems in Pakistan and Hungary; they have barely started in Algeria and Poland. The effectiveness of our economic work and the translation of resulting policy options into governmental action will be among the determinants in the choice between a full spectrum of lending and a prudent retreat into a smaller core program of specific investment operations.

Debt and Bank Exposure. Careful risk management will be required in determining levels of lending to highly-indebted countries where Bank exposure is already high (e.g., Turkey and Morocco), or where headroom still exists but the creditworthiness risk must be shared in concerted action with other private and public lenders (e.g., Egypt, Hungary, Yugoslavia and Poland). Success in engineering appropriate burden-sharing is imperative and the Region will underpin the Bank's general efforts with appropriate attention to aid coordination and cofinancing.

Pipeline Development. The Region enters FY88 with a pipeline factor of 66%. Only 31 of the 47 operations in the FY88 lending program had been appraised by the beginning of the fiscal year. Historically, the Region has always had relatively low pipeline factors (76% on average for the last three years) partly justified by faster processing between appraisal and board presentation than in some other Regions. Nevertheless, it must be the Region's objectives -- given the widespread country risks -- to build up the pipeline and thereby a larger reservoir of reasonably advanced projects earlier in the fiscal year. Our target is 75% for FY89. We will also shoot for a further reduction in time elapsed after appraisal, although not all the steps are within the Region's control.

Resource Management and Processes

11. Budgetary resources are extremely tight, requiring a compression of 5-10% in the staff resources applied to country programs under CAM. In addition, resources will have to be carved out for new regional objectives (and units) -- such as environment -- for which no resources were set aside in the pre-reorganization CAM. The Region's targets in economic work, lending and supervision cannot be achieved without further compressing coefficients and selective consolidation, especially in the task list for economic and sector work. The new budget and work program for such unit cost reduction will need to be further refined by sector- and country-specific targets for cost reductions, and the elimination of tasks that simply cannot be supported by the budget. Better resource utilization will demand a new set of procedures. These have just been worked out by a Regional Task Force with appropriate emphasis on quicker decision-making with fewer clearances. A Regional Implementation Committee for the reorganization will stay in action to refine and help guide the process.

Resident Missions

12. The Region has practically no field representation apart from the reimbursable technical assistance mission in Saudi Arabia and the inherited group in Islamabad, Pakistan. It is one of our objectives to help deepen the economic dialogue and improve project implementation with a gradual expansion of field missions. This expensive proposition will, however, only be justified if there is an active dialogue on adjustment programs and a significant portfolio. In addition, the potential for stretching scarce budgetary funds must materialize through the hiring of local talent. It is the Region's plan to establish missions in Turkey and Morocco in FY88. If policies and programs warrant it, Egypt and Yugoslavia could be next in FY89.

Overdue Service Payments

13. The Region will be forced to pay increasing attention to the problem of overdue service payments with early warning actions by country officers and managers. This can be a time-consuming activity, the cost of which is hard to predict, but we have no choice. With Syria and Romania, we have two cases of present or impending non-accrual status. Our position is weak in either case with erratic governmental debt management, desperate cash position, disinterest in further borrowing for anything but straight balance of payments assistance for which the adjustment program basis is lacking. We will continue to apply pressure, mobilize the intervention of friendly governments and -- in extremis -- hold out the possibility of renewed borrowing further in the future.

Portfolio Management

14. The effective supervision of country portfolios requires a high degree of integration of all supervision activities at the country level. The enhanced country focus of the 1987 Reorganization should therefore contribute to improvements in project implementation. In particular, we envisage to undertake selective intensive implementation assistance for complex projects, country and/or sector implementation reviews, and increased surveillance of procurement, disbursement performance, technical assistance and compliance with covenants.

Organization and Management

15. In order to make this Region an even more effective instrument in the service of the development of our member countries, we will:

- consolidate organizational and staffing changes resulting from the Reorganization;
- strengthen the performance review process through more explicit performance plans and feedback, and more specific staff development programs;
- prepare a staffing strategy for the Region based on medium-term skill needs and on that basis, develop suitable regional training and skill enhancement programs and appropriate recruitment plans;
- initiate and encourage efforts at cross-Departmental and cross-Regional fertilization;
- use the MIS more effectively to improve forward planning, programming, budgeting and monitoring processes; and
- be alert to regional and other developments which can impact on our work and engage in suitable public relations activities in support of our objectives in the Region.

The World Bank

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION

1818 H Street, N.W.
Washington, D.C. 20433
U.S.A.

(202) 477-1234
Cable Address: INTBAFRAD
Cable Address: INDEVAS

July 22, 1987

Dr. Jose da Silva Lopes
Caixa Geral de Depositos
Av. Visconde Valmar 76,6 ESQ
Lisboa 1000
Portugal

Dear Dr. da Silva Lopes:

As you may have heard already, one outcome of the Bank's recent reorganization is that I have assumed the responsibility of Director for the newly formed Maghreb Country Department in the EMENA Region. This department will be responsible for all of the Bank's operations in Algeria, Morocco and Tunisia -- where, as you know, we have an active and growing portfolio of work -- as well as Malta and Libya. Needless to say, I am very excited and enthusiastic about this new assignment partly because there are many complex and interesting development issues that need to be addressed in these countries, and partly because the Bank's excellent working relationships with policy makers in the countries provides an opportunity to contribute to the resolution of these issues.

My first priority since taking over this position has, of course, been to assemble the best possible team of managers and staff to work in the department. I believe that we have been quite successful in this regard. John Shilling will continue as the Chief of the Country Operations Division and he will be assisted by Wafik Grais who moves from the Yugoslavia programs division to the Department as the Lead Economist. Masood Ahmed, who was the deputy chief responsible for industrial strategy work in the old IDF division, has taken over the Sector Operating Division for Industry and Energy. This division will be the focal point for the work that we carry out in the areas of industrial policy, financial sector and DFI issues, and public enterprise rationalization programs. As such, Masood and his staff will continue to manage the ongoing study of the public enterprise sector in Tunisia which you have been leading and which I am very much looking forward to reviewing and discussing with you.

On a more general note, I would also like to express my appreciation for the work that you have been doing on industrial and financial sector issues in Morocco and Tunisia. I very much hope that we can continue to benefit from your participation in this work in the future. In particular, I would like to explore the possibility of your involvement in some work that we have recently started in Algeria. As you know, the history of the Bank's operational support in Algeria has had its ups and downs but, for a variety of reasons, this appears to be a very

Mr. Jose da Silva Lopes

- 2 -

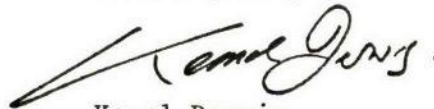
July 22, 1987

opportune moment for expanding the scope of our collaborative efforts in the industrial sector. However, the success of these efforts will depend critically on the quality of the staff and consultant experts that we are able to mobilize, and it is for that reason that both Masood and I would welcome your participation in this work.

I understand that you will be coming to Washington in September and we will certainly have the opportunity to discuss these matters further then. However, it may also be useful if you could meet with Mr. Ahmed earlier to talk further about the substance of our proposed work in Algeria and about your own constraints on availability. He will be in Europe during the month of August on an intensive French language course and could easily visit you in Portugal. Please let me know whether this would be feasible in the light of your own vacation or travel plans.

Once again, I look forward to our continued collaboration in the future.

Best Regards,



Kemal Dervis,
Director

Country Department II
Europe, Middle East & North Africa Region

*I really hope to see
you very soon and look
forward to joint work,
hopefully in all three of
the Maytal countries.*
Kemal

OFFICE MEMORANDUM

DATE: July 22, 1987
TO: Distribution
FROM: Masood Ahmed, Division Chief EM2IE
EXT: 32206
SUBJECT: Delegation of Authority



During my absence from the office for the period of August 3 through August 28, 1987 the following persons will act on my behalf:

Mrs. Paula Donovan
Mr. Jacques Coudol

August 3 - 14
August 17 - 28

Distribution

Mdmes. Donovan, Ng
Messrs. Dervis, Costa, Grais, Ludwig, O'Sullivan, Rogerson, Shilling,
Coudol
EM2IE Staff
/cg

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DISCONNECTED

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ZCZC MTEC0082 MTES0112

WDIAL

REF : EMTIE

QINFO

-SUBJECT: MOROCCO LOAN 2798-MOR - 1ST TELECOMMUNICATIONS PROJECT
-DRAFTED BY: PH/LECHARNY:MD:CG EXT: 32206
-AUTHORIZED BY: MR. MASOOD AHMED, DIVISION CHIEF EM2IE
-CLEARED WITH AND CC.: Mr. G. BUTTEX, CHIEF ENGINEER
-CC: MR. M. KHALIL

933 31836 =

-OFFICE NATIONAL DES POSTES ET TELECOMMUNICATIONS

-ATTN: DIRECTION DES ACHATS ET DE LA LOGISTIQUE

BT

WASHINGTON DC 22-JUILLET-1987

REF. PRET 2798-MOR. PREMIER PROJET DE TELECOMMUNICATIONS, ET VOS
TELEX 937 DAL 1/2, DU 8/07/87 ET 951 DAL 1/1 DU 14/07/87.

PRIMO. NOUS VOUS PRIONS DE BIEN VOULOIR NOUS FAIRE PARVENIR PAR
COURRIER UN EXEMPLAIRE DU DOSSIER D'APPEL D'OFFRES 9 DAL 1/2
RELATIF A LA FOURNITURE, TRANSPORT ET MISE EN SERVICE DES FAISCEAUX
HERTZIENS NUMERIQUES 140 MBITS.

SECUNDO. EN CE QUI CONCERNE LES APPELS D'OFFRES POUR LES TRAVAUX
DE GENIE CIVIL, NOUS VOUS SERIONS RECONNAISSANTS DE NOUS FAIRE
PARVENIR PAR TELEX LE NOMBRE D'APPEL D'OFFRES LANCES ET LA VALEUR
ESTIMEE DES TRAVAUX POUR CHAQU'UN D'EUX. CES INFORMATIONS NOUS
SONT INDISPENSABLES POUR VERIFIER QU'UNE PARTIE DES CONDITIONS DE
MISE EN VIGUEUR DU PRET SONT EFFECTIVEMENT REMPLIES. PAR AILLEURS,
DES MAINTENANT, PAR COURRIER, NOUS AIMERIONS RECEVOIR UN EXEMPLAIRE
DE CHACUN DES DOSSIERS D'APPEL D'OFFRES.

HAUTE CONSIDERATION, MASOOD AHMED, CHEF DE DIVISION, OPERATION
INDUSTRIE ET ENERGIE, DEPARTEMENT II, EUROPE MOYEN ORIENT ET
AFRIQUE DU NORD.

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OINFO

-SUBJECT: MOROCCO LOAN 2798-MOR - 1ST TELECOMMUNICATIONS PROJECT
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-AUTHORIZED BY: MR. MASOOD AHMED, DIVISION CHIEF EM2IE
-CLEARED WITH AND CC.: Mr. G. BUTTEX, CHIEF ENGINEER
-CC: MR. M. KHALIL

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HERTZIENS NUMERIQUES 140 MBITS.

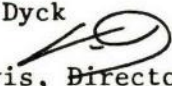
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HAUTE CONSIDERATION, MASOOD AHMED, CHEF DE DIVISION, OPERATION
INDUSTRIE ET ENERGIE, DEPARTEMENT II, EUROPE MOYEN ORIENT ET
AFRIQUE DU NORD.

OFFICE MEMORANDUM

DATE: July 20, 1987

TO: Mr. James Dyck

FROM: Kemal Derviş,  Director EM2

EXT: 32206

SUBJECT: Language Training for EM2 Staff

Attached please find the completed language training proposal forms for Mr. Masood Ahmed and Ms. Anjali Kumar of this department. Both staff members have assumed new responsibilities as a result of the reorganization and need to achieve rapidly complete operational fluency in French to effectively carry out their functions. We have decided, therefore, that they should be sent, as soon as possible, on intensive courses, at the Bank's language training center for Ms. Kumar and at the Centre linguistique appliqué in Besançon France for Mr. Ahmed. We have discussed both programs with the staff of the language training center and they are also assisting us in making the necessary arrangements for Mr. Ahmed's external training course which is scheduled for the four week period of August 3-28. Ms. Kumar will start her eight week program at the language training center in early August, after completing her transition responsibilities for her existing division.

The non-salary cost of the proposed training programs is as follows:

(i) Mr. Ahmed:

4 weeks tuition fees at Besançon	\$ 5,020.00
Air fare and subsistence	5,450.00
Sub-total	10,470.00

(ii) Ms. Kumar:

8 weeks (160 hours) tuition fees at the language centre	\$ 2,400.00
Sub-total	2,400.00

TOTAL	<u>\$12,870.00</u>
-------	--------------------

Given that this training stems entirely from the new responsibilities assigned to these staff as a result of the reorganization, I would like it to be charged to the special budget allocated for reorganization related training. I would appreciate your assistance in obtaining the necessary authorization and in clarifying the procedures that need to be followed in this regard. I would also like to find out whether funds could be obtained from the reorganization training budget to hire consultants who could carry out some of the operational work during the time spent by these two staff on training.

Please call Mr. Ahmed or myself to follow-up at your earliest convenience.

Ms. Ng
Mr. Ahmed
MAhmed ccg



Record Removal Notice

The World Bank Group
Archives
& Records Management

File Title Masood Ahmed - Chronological File - January to December 1987		Barcode No. 30450195		
Document Date [undated]	Document Type Form			
Correspondents / Participants Masood Ahmed				
Subject / Title Training During Reorganization				
Exception(s) Personal Information				
Additional Comments		<p>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.</p> <table border="1"><tr><td>Withdrawn by Shiri Alon</td><td>Date November 14, 2022</td></tr></table>	Withdrawn by Shiri Alon	Date November 14, 2022
Withdrawn by Shiri Alon	Date November 14, 2022			



Record Removal Notice

File Title Masood Ahmed - Chronological File - January to December 1987		Barcode No. 30450195		
Document Date July 17, 1987	Document Type Cable			
Correspondents / Participants To: Mrs. Hilde Peters, c/o Mrs. Rakisits From: Masood Ahmed, Chief Industry and Energy Division, EMENA Department, II				
Subject / Title Staff Selection				
Exception(s) Personal Information				
Additional Comments		<p>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.</p> <table border="1"><tr><td>Withdrawn by Shiri Alon</td><td>Date November 14, 2022</td></tr></table>	Withdrawn by Shiri Alon	Date November 14, 2022
Withdrawn by Shiri Alon	Date November 14, 2022			

FORM NO. 75
(6-83)

THE WORLD BANK/IFC

ROUTING SLIP		DATE: July 17, 1987	
NAME		ROOM NO.	
Mr. Stichenwirth		H-12-061	
APPROPRIATE DISPOSITION		NOTE AND RETURN	
APPROVAL		NOTE AND SEND ON	
CLEARANCE		PER OUR CONVERSATION	
COMMENT		PER YOUR REQUEST	
FOR ACTION		PREPARE REPLY	
INFORMATION		RECOMMENDATION	
INITIAL		SIGNATURE	
NOTE AND FILE		URGENT	
REMARKS: The attached should provide the information on position allocation requested in your memorandum of July 14, 1987.			
FROM: Masood Ahmed		ROOM NO. H-10-035	EXTENSION: 32206

EM2 - Industry and Energy Division

Room and Telephone Numbers Listing

<u>Name</u>	<u>Title</u>	<u>Room No.</u>	<u>Extension</u>
Masood AHMED	Division Chief	H-10-035	32206
Alain BARBU	Senior Financial Analyst	H-10-107	32599 37311
Carlos BASTERRA	Operations Officer	H-10-025	34207
Noel CARRERE	Senior Operations Officer	H-10-005	33052
Jacques COUDOL	Senior Fin. Sec. Specialist	H-7-009	33059
Paula DONOVAN	Senior Ind./PE Economist	E-1204	76993
Abderrezzak FERROUKHI	Senior Energy Planner	H-7-009	33059
Richard HAMILTON	Energy Economist	H-10-085	33574
Saran KEBET	Financial Analyst	H-9-097	32991
Anjali KUMAR	Economist	H-9-059	32333
Zoubeida LADHIBI	Power Engineer	H-10-107	32599
Carmen GAD	Administrative Secretary	H-10-035	37602
Jocelyn BAIG	Staff Assistant	H-10-035	37602
Hilde PIETERS	Staff Assistant	H-10-005	36093
Dung PHAM	Staff Assistant	H-7-012	37338
Thouria NANA-SINKAM	Secretary	H-10-035	37602
Vacant	Procurement Assistant		



Record Removal Notice

The World Bank Group
Archives
& Records Management

File Title Masood Ahmed - Chronological File - January to December 1987		Barcode No. 30450195		
Document Date July 17, 1987	Document Type Cable			
Correspondents / Participants To: Mrs. Hilde Peters, c/o Mrs. Rakisits From: Masood Ahmed, Chief Industry and Energy Division, EMENA Department, II				
Subject / Title Staff Selection				
Exception(s) Personal Information				
Additional Comments		<p>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.</p> <table border="1"><tr><td>Withdrawn by Shiri Alon</td><td>Date November 14, 2022</td></tr></table>	Withdrawn by Shiri Alon	Date November 14, 2022
Withdrawn by Shiri Alon	Date November 14, 2022			

OFFICE MEMORANDUM

DATE: July 16, 1987
TO: Distribution
FROM: Masood Ahmed, Division Chief, EM2IE
EXT: 32206
SUBJECT: EM2 - Industry and Energy Division

Attached please find the Listing of EM2IE staff, as well as their current room and telephone numbers. We will advise you of changes in location/extensions as they occur in the coming weeks.

Individual work programs and task management responsibilities are being worked on now but will obviously take some time to finalize completely. For this reason and because of the transient nature of some staff lodgings, I would be grateful if you could send any memoranda or other documentation for the division to Ms. Carmen Gad, Room H-10-035, Ext. 37602, who will arrange for their appropriate internal distribution.

Messrs. Dervis, Costa, Shilling, O'Sullivan, Ludwig, Rogerson, Grais
(EM2), Bouhouala, Amin, Chaparro, Turnham (EMT), Elwan, Segura
(CD1), Bhargava (CD3), Sood (CD4), Stichenwirth (EMNVP)
Mdmes Ng, Clark
MAhmed:cg

EM2 - Industry and Energy Division

Room and Telephone Numbers Listing

<u>Name</u>	<u>Title</u>	<u>Room No.</u>	<u>Extension</u>
Masood AHMED	Division Chief	H-10-035	32206
Alain BARBU	Senior Financial Analyst	H-10-107	32599
Carlos BASTERRA	Operations Officer	H-10-025	34207
Noel CARRERE	Senior Operations Officer	H-10-005	33052
Jacques COUDOL	Senior Fin. Sec. Specialist	H-7-009	33059
Paula DONOVAN	Senior Ind./PE Economist	E-1204	76993
Abderrezzak FERROUKHI	Senior Energy Planner	H-7-009	33059
Richard HAMILTON	Energy Economist	H-10-085	33574
Saran KEBET	Financial Analyst	H-9-097	32991
Anjali KUMAR	Economist	H-9-059	32333
Zoubeida LADHIBI	Power Engineer	H-10-107	32599
Carmen GAD	Administrative Secretary	H-10-035	37602
Jocelyn BAIG	Staff Assistant	H-10-035	37602
Hilde PIETERS	Staff Assistant	H-10-005	36093
Dung PHAM	Staff Assistant	H-7-012	37338
Thouria NANA-SINKAM	Secretary	H-10-035	37602



Record Removal Notice

The World Bank Group
Archives
& Records Management

File Title Masood Ahmed - Chronological File - January to December 1987		Barcode No. 30450195		
Document Date July 15, 1987	Document Type Cable			
Correspondents / Participants To: Mr. Jacques Coudol, c/o Mr. Lavielle From: Masood Ahmed, Chief Industry and Energy Division, EMENA Department, II				
Subject / Title Staff Selection				
Exception(s) Personal Information				
Additional Comments		<p>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.</p> <table border="1"><tr><td>Withdrawn by Shiri Alon</td><td>Date November 14, 2022</td></tr></table>	Withdrawn by Shiri Alon	Date November 14, 2022
Withdrawn by Shiri Alon	Date November 14, 2022			

July 13, 1987

NOTE

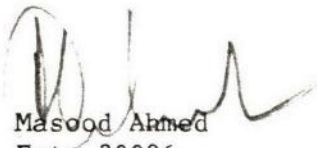
To: Mr. Ramasubbu

Re. Transitional Responsibilities of Ms. A. Kumar

Subsequent to my conversation with you last Friday, I have discussed the subject of her transitional responsibilities with Anjali. I would like to confirm that she will complete the following tasks before starting full time language training in preparation for her reassignment to this division.

- Processing of the agricultural annex to the Poland CEM from green cover to grey cover.
- Writing the chapters which were assigned to her for the Poland Agricultural Trade Strategy Paper. With help from an operational assistant in the compiling of the annex tables. As we agreed, the task of assembling the ATSP as a whole will not be undertaken by her.
- Redrafting the terms of reference for the proposed marketing study as discussed. This would not include the tasks of finalizing the financing arrangements for this, or of finding suitable consultants.
- Preparing preliminary data requests for the proposed round of sector work on the crops sector.
- Regarding training, Anjali believes that she may be able to complete these tasks before the August 15 date we had discussed. I have indicated to her that if those tasks are completed earlier, then she could also begin earlier the language training she requires for assuming her new responsibilities.

Please call me if you have any queries.


Masood Ahmed
Ext. 32206

cc. Ms. Kumar

OFFICE MEMORANDUM

DATE: July 10, 1987

TO: Algeria Industrial Efficiency Project File

FROM: Masood Ahmed, Division Chief EM2IE

EXT: 32206

SUBJECT: Call from SW Management Consultants Inc.

Mr. Henwood of the above UK company called me today to enquire about the prospects for consultancy work in the context of the Algeria Industrial Efficiency Project. I told him that the project was still at an early stage of identification and that a mission was in the field to explore the precise scope and definition of the project. I asked him to call back in about eight weeks when staff would be able to give him more precise information on the likely consultant/technical assistance needs. He will call back in early September.

cc. Ms. Cordet-Dupouy
Messrs. Molineus, Coudol o/r
MAhmed:cg

WORLDBANK MSS

WORLDBANK MSS

ZCZC NTEC0011 MTES0015

WDIAL

REF : EMTIE

OINFO

-SUBJECT:

-DRAFTED BY: MAHMED:CG

EXT: 32206

-AUTHORIZED BY: MASOOD AHMED, EM2IE

CABLE1

-MR. BERNHARD FRUEH

-8 RUE NOTHOM

-L-2232-LUXEMBURG-BEGGEN

BT

WASHINGTON DC 02-JUL-87

ATTENTION MR. BERNHARD FRUEH. MANY THANKS FOR YOUR TELEX.
APPECIATE YOUR GOOD WISHES. LET'S STAY IN TOUCH. BEST REGARDS,
MASOOD AHMED, CHIEF INDUSTRY AND ENERGY, INTBAFRAD

=07021705

IN DROPCOPY OF:MTER

NNNN

WORLDBANK MSS

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WORLD BANK MSS

WORLD BANK MSS

ZCZC MTEN0015 OPER1102

QX DELMSG

REF : SYSCOM

YOUR MTES0015 OF 07021659

WAS DELIVERED AS RCAC2671 AT 07022132

AAB: RCA DATAPHONE

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NNNN

OFFICE MEMORANDUM

DATE July 6, 1987

TO Hotel Section

FROM Masood Ahmed, EM2IE



EXTENSION 32206

SUBJECT Hotel Reservation

I would appreciate your making a hotel reservation for Messrs. MBaye and Toure at the Guest Quarters, Pennsylvania Ave, for 3 nights, they will be arriving on July 7, 1987, flight TWA 891 from Paris.

/cg

OFFICE MEMORANDUM

DATE: July 2, 1987
TO: Mrs. Maria Clark, PMD
FROM: Masood Ahmed, Division Chief, EM21E
EXT: 32206
SUBJECT: CDII - Industry and Energy Division - Staffing Confirmation

As I mentioned to you yesterday, following the discussion at the last CDII Management Group Meeting, I have reevaluated the workload for an Operations Assistant in the Division and concluded that a full time position for such a person would not be justified. I would, therefore, like to replace the job description for an Operations Assistant by the attached job description for a Financial Analyst/Project Officer. My strategy would be to recruit someone at about the 22 level (graduating or recent YP) who would provide some operational support to the more senior project officers and make a substantive contributions in their own discipline.

I would be grateful if you could make the arrangement to reflect this change in the EMENA position description list. Please do not hesitate to call me if you have any questions.

cc. and cleared with Mr. Dervis
cc. EMCDII - Management Group
MAhmed:cg

WORLD BANK REORGANIZATION:
POSITION DESCRIPTION

Position Title: Project Officer (Financial Analyst) Grade: 22-23 (24)
Vice Presidential Unit: EMENA
Department Name: Country Department II (Maghreb) Dept No.: 284
Division Name: Industry and Energy Div. No.: 30
Reports to: Division Chief

PRINCIPAL ACCOUNTABILITIES

General: The incumbent will contribute to the Division's work in all aspects of the project cycle. His/her specific focus will be on carrying-out the institutional/financial analysis of these projects to ensure that resulting operations are sound and prepared/implemented in accordance with Bank policies. Incumbent will also contribute to the analysis of energy sector policies in these countries.

Specific:

- Incumbent will be expected to work on a wide range of projects; so he/she should be professionally versatile and able to develop an understanding of broad sector issues.
- Incumbent will be expected to become thoroughly familiar with the Bank's new project preparation and processing procedures and guidelines.

SELECTION CRITERIA**Skills/Abilities:**

- Master's degree in Business Administration or Finance or equivalent.
- Demonstrated professional expertise in the analysis of financial aspects of project work in the Bank.
- Prior Bank experience in either the power/energy or industry sectors would be an advantage.

Personal Characteristics:

- Fluency in French.
 - Ability to work well in teams.
-

2499L

Sent as cable

WDIAL
.EMTIE
OINFO

-SUBJECT:

-DRAFTED BY: MAHMED:CG

EXT: 32206

-AUTHORIZED BY: MASOOD AHMED, EM2IE

CABLE1

MR. BERNHARD FRUEH

8 RUE NOTHOM

L-2232-LUXEMBURG-BEGGEN

BT

WASHINGTON DC 02-JUL-87

ATTENTION MR. BERNHARD FRUEH. MANY THANKS FOR YOUR TELEX.

APPECIATE YOUR GOOD WISHES. LET'S STAY IN TOUCH. BEST REGARDS,

MASOOD AHMED, CHIEF INDUSTRY AND ENERGY, INTBAFRAD

1-1. 10. 035

ZCZC DIST8810 RCA8717
DIST
REF : TCP1 MET
MR.MASOOD AHMED
RCA8717
248423 WORLD BANK

C034 344-1 R518 6 07/01/87 16:21

71248423 248423 WORLD BANK
6A 07/01 16:11 I058 7670-1 C034 344 07/01/87 16:20
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URGW CO LULU 038
LUXEMBOURG-TF 50021 38/35 01 2208

FL

MASOOD AHMED
CHIEF
INDUSTRY AND ENERGY
EMENA-II
WORLD BANK
1818 H-STREET
20433-WASHINGTON-DC

PLEASED TO LEARN OF YOUR PROMOTION PERIOD WISH YOU ALL THE BEST
IN YOUR NEW POSITION BEST REGARDS
BERNHARD FRUEH 8 RUE NOTHOM L-2232-LUXEMBURG-BEGGEN

COL 1818 20433-WASHINGTON-DC 8 L-2232-LUXEMBURG-BEGGEN

→ Tlx to Bernhard Frueh:

Many thanks for your telex. Appreciate your
good wishes. Let's stay in touch. Best Regards
Masood Ahmed

→ Make a note of his address in your
card files.

=07011729

NNNN

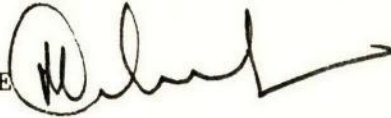
Thanks.



OFFICE MEMORANDUM

DATE: July 2, 1987

TO: Distribution

FROM: Masood Ahmed, Division Chief, EM2IE 

EXT: 32206

SUBJECT: TUNISIA: Industry - Visit by African Development Bank (ADB)
July 7-10, 1987

Mr. M'Baye, Chief of the Industry and IDF Division at ADB, called me last week to propose a short visit by himself and a colleague to Washington from July 7-10, 1987 to discuss their proposed Industrial Sector Loan for Tunisia. I tried to indicate that the dates proposed were not very convenient because of the reorganization and because Emile Sawaya, one of the key staff involved in industrial affairs in Tunisia will be away on leave. However, Mr. M'Baye stressed that there is not much flexibility on timing on their side because they are to present this project to their loan committee on July 17 and are very keen to have a chance to discuss their proposals with us before the loan committee meeting. They also felt that if Mr. Bachmann were available that would be perfectly satisfactory from their point of view as their main interest was on the macro aspects.

I therefore agreed to welcome them for next week. I will meet with them on Tuesday morning upon their arrival and participate, to the extent possible, in the detailed discussions they will have with Messrs. Bachmann and de Vuyst. Mr. Grais has also agreed to join in these discussions.

I propose that we also profit from their visit to discuss, more generally, issues of coordination on industry. I will arrange a lunch or some other meeting at which they could meet with Messrs. Dervis and Shilling to discuss these general issues.

Distribution

Messrs. Dervis, Shilling, Grais, Bachmann, de Vuyst, Basterra, Pottker
MAhmed:cg

WORLDBANK MSS

WORLDBANK MSS

ZCZC MIDP1461 JWS0835
EMPID EM2DC
REF : TCP D.S.

EMENA REGION

INDUSTRIAL DEVELOPMENT AND FINANCE

DATE RECEIVED

6/29/87

COUNTRY/IDP

MAGHREB

LOAN/CREDIT NO.

ACTION BY

M AHMED

JWS0835 JGMB63 IN 29/12:20 OUT 29/12:23
23812 AFDEV CI 87/KK9961/EY

BANQUE MONDIALE
WASHINGTON

ATTN. M. MASSOUD AHMED, DIVISION CHIEF INDUSTRY

OBJET : PROGRAMME D'ADJUSTEMENT DU SECTEUR INDUSTRIE (TUNISIE) ;
MISSION DE CONSULTATION

SUITE A NOTRE CONVERSATION TELEPHONIQUE DU 26/6/87, HONNEUR VOUS
CONFIRMER QU'UNE MISSION BAD SE RENDRA SA LA BIRD (WASHINGTON)
DURANT LA SEMAINE COMMENCANT LE 6/7/87 POUR :

DISCUTER DANS LE DETAILS CERTAINS ASPECTS DE L'EVALUATION DE CE
PROGRAMME ; NOTAMMENT ASPECT MACRO-ECONOMIQUES,

COORDONNER LES INTERVENTIONS DES 2 INSTITUTIONS (BAD/BIRD) DANS CE
PROGRAMME ; EXECUTION, PROCEDURES DE DECAISSEMENT, CONDITIONNALITES..

JE VOUS SERAIS RESCONNAISSANT DE PRENDRE TOUTES LES DISPOSITIONS
NECESAIRES POUR ORGANISER PROGRAMME DE TRAVAIL DE MISSION QUI SERA
COMPOSEE DE MM. MBAYE ET TOURE (ECONOMISTE). DATE EXACTE DE L'ARIVEE
A WASHINGTON DE LA MISSION VOUS SERA PRECISEE ULTERIEUREMENT

M.P. M'BAYE
CHEF DE DIVISION
INDUSTRIE ET BANQUE DE DEVELOP. REGION I

NO: 2169 29.06.87 16:26
AFRICAN DEVELOPMENT BANK-ABIDJAN

23812 AFDEV CI UUUUU


=06291347

NNNN

OFFICE MEMORANDUM

DATE: June 30, 1987

TO: Files

FROM: Masood Ahmed, Chief, Industry & Energy Division,  CII

EXT: 32206

SUBJECT: TUNISIA - SUPERVISION OF BDET/STUSID/BTKD

1. I received last week the report of the supervision mission which reviewed the above entities in January-February 1987. The report raises a number of issues which will need to be followed up in the course of our future supervision work. The report also has attached to it draft letters to the agencies thanking them for the courtesies to the mission and confirming the findings of the mission as discussed with them.

2. Given the long delay between the mission and the issuance of the report, plus the fact that the issues raised are in any event familiar to the borrowers and the impending changeover in the managers and staff working on these projects, I have decided that we defer any communication on this matter with the borrowers until the next field visit which should take place in the fall.

cc: Messrs. Shilling, Coudol, Pottker, Mrs. Ba N'Daw.

MAhmed:hph

OFFICE MEMORANDUM

DATE: June 30, 1987

TO: Mr. Karl Stichenwirth, Chief Administrative Officer, EMNVP

FROM: Masood Ahmed, Chief, Industry & Energy Division, CDII

EXT: 32206

SUBJECT: Computer Equipment Needs for CDII, Industry & Energy Division

1. Now that the staffing configuration of the reorganized divisions is becoming clear, I would like to initiate the process of ensuring that the staff of my division, when they come on board, can begin to function quickly at their full potential. A critical component in this will be the easy access by all higher level staff to a personal computer for both statistical and word processing needs. Apart from the usual justifications for ready access by higher level staff to PCs, I would like to add the increased responsibility that support staff in the new CD sector divisions will have for administrative and budget related matters. In my division, for example, I would have six support staff of which one would be the administrative secretary and one a procurement/operations assistant. This leaves four staff assistants/secretaries to carry out all the budget, travel and consultant processing, etc. as well as meeting the typing needs of 10 higher level staff and a large input from consultants. Clearly, this scheme can only work if we maximize the use of PCs by high level staff to prepare their first drafts/short memos.

2. Given these factors I would like to request the following computing equipment support for the division:

- 10 PCs for use by HL staff; of these about 5 should be portables that can be used on mission, preferably the Toshiba or new Compaq.
- 1 IBM 3270 + laser printer for MIS.
- 1 IBM PC/AT/Compaq for use by procurement assistant to monitor disbursement/subprojects, etc.
- 1 IBM PC/Compaq for shared use by staff assistants to do budget/project support/ and by long term consultants.

Total 13

3. I appreciate that some of these machines will come with staff who transfer to the new division, but I would like to find out what procedures will apply to these equipment transfers (both within EMENA and for staff coming from EIS or other bank units). And I would also appreciate your guidance on how the shortfall in the division's needs can be filled in the near future.

4. I would be happy to discuss this further with you at your convenience.

cc: Messrs. Dervis, Menon, Ms. Ng

MAhmed:hph

FORM NO. 75
(6-83)

THE WORLD BANK/IFC

ROUTING SLIP		DATE
NAME		ROOM NO.
Mr. J. Dyck		
APPROPRIATE DISPOSITION	NOTE AND RETURN	
APPROVAL	NOTE AND SEND ON	
CLEARANCE	PER OUR CONVERSATION	
COMMENT	PER YOUR REQUEST	
FOR ACTION	PREPARE REPLY	
INFORMATION	RECOMMENDATION	
INITIAL	SIGNATURE	
NOTE AND FILE	URGENT	
REMARKS: Jim, Could you please advise on how this transfer should be processed? I understand Paula has already spoken with you and I would like to make sure that we can get her to move without holding a position open during round 2. Thanks.		
FROM: M. Ahned	ROOM NO.: H10-035	EXTENSION: 32206

OFFICE MEMORANDUM

TO: Mr. Masood Ahmed

FROM: Paula Donovan *P.D.*

SUBJECT: Reassignment Preference

DATE: June 26, 1987

As we have discussed, my first preference for reassignment is to work in your division, i.e., Energy and Industry, in the Maghreb.

Mr. Stern has agreed to my transfer from his office and my successor has already been identified. I would be available to transfer in early August.

cc: Messrs. Stern, Dyck

→ Pls give a copy to
Mr. Lewis.

done
6/29

cm

List of Zia's Contacts for Pakistan.

1. Mr Sikander Rashid,
Deputy Managing Director,
Pakistan Industrial Credit and Investment Corporation (PICIC),
Lahore.
2. Mr Zahid Ahmed,
Deputy Managing Director,
Industrial Development Bank of Pakistan,
Karachi.
3. Mr Aftab Ahmed Khan,
Chairman,
National Development and Finance Corporation (NDFC),
Karachi.
4. Mr Zafar Iqbal,
Secretary,
Ministry of Production,
Government of Pakistan,
Islamabad.
5. Mr Bashir Ahmed,
Secretary,
Ministry of Petroleum,
Government of Pakistan,
Islamabad.
6. Mr Vassim Jaffrey,
Governor,
State Bank of Pakistan,
Karachi.

To: Maghreb CD Management Group.

From: Masood Ahmed

Re. Work Program and Staffing Tables.

As agreed this morning, I am attaching a set of the work program and staffing tables that were prepared for this division. These tables are structured as follows:

-Table 1 is a summary table showing the breakdown of work in different categories (i.e. ESW, Lending, etc) among the division's own staff, consultants, the various TD support divisions, other Maghreb CD units, and PPR.

-Table 2 is a more detailed table showing the breakdown of resource requirements for each task managed by the division among the division's own staff, consultants, and the same set of other supporting units as above. This table also lists those tasks where the division is providing support to others (notably the COD) but for these the only inputs shown are those of divisional staff or consultants.

-Table 3 is the basic input table from which the other two are generated. This would normally be used only within the division for staff allocation etc. This table further subdivides the aggregate total for "staff" for each task among the individual higher level staff to be recruited for the division.

The above tables are on a lotus spreadsheet. If you are interested I could provide more details and a copy of the diskette.

Also attached for your information is a manually produced summary table showing the breakdown of resource requirements by discipline (i.e. industry economists, power engineers, etc) as allocated among the division's own staff, consultants, the various TD divisions, and the other units providing support to the division's work.

Apart from the format I would also be grateful if you could let me have any comments or problems that you see in the numbers themselves. These reflect our discussions of yesterday but the latest revisions on support to COD managed work have yet to be incorporated.

MA/June 26, 1987.

EMENA - MAGHREB
INDUSTRY & ENERGY WORK PROGRAM

FY 88

ACTIVITIES	I & B Division		-TD Divisions-			---Oth. Div---			TOTAL
	S T A F F	C O N S U L T	T F & P E	I & B F	I N F	C D	O T H S D	P P R	
ECONOMIC & SECTOR WORK									
BSW Industry	27	22	10	6	3	14	3	10	95
BSW Energy	30	0		3	0	4	0	0	37
TOTAL BSW	57	22	10	9	3	18	3	10	132
LENDING									
LENDING Industry	92	44	26	24	10	7	10	0	213
LENDING Energy	84	30		31	0	0	0	0	145
TOTAL LENDING	176	74	26	55	10	7	10	0	358
SUPERVISION									
SUPERVISION Industry	76	30	9	0	3	3	8	0	129
SUPERVISION Energy	41	2		33	0	0	0	0	76
TOTAL SUPERVISION	117	32	9	33	3	3	8	0	205
PCRs									
PCR Industry	2	0	0	8	0	0	0	0	10
PCR Energy	13	0		16	0	0	0	0	29
TOTAL PCRs	15	0	0	24	0	0	0	0	39
SUPPORT TO CD									
SUPPORT Industry	21	24	0	0	0	0	0	0	45
SUPPORT Energy									0
TOTAL SUPPORT	21	24	0	0	0	0	0	0	45
GRAND TOTAL I. & E.	386	152	45	121	16	28	21	10	779

26-Jun-87
10:15:26 AM

~~TABLE 3~~

TABLE 2

EMENA - MAGHREB

INDUSTRY & ENERGY WORK PROGRAM
FY 88

ACTIVITIES	-TD Divisions-			---Oth. Div---			CD Maghreb I&B Division		T O T A L S E C T O R
	T F & P B	I & B	I N F	C D	O T H S D	P P R	S T A F F + C	S T A F F C	
ECONOMIC & SECTOR WORK									
Industry:									
TUN - P.B. Review	3	3	3	3	3	0	5	10	25
ALG - Ind. Rest. Diag	0	3	0	2	0	0	5	5	10
ALG - Fin. Inst. Rev.	0	0	0	0	0	0	0	0	0
MOR - Entr. Dev. Study	7	0	0	3	0	4	1	11	25
MOR - Capital Mkt Study	0	0	0	6	0	6	16	23	35
MOR - P.B. Review	0	0	0	0	0	0	0	0	0
SWO							0		0
Sub-Total Ind.	10	6	3	14	3	10	27	49	95
Energy:									
TUN - Egy. Strat. Paper	0	0	0	0	0	0	0	0	0
ALG - Egy. Strat Rev.	0	3	0	4	0	0	18	18	25
ALG - Power/Gas Subs Rev	0	0	0	0	0	0	0	0	0
MOR - Ind. Egy Rat.	0	0	0	0	0	0	0	0	0
MOR - Egy. Issues Review	0	0	0	0	0	0	0	0	0
SWO	0	0	0	0	0	0	12	12	12
Sub-Total Energy	0	3	0	4	0	0	30	30	37
TOTAL ESW	10	9	3	18	3	10	57	79	132

LENDING									
Industry:									
	T F + P E	I + E	I ~ F	C D	O T H S D	P P R.	S T + E	S T + C O N S T	
✓ TUN - SSI II (FY88) *	0	0	0	0	0	0	7	8	8
✓ TUN - PERL (FY89)	6	10	10	7	10	0	40	50	93
✓ MOR - Ind Sect (FY89)	20	0	0	0	0	0	5	12	32
✓ ALG - BAD II (FY89)	0	0	0	0	0	0	20	30	30
✓ ALG - Ind. Effic. (FY89)	0	14	0	0	0	0	20	36	50
MOR - PERL 2 (FY90)	0	0	0	0	0	0	0	0	0
MOR - LDV (FY91)	0	0	0	0	0	0	0	0	0
ALG - LDV (FY91)	0	0	0	0	0	0	0	0	0
TUN - LDV (FY91)	0	0	0	0	0	0	0	0	0
Sub-Total Ind.	26	24	10	7	10	0	92	136	213
Energy:									
✓ ALG - Power III (FY88)	0	13	0	0	0	0	29	42	55
✓ MOR - Power Subs. (FY88)	0	8	0	0	0	0	8	17	25
✓ MOR - Power Sub. 2 (FY91S)	0	10	0	0	0	0	22	30	40
✓ ALG - Power IV (FY91S)	0	0	0	0	0	0	5	5	5
✓ ALG - Telecom II (FY91S)	0	0	0	0	0	0	0	0	0
✓ TUN - Egy/Gas (FY91)	0	0	0	0	0	0	0	0	0
TUN - LDV (FY91)	0	0	0	0	0	0	10	10	10
MOR - LDV (FY91)	0	0	0	0	0	0	10	10	10
Sub-Total Energy	0	31	0	0	0	0	84	114	145
TOTAL LENDING	26	55	10	7	10	0	176	250	358

SUPERVISION

Industry:	0	1	2	3	4	5	6	7	8
TUN-ITPAL	0	0	0	0	0	0	6	6	6
✓ TUN-PB	0	0	0	0	0	0	0	0	0
✓ TUN-BMI	0	0	0	0	0	0	7	10	10
✓ TUN-Exports Ind	0	0	0	0	0	0	9	13	13
✓ TUN-SSI2	0	0	0	0	0	0	6	13	13
✓ MOR-PERL 1	6	0	3	3	8	0	16	19	39
✓ MOR-PERL 2	0	0	0	0	0	0	0	0	0
CB MOR-BNDB IX	0	0	0	0	0	0	8	10	10
CB MOR-SSI 2	3	0	0	0	0	0	5	5	8
✓ MOR-BMI	0	0	0	0	0	0	7	11	11
✓ MOR-Ind Exports Fin.	0	0	0	0	0	0	9	16	16
✓ MOR-Ind Sect.	0	0	0	0	0	0	0	0	0
CB MOR-CIH IV	0	0	0	0	0	0	3	3	3
Sub-Total Ind.	9	0	3	3	8	0	76	106	129
Energy:									
✓ ALG - PowerIII (88)	0	2	0	0	0	0	4	4	6
✓ TUN - Power IV (84)	0	6	0	0	0	0	2	2	8
✓ TUN - Egy Cons Dem.(87)	0	0	0	0	0	0	8	10	10
✓ TUN - Mining TA (84)	0	9	0	0	0	0	6	6	15
✓ MOR - Power Subs.	0	0	0	0	0	0	13	13	13
✓ MOR - Petr Expl.	0	6	0	0	0	0	6	6	12
✓ MOR - Jerada Coal	0	10	0	0	0	0	2	2	12
✓ MOR - Power Subs.	0	0	0	0	0	0	0	0	0
Sub-Total Energy	0	33	0	0	0	0	41	43	76
TOTAL SUPERVISION	9	33	3	3	8	0	117	149	205
PCRs									
Industry:									
✓ TUN- Ind 4 Foundry	0	8	0	0	0	0	2	2	10
✓ TUN-ITPAL	0	0	0	0	0	0	0	0	0
CB MOR-CIH IV	0	0	0	0	0	0	0	0	0
✓ MOR-BNDB IX	0	0	0	0	0	0	0	0	0
✓ MOR-SSI 2	0	0	0	0	0	0	0	0	0
Sub-Total Ind.	0	8	0	0	0	0	2	2	10
✓ TUN - Power IV	0	0	0	0	0	0	0	0	0
✓ TUN - Egy Cons./Demon	0	0	0	0	0	0	0	0	0
✓ TUN - Mining TA	0	0	0	0	0	0	0	0	0
✓ TUN - 2nd.Nat.Gas.Pipe	0	10	0	0	0	0	10	10	20
✓ MOR - Oil Shale Egy.	0	0	0	0	0	0	1	1	1
✓ MOR - Small Sc. mining	0	6	0	0	0	0	2	2	8
Sub-Total Energy	0	16	0	0	0	0	13	13	29
TOTAL PCR's	0	24	0	0	0	0	15	15	39

SUPPORT TO CD

Industry:

MOR-SAL	0	0	0	0	0	0	1	5	5
MOR-CBM	0	0	0	0	0	0	0	8	8
MOR-Trade Lib.	0	0	0	0	0	0	0	3	3
MOR-Invest. Review	0	0	0	0	0	0	1	1	1
ALG-CBM	0	0	0	0	0	0	6	12	12
ALG-Fin. Sect. Rev.	0	0	0	0	0	0	3	3	3
TUN-SAL	0	0	0	0	0	0	2	5	5
TUN-CBM	0	0	0	0	0	0	6	6	6
TUN-Plan Review	0	0	0	0	0	0	2	2	2
Sub-Total Ind.	0	0	0	0	0	0	21	45	45
Energy:									
Sub-Total Energy							0	0	0
TOTAL SUPPORT	0	0	0	0	0	0	21	45	45
GRAND TOTAL I. & B.	45	121	16	28	21	10	386	538	779

26-Jun-87
10:22:47 AM

TABLE 3

EMENA - MAGHREB
INDUSTRY & ENERGY WORK PROGRAM
FY 88

ACTIVITIES	Task Leader	-----I & E Division-----										--TD Divisions--			---Oth. Div---			CD Maghreb I&E Division		T O T A L S E C T O R
		CARDERE	INDUSTRIAL	BASIS	CONDOV	DONOVAN	HAMILTON	FERRON	LEAHY	BASIS	CONDOV	TD & P	I & E	INF	CD	OTH	P	STAFF	STAFF	
ECONOMIC & SECTOR WORK																				
Industry:																				
TUN - P.E.Review	Donovan	0	0	0	2	11				0	5	23	23	3	3	3	0	5	10	25
ALG - Ind. Rest. Diag	Cordet	0	0	0	5	0				0	0	0	3	0	2	0	0	5	5	10
ALG - Fin. Inst. Rev.	Coudol	0	0	0	0	0				0	0	0	0	0	0	0	0	0	0	0
MOR - Entr. Dev. Study	Indeci	0	0	0	0	1				0	10	7	0	0	3	0	4	1	11	25
MOR - Capital Mkt Study	Coudol	0	0	10	6	0				0	7	0	0	0	6	0	6	16	23	35
MOR - P.E. Review	tbd	0	0	0	0	0				0	0	0	0	0	0	0	0	0	0	0
SWO										0								0		0
Sub-Total Ind.		0	0	10	13	4				0	22	10	6	3	14	3	10	27	49	95
Energy:																				
TUN - Egy. Strat. Paper	Ferrouki						0	0	0	0	0	0	0	0	0	0	0	0	0	0
ALG - Egy. Strat Rev.	Barbu						0	0	2	16	0	0	0	3	0	4	0	18	18	25
ALG - Power/Gas Subs Re	Barbu						0	0	0	0	0	0	0	0	0	0	0	0	0	0
MOR - Ind.Egy Est.	Hamilton						0	0	0	0	0	0	0	0	0	0	0	0	0	0
MOR - Egy. Issues Review	tbd						0	0	0	0	0	0	0	0	0	0	0	0	0	0
SWO							0	6	0	6	0	0	0	0	0	0	0	12	12	12
Sub-Total Energy							0	6	2	22	0	0	0	3	0	4	0	30	30	37
TOTAL ESW		0	0	10	13	4	0	6	2	22	0	22	10	9	3	18	3	57	79	132

LENDING

Industry:

TUN - SSI II (FY88)	Pottker	0	0	0	2	0					5	1	0	0	0	0	0	0	7	8	8
TUN - PERL (FY89)	Donovan	0	10	0	0	20					10	10	6	10	10	7	10	0	40	50	93
MOR - Ind Sect (FY89)	Ahmed	0	0	5	0	0					0	7	20	0	0	0	0	0	5	12	32
ALG - BAD II (FY89)	Coudol	13	0	0	7	0					0	10	0	0	0	0	0	0	20	30	30
ALG - Ind. Bffic. (FY89)	Indecol	5	10	0	5	0					0	16	0	14	0	0	0	0	20	36	50
MOR - PERL 2(FY90)	tbd	0	0	0	0	0					0	0	0	0	0	0	0	0	0	0	0
MOR - LDV (FY91)	tbd	0	0	0	0	0					0	0	0	0	0	0	0	0	0	0	0
ALG - LDV (FY91)	tbd	0	0	0	0	0					0	0	0	0	0	0	0	0	0	0	0
TUN - LDV (FY91)	tbd	0	0	0	0	0					0	0	0	0	0	0	0	0	0	0	0
Sub-Total Ind.		18	20	5	14	20	0	0	0	0	15	44	26	24	10	7	10	0	92	136	213
Energy:																					
ALG - Power III (FY88)	Ladhibi					5	0	22	2	0	13		0	13	0	0	0	0	29	42	55
MOR - Power Subs.(FY88)	Hamilton					8	0	0	0	0	9		0	8	0	0	0	0	8	17	25
MOR - Power Sub.2 (FY91)	Hamilton					12	0	10	0	0	8		0	10	0	0	0	0	22	30	40
ALG - Power IV(FY91S)	Ladhibi					0	1	2	2	0	0		0	0	0	0	0	0	5	5	5
ALG - TelecomII (FY91S)	tbd					0	0	0	0	0	0		0	0	0	0	0	0	0	0	0
TUN - Egy/Gas (FY91)	tbd					0	0	0	0	0	0		0	0	0	0	0	0	0	0	0
TUN - LDV (FY91)	tbd					0	10	0	0	0	0		0	0	0	0	0	0	10	10	10
MOR - LDV (FY91)	tbd					6	0	0	0	4	0		0	0	0	0	0	0	10	10	10
Sub-Total Energy		0	0	0	0	31	11	34	4	4	30		0	31	0	0	0	0	84	114	145
TOTAL LENDING		18	20	5	14	20	31	11	34	4	19	74	26	55	10	7	10	0	176	250	358

SUPERVISION

Industry:

TUN-ITPAL	Indecol	0	6	0	0	0				0	0	0	0	0	0	0	6	6	6
TUN-PE	tbd	0	0	0	0	0				0	0	0	0	0	0	0	0	0	0
TUN-EMI	Carrere	7	0	0	0	0				0	3	0	0	0	0	0	7	10	10
TUN-Exports Ind	Carrere	6	0	0	3	0				0	4	0	0	0	0	0	9	13	13
TUN-SSI2	Carrere	6	0	0	0	0				0	7	0	0	0	0	0	6	13	13
MOR-PERL 1	Coudol	0	0	0	5	5				6	3	6	0	3	3	8	16	19	39
MOR-PERL 2	tbd	0	0	0	0	0				0	0	0	0	0	0	0	0	0	0
MOR-BNDB IX	Basterra	0	0	7	1	0				0	2	0	0	0	0	0	8	10	10
MOR-SSI 2	Basterra	0	0	5	0	0				0	0	3	0	0	0	0	5	5	8
MOR-EMI	Basterra	2	0	5	0	0				0	4	0	0	0	0	0	7	11	11
MOR-Ind Exports Fin.	Basterra	2	0	5	2	0				0	7	0	0	0	0	0	9	16	16
MOR-Ind Sect.	Indecl	0	0	0	0	0				0	0	0	0	0	0	0	0	0	0
MOR-CIH IV	Basterra	0	0	3	0	0				0	0	0	0	0	0	0	3	3	3

Sub-Total Ind.

23	6	25	11	5						6	30	9	0	3	3	8	0	76	106	129
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Energy:

ALG - PowerIII (88)	Ladhibi					0	0	2	2	0	0	0	2	0	0	0	0	4	4	6
TUN - Power IV (84)	Ferrouki					0	2	0	0	0	0	0	6	0	0	0	0	2	2	8
TUN - Egy Cons Dem.(87)	Ferrouki					0	8	0	0	0	2	0	0	0	0	0	0	8	10	10
TUN - Mining TA (84)	Ferrouki					0	6	0	0	0	0	0	9	0	0	0	0	6	6	15
MOR - Power Subs.	Hamilton					10	0	3	0	0	0	0	0	0	0	0	0	13	13	13
MOR - Petr Expl.	tbd					0	2	0	4	0	0	0	6	0	0	0	0	6	6	12
MOR - Jerada Coal	tbd					0	0	0	2	0	0	0	10	0	0	0	0	2	2	12
MOR - Power Subs.	tbd					0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Sub-Total Energy

						10	18	5	8	0	2	0	33	0	0	0	0	41	43	76
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TOTAL SUPERVISION

23	6	25	11	5	10	18	5	8	6	32	9	33	3	3	8	0	117	149	205
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PCRs

Industry:

TUN- Ind 4 Foundry	tbd	0	2	0	0	0				0	0	0	8	0	0	0	0	2	2	10
TUN-ITPAL	tbd	0	0	0	0	0				0	0	0	0	0	0	0	0	0	0	0
MOR-CIH IV	tbd	0	0	0	0	0				0	0	0	0	0	0	0	0	0	0	0
MOR-BNDB IX	tbd	0	0	0	0	0				0	0	0	0	0	0	0	0	0	0	0
MOR-SSI 2	tbd	0	0	0	0	0				0	0	0	0	0	0	0	0	0	0	0

Sub-Total Ind.

0	2	0	0	0						0	0	0	8	0	0	0	0	2	2	10
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TUN - Power IV	tbd					0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TUN - Egy Cons./Demon	tbd					0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TUN - Mining TA	tbd					0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TUN - 2nd.Nat.Gas.Pipe	tbd					0	6	0	4	0	0	0	10	0	0	0	0	10	10	20
MOR - Oil Shale Egy.	Barbu					0	0	0	1	0	0	0	0	0	0	0	0	1	1	1
MOR - Small Sc. mining	tbd					0	0	0	2	0	0	0	6	0	0	0	0	2	2	8

Sub-Total Energy

						0	6	0	7	0	0	0	16	0	0	0	0	13	13	29
--	--	--	--	--	--	---	---	---	---	---	---	---	----	---	---	---	---	----	----	----

TOTAL PCR's

0	2	0	0	0	0	6	0	7	0	0	0	24	0	0	0	0	15	15	39
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SUPPORT TO CD

Industry:

MOR-SAL	Basterra	0	0	1	0	0					0	4	0	0	0	0	0	0	1	5	5
MOR-CBM	Indecl	0	0	0	0	0					0	8	0	0	0	0	0	0	0	8	8
MOR-Trade Lib.	Basterra	0	0	0	0	0					0	3	0	0	0	0	0	0	0	3	3
MOR-Invest. Review	Indecl	0	0	1	0	0					0	0	0	0	0	0	0	0	1	1	1
ALG-CBM	Indecl	1	4	0	1	0					0	6	0	0	0	0	0	0	6	12	12
ALG-Fin. Sect. Rev.	Coudol	0	0	0	3	0					0	0	0	0	0	0	0	0	3	3	3
TUN-SAL	Indecl	0	2	0	0	0					0	3	0	0	0	0	0	0	2	5	5
TUN-CBM	Indecl	0	6	0	0	0					0	0	0	0	0	0	0	0	6	6	6
TUN-Plan Review	Indecl	0	2	0	0	0					0	0	0	0	0	0	0	0	2	2	2
Sub-Total Ind.		1	14	2	4	0					0	24	0	0	0	0	0	0	21	45	45
Energy:																					
Sub-Total Energy																			0	0	0
TOTAL SUPPORT		1	14	2	4	0	0	0	0	0	0	24	0	0	0	0	0	0	21	45	45
GRAND TOTAL I. & E.		42	42	42	42	29	41	41	41	41	25	***	45	121	16	28	21	10	386	538	779

MAGHREB

INDUSTRY & ENERGY DIVISION

Staffing Requirements by Description (SW)

	Own HL	Cons	T&F	TD I&E	Infra	Other CD	PPR
Industry/Trade Economist	41	24	25	-		28	4
Public Enterprise Specialist	30	20	15	-		8	-
IDF Op. Officers/Fin. Sec. Spec.	123	35	5	-			6
Energy Economist/Planners	82	10	-	10			
Energy Fin. Analysts	41	-	-	20			
Operations Assistant	25	-	-	-			
Petr. Engineers	-	10	-	21			
Mining Engineers	-	10	-	25			
Ind. Subsector Spec.	-	25	-	30			
Electric Power Engineers	41	5	-	15			
Transport. Spec.					16	13	
<u>Total</u>	<u>383</u>	<u>139</u>	<u>45</u>	<u>121</u>	<u>16</u>	<u>49</u>	<u>10</u>

06/25/87

* Note: This table produced manually.

Biographical Notes on Masood Ahmed.

Masood Ahmed, a Pakistani national, joined the Bank in 1979 through the Young Professionals Program. His initial assignments were as an economist in the East Africa Projects Department and the Urban Department of CPS. In 1980 Mr. Ahmed transferred to the Energy Department where he participated in a variety of tasks in the areas of sector policy and country operational support. He was promoted to senior economist in 1983 and to Deputy Division Chief later in that year. In January 1987 he transferred to the EMENA region as Deputy Chief of the Industrial Development and Finance Division.

OFFICE MEMORANDUM

DATE: June 26, 1987
TO: Mr. H. Groen, PMDPL
FROM: Robert A. Saunders, Acting Director, EGY
EXT: 72271
SUBJECT: Regional Allocation of Messrs. A. Ferroukhi and A. Barbu

Attached please find copies of two memoranda from Messrs. Churchill and Iskander requesting the placement of Messrs. Ferroukhi and Barbu respectively on the EMENA staff roster for Round 1 of the Staff Selection Process. On behalf of the Energy Department I would like to confirm that Messrs. Ferroukhi and Barbu should be retained on the EMENA roster.

Attachments

cc: Messrs. A. Churchill (EGY) (o/r), J. Dyck (PMDSG)

MAhmed/hph

THE WORLD BANK INTERNATIONAL FINANCE CORPORATION

OFFICE MEMORANDUM

DATE June 10, 1987

TO Mr. H. James Dyck, EMENA

FROM Anthony Churchill, Director, PPR-IND & EGY

EXTENSION 72110

SUBJECT Reassignment of Abderrezzak Ferroukhi to the EMENA Energy Pool

Subsequent to my memo of May 22 allocating Energy staff to regional pools, Mr. Ferroukhi has expressed a strong interest in working in the EMENA Region. I would, therefore, appreciate your including his name on the list of Energy Department staff to be allocated to the EMENA Region.

cc: Messrs. A. Ferroukhi (EGYPA)
H. Groen (PMD)



Record Removal Notice

File Title Masood Ahmed - Chronological File - January to December 1987		Barcode No. 30450195		
Document Date June 18, 1987	Document Type Memorandum			
Correspondents / Participants To: Mr. H. Groen, PMDPL From: Magdi R. Iskander, Chief, EGYD2				
Subject / Title EGYD2 Staff Allocations				
Exception(s) Personal Information				
Additional Comments		<p>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.</p> <table border="1"><tr><td>Withdrawn by Shiri Alon</td><td>Date November 14, 2022</td></tr></table>	Withdrawn by Shiri Alon	Date November 14, 2022
Withdrawn by Shiri Alon	Date November 14, 2022			

OFFICE MEMORANDUM

DATE: June 24, 1987

TO: Mr. James Edmonds, GSDPK

FROM: Mr. Masood Ahmed, Division Chief, Industry & Energy
Division, CDII

EXT: 3-2206

SUBJECT: Request for parking space in the H-Building

As I have been appointed Division Chief of the Industry and Energy Division of the Maghreb Countries, I would like to request parking space in the H-Building from July 1, 1987. I understand there is currently a shortage of spaces in the H-Building, but I presume that this position will be improved as a result of the transferring of staff working on South Asia to the I-Building.

In the meantime, I will continue to park in the Bank leased space in the G-Building.

Please let me know as soon as a space in the H-Building becomes available.

chmn

To. Mr Kemal Dervis, CD, Maghreb.
From. Masood Ahmed.
Subject: Maghreb Industry and Energy Division -
Staffing Requirements and Organization.

Attached please find an expanded staffing proposal for the division which specifies the proposed breakdown of staff use by task in FY88. The tables also show the task specific and aggregate demands that the division is likely to place on the Trade and Finance, Energy and Industry, and Infrastructure Divisions of the TD; on other divisions within the Maghreb CD; and on PPR. These tables are based on the agreed CAM allocations both in the aggregate and for each task. In the light of our discussion this morning, these numbers will have to change both in the aggregate and in terms of tasks to accomodate the reduction in resources. Specifically, I would expect that:

(i) some of the tasks currently in the work program would be deferred to FY89, both to reduce the total for FY88 and to allow for some re-programming so that we can focus clearly on the key priorities and ensure that these are not under budgeted.

(ii) the resources allocated to the TD would be increased, particularly for the Trade and Finance Division which may be asked to provide the task leader or deputy for the Morocco Industrial Sector Loan which was previously scheduled to be managed by the now axed second industry economist.

(iii) the consultant budget would also be higher to take on part of the load currently assigned to the second industry economist.

Notwithstanding these factors, the attached table provides a useful basis for initiating the discussion on the division's work program priorities and staffing in the coming year. In terms of the work program, as I see it the principal objectives of the division during FY88 will be the following:

(i) to complete the preparation of three projects scheduled for FY88 Board approval. All three of these projects are well advanced with one (Tunisia SSI II) due to be negotiated in July, and the other two (Algeria Power III and Morocco Power Subsector Loan) at the appraisal stage.

(ii) to develop a clear operational assistance strategy in both the energy and industry sectors for the three countries and to use this as a basis for building an operational pipeline, which is woefully thin at the moment beyond FY89. There is no reason why we should not be able to develop a sustainable program of at least five projects a year - one each in energy and industry for Morocco and Algeria, and one in either of the two sectors in Tunisia. However, to achieve this will require the reallocation of resources to lending

development and away from other less essential tasks (perhaps some ESW tasks or a reduction in supervision).

(iii) to ensure that the supervision effort is focussed on a few key areas and issues (such as for example, working closely with BDET in Tunisia to help develop its restructuring plan); essentially this means setting specific objectives as to what we hope to achieve through our supervision effort in any particular year in much the same way that we would set objectives for any other task. It also means recognizing that we may have to let some implementation issues slip until next year.

In terms of staffing, the general principles followed are as outlined in my earlier note: first, to ensure that there is a basic coverage of each subsector in the division's own staff to provide a focal point for strategy formulation and program management; and second, to then use staff and task managers interchangeably between the TD and the CD so as to maximize the effectiveness of the interchange and to get the best person for the job. In specific terms this translates into a divisional staff composition as shown in the attached organogram, with the exception that one of the industrial economist or IDF operations officer positions will need to be removed to reflect this morning's cuts. You will note that I propose to use the administrative assistant position to recruit a procurement assistant; this person would provide the focal point in the division for ensuring that the correct procurement procedures are being followed, although he would obviously have to rely on the technical staff both within the division and the TD for the technical review of bid documents and other procurement matters. The operational assistant position would be filled by someone who would divide their time between the management of the division's budget and CAM submissions on the one hand and supporting the project officers on project processing, loan documentation and other related matters. During the course of the year I also propose to recruit a couple of junior economists on consultant contracts to support the more senior staff in both strategy work and in project preparation/processing; in my previous division I found this to be both cost effective and motivation enhancing for both groups of staff. Finally, regarding the recruitment of support staff, my plan is to recruit a high proportion of staff assistants for the division because the nature of the new organization will require a disproportionate share of the administrative burden to fall in the sector divisions and I would like as much of this as possible to be handled by the staff assistants. To facilitate this, it may be useful to recruit one full time word processor to handle the major typing load and also to provide most of the higher level staff with a PC so that the first drafts are already in typed form.

I would be glad to discuss these proposals with you further at your convenience.

[illegible]

TOTAL SUPERVISION		26	0	24	11	5	6	39	9	6	3	3	8	0	111	140
PCBs																
TUN- Ind 4 Foundry	tbd						2			3					2	10
UN-ITPAL	tbi														0	0
RE-CIH IX	tbd														0	0
RE-ONDS IX	tbd														0	0
MINOR-SSI 2	tbd														0	0
TOTAL PCBs		0	0	0	0	0	2	0	0	3	0	0	0	0	2	10
SUPPORT TO CD																
MINOR-SAL	Basterra		4	1											5	5
MINOR-CEM	Indecl		3												3	3
MINOR-Trade Lib.	Basterra							3							3	3
MINOR-Invest. Review	Indecl		1												1	1
ALG-CEM	Sawaya				1		5	6							12	12
ALG-Fin. Sect. Rev.	Condol				3										3	3
TUN-SAL	Sawaya						2	3							5	5
TUN-CEM	Sawaya						3	14							20	20
TUN-Plan Review	Sawaya						2								2	2
TOTAL SUPPORT		0	13	1	4	0	15	26	0	0	0	0	0	0	59	59
GRAND TOTAL INDUSTRY		39	33	40	42	28	48	131	47	45	16	28	27	4	361	528

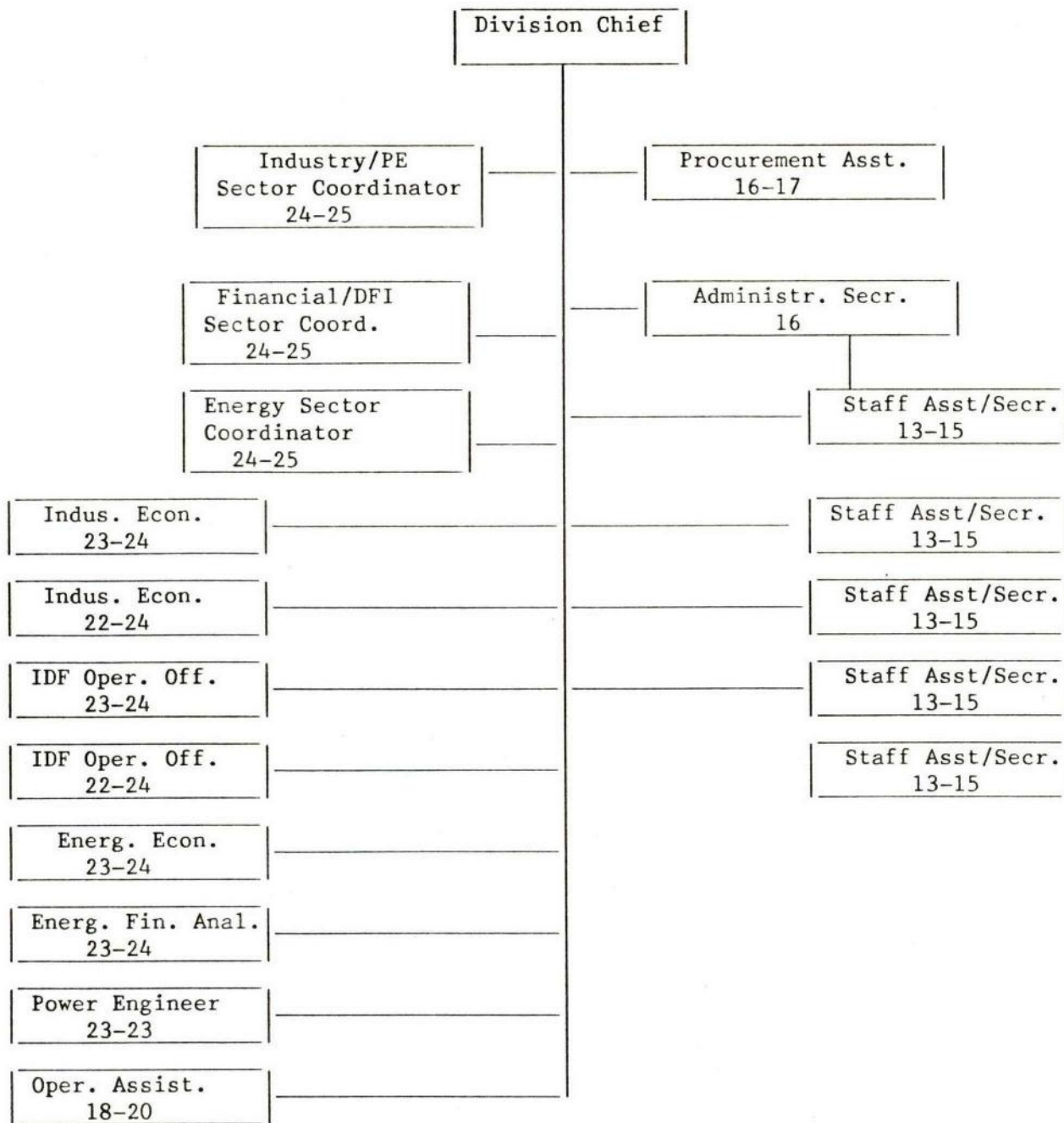
[illegible]

TUN - Mining TA	tbd																
TUN - 2nd.Nat.Gas.Pipe	tbd		6	4				46							6	16	
MOE - Oil Shale Egy.	Hamilton	1	+	+											21	+	
MOE - Small Sc. mining	tbd	2						1							2	8	
TOTAL FCRs		3	7	0	1	0	0	0	16	0	0	0	0	0	11	23	
GRAND TOTAL ENERGY		40	41	52	35	0	0	42	114	0	0	14	6	6	216	344	

MAGHREB

INDUSTRY & ENERGY DIVISION

Proposed Staffing and Organization



Positions

18-25 Level	11
16-17 Level	2
13-15 Level	5
Total	18

Carman: for your files

Mr. Kemal Dervis.

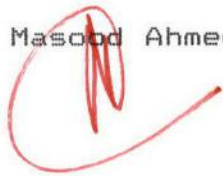
Re. Istanbul Financial Seminar.

Kemal:

You recall our conversation on participation in this seminar by someone representing the Maghreb CD. Since then I have discussed this with Paula who would prefer not to go as the dates clash with her brother's wedding. I propose that Jacques Coudol, who was scheduled to participate anyway and who knows all the country representatives well, represent us at the meeting. Regardless of whether he ends up in the TD or in the CD, the likelihood of his continuing to work on some of these matters is high, and since he is in many ways the institutional memory on the region's DFI work, we will need to ensure an effective transition of this experience and accumulated knowledge.

Please let me know if you foresee any problems with the proposed approach; otherwise I will ask Jacques to make the necessary travel arrangements. Thanks.

Masood Ahmed

 6/15.



Mr. Ahmed

See with me

[Signature]

Mr. Kemal Dervis.

Maghreb-Industry and Energy Division
Revised Work Program and Staffing.

Kemal:

The attached tables provide a revised estimate of the work program and staffing requirements for the division in FY88. These tables are structured as follows:

-Table 1 is a summary table showing the breakdown of work in different categories (i.e. ESW, Lending, etc) among the division's own staff, consultants, the various TD support divisions, other Maghreb CD units, and PPR.

-Table 2 is a summary table showing the breakdown of resource requirements by discipline (i.e. industry economists, power engineers, etc) as allocated among the division's own staff, consultants, the various TD divisions, and the other units providing support to the division's work.

-Table 3 is a detailed table showing the breakdown of resource requirements for each task managed by the division among the division's own staff, consultants, and the same set of other supporting units as for the above tables.

A more detailed back-up table, which is not attached but which I would be happy to give you a copy of if you are interested, further subdivides the aggregate total for "staff" for each task in table 3 among the ten proposed individual higher level staff to be recruited for the division.

Also attached is a revised staffing profile for the division, which, I understand from the meeting of sector division chiefs we had today with Jim Dyck, needs to be provided by all the CD's by the end of this week.

The numbers presented in the attached tables have been revised to reflect the proposed reduction of about 8% in the CAM. The specific changes for the division, which have been discussed with Jed this morning, are:

ESW

MOR-Industrial Energy Rationalization	-10 to 0
MOR-Capital Markets Study	-10 to 35
ALG-Power/Gas Subsector Review	-10 to 0
TUN-Ind.Pol/CEM (division's support)	-14 to 6

LEN

ALG-Telecom	-10 to 0
MOR-LDV (energy)	+10 to 10

SUP

TUN-IDF Projects	-10 to 22
<u>TOTAL</u>	-54 to 779

Two further points are worth mentioning. First, the allocation of resources across tasks and among staff working on individual tasks will obviously change further as the staffing and work programming gets firmer in the coming weeks; nevertheless, the aggregate figures and the total demand on the various TD units by the division are both likely to remain largely as shown in the attachments. These tables can thus usefully serve as a basis for discussion with the TD on staff needs and task sharing. The second point relates to the coefficients used for staff. For all staff I have used the agreed figure of 41SW as the net availability for the year, but there are two exceptions. One is for the operational assistant where I have allowed for an input of 25 SW into operational work on the grounds that the balance of her time will be spent on budgeting and administration and will therefore be categorized under the MIA allocation. The second is for one of the higher level staff who will be taking maternity leave during the year and will therefore be available for only 30 weeks in FY88.

Please call if you have any queries.

Masood Ahmed

cc. Maghreb CD Management Group.

NOTE
MAGREB-Industry and Energy Division
Staffing Requirements

The attached table summarizes the staffing requirements and sources for the execution of the industry and energy work program for the Magreb region. These requirements have been derived as follows: First, for each of the tasks included in the CAM for FY88-89, the total allocated resources have been broken down into the various specialties by discipline (i.e., economists, power engineers, IDF operations officer etc.). Then the requirements for each type of staff have been aggregated to provide an estimate of the total needs for each type of staff to carry out the proposed work program. The resulting aggregates have subsequently been allocated amongst the Division's own higher level staff, staff time to be drawn from the Technical Department, staff time drawn from other units within the CD, from PPR, and from the recruitment of short term consultants. In making this allocation, we have applied a number of basic principles for each category of work which are set out below. However, we should note that these numbers are still preliminary and will no doubt change as the individual tasks are defined further and as the final allocation of specific staff involved in the execution of ongoing tasks becomes clearer.

A first general principle in allocating resources is minimum critical mass. There are certain specialized disciplines where the division's requirements would not justify the recruitment of a full time person and the optimal strategy would be to draw upon these skills from the TD or through consultants. In the case of industry and energy, this comprises the areas of petroleum sector expertise, mining engineers, industrial engineers and industrial sub-sector experts; in all these cases we would propose to draw entirely on the TD and other outside sources for the division's limited needs.

A second principle is that the division should have at least one in-house person for each of its major areas of focus (finance, industrial analysis, electric power, energy sector analysis, DFI work etc.). As the "sector coordinator" this person would provide an overall focal point for the division's work in this area and play a primary role in the formulation of our operational strategies for this type of work in each country. In theory the application of this principle could run into the minimum critical mass issue, but in practice there is enough work planned in each of these areas to justify the recruitment of in house staff.

Specific points relating to the various categories of work are as follows:

ESW. The bulk of the division's proposed sector work program is aimed at addressing issues of operational strategy and should link closely with the identification of subsequent lending operations. Thus, in this area I would expect the division's own staff to carry out a large share of the work (about 60 to 70%) and to provide task leadership for almost all of the tasks (as many as 90%). However, in some specialized cases, such as the preparation of an industrial

subsector review, it is quite possible that both the task management responsibility and the bulk of the staffing would come from the TD with a limited participation by the staff of the Division and/or other CD units.

Lending. The situation with regard to lending varies by subsector and by type of project. For major policy based lending (eg. the proposed industrial sector loan in Morocco) or for complex operations involving major coordination issues in both the country and in the Bank (eg. the proposed Tunisia PERL), I would expect the operation to be managed by senior divisional staff with inputs from other staff in the CD or TD as necessary. For, other types of projects I expect that the task management responsibility will fall where the most suitable person happens to be located. Moreover, in the case of specialized subsectors, such as telecoms or natural gas, I would generally expect the task manager and the bulk of the resources to come from the TD. On average, I expect that about 60-70% of the lending work will be managed by divisional staff and that about half of the resources for this type of work will come from within the division.

Supervision. As regards supervision, the subsector and project type distinctions will continue to apply, but an additional factor is the need to ensure some degree of continuity throughout the project cycle. Thus, I would propose that the responsibilities for supervision be allocated to the task manager or some other appropriate staff involved in the earlier stages of project preparation and appraisal without worrying too much about whether this person happens to be in the CD or the TD. What is more important is that the staffmember responsible for supervising a particular project should see this as a long term commitment and not as a one-off operation. In terms of subsectors, there is a considerable amount of supervision planned in the petroleum and mining areas and for IND projects under implementation; this work would necessarily be carried out by task managers and staff from the TD where the expertise would be located. On average I would expect that about 40% of the task leaders and 30-35% of the resources for supervision would come from within the division with the balance coming from the TD or consultants.

A sub-issue of supervision is procurement. Given the diversity of projects under supervision by the division, it is not obvious that the optimal solution is to have an in-house procurement specialist. In the case of electric power projects, the proposed power engineer would provide the first point of call for procurement matters with the regional procurement advisory unit providing guidance and back up. In the case of IDF operations, the division's own staff would again provide first line responsibility with regional back up. However, in the case of petroleum, mining and other direct lending for industry the necessary expertise would lie in the TD and the first line responsibility for procurement would come from the TD staff assigned as task managers for supervision of these projects. Given the importance of ensuring the careful handling of procurement, I would propose that this point be discussed further with the relevant staff in the region.

In summary, of the total FY88 requirements of about 21 SY, I would propose that just over half be provided by 12 HL staff within the division and the balance be obtained from staff in the TD, other Bank units and from consultants in the manner shown in the attached table. Finally it is important to note the substantial increase that is implied in the division's work program and staffing requirements for FY89. Even allowing for some reduction in the share of the division's total work sourced from within, the CAM numbers imply that four additional staff would have to be recruited before the start of FY89. To ensure that we are able to attract the best available staff to fill these vacancies, I would ask for some flexibility in being able to recruit them during the course of FY88 as and when they became available. The additional cost could be borne through a corresponding reduction in the division's consultant budget.

MAhmed/6.11.87.

EMENA
COUNTRY DEPARTMENT II
INDUSTRY & ENERGY

STAFF REQUIREMENTS

SPECIALITY	CD		TD		PPR		CONS		TOTAL	
	88	89	88	89	88	89	88	89	88	89
Energy Econ/Planners	2.0	3.0	0.2	1.0	0.1	0.2	0.5	0.5	2.9	4.7
EGY Fin. Analysts	1.0	1.0	0.5	0.6				0.3	1.5	1.9
Power Engineers	1.0	2.0	0.5	0.4			0.2	0.2	1.7	2.6
Petroleum Spec.		1.0	0.6	0.3			0.1		0.7	1.3
Mining Engineers			0.6	0.5			0.3		0.9	0.5
Industrial Econ./FA	3.0	4.0	1.3	1.7	0.4	0.4	0.7	1.0	5.4	7.1
IDF Oper. Officers	3.0	3.0	0.2	0.4			0.2	0.4	3.4	3.8
Ind. Spec./Eng.			2.6	3.5			1.2	1.4	3.8	4.9
Operations Asst.	1.0	1.0							1.0	1.0
TOTAL	11.0	15.0	6.5	8.4	0.5	0.6	3.2	3.8	21.3	27.8

Footnotes: a/ All SW converted to SY on the basis of 41 SW/SY.

b/ Total Work Program based on CAM figures plus 1 SY of Oper. Assistant.

c/ Inter-unit support within CD assumed as follows:

- support of 0.8 SY from programs assumed equal to support by divisional staff to programs work, therefore, nets out.
- net support of about 0.5 SY from Infrastructure division allowed under figures for consultant requirements.

6/11/87

FORM NO. 75
(6-83)

THE WORLD BANK/IFC

ROUTING SLIP		DATE: June 9, 1987	
NAME		ROOM NO.	
Messrs. Reza Amin		F-509	
Vinay Bhargava		J-5-106	
Elkyn Chaparro		J-6-043	
Anil Sood		A-507	
cc: Mr. Segura			
APPROPRIATE DISPOSITION		NOTE AND RETURN	
APPROVAL		NOTE AND SEND ON	
CLEARANCE		PER OUR CONVERSATION	
COMMENT		PER YOUR REQUEST	
FOR ACTION		PREPARE REPLY	
INFORMATION		RECOMMENDATION	
INITIAL		SIGNATURE	
NOTE AND FILE		URGENT	
REMARKS: The attached briefing book on EMENA IDF operations was prepared for Mr. Bouhaouala and may also be of interest to you.			
FROM: Masood Ahmed		ROOM NO.:	EXTENSION:
		H-10-035	3-2206

chron.

Mr. Kemal Dervis.


Re. Istanbul Financial Seminar.

Kemal:

You recall our conversation on participation in this seminar by someone representing the Maghreb CD. Since then I have discussed this with Paula who would prefer not to go as the dates clash with her brother's wedding. I propose that Jacques Coudol, who was scheduled to participate anyway and who knows all the country representatives well, represent us at the meeting. Regardless of whether he ends up in the TD or in the CD, the likelihood of his continuing to work on some of these matters is high, and since he is in many ways the institutional memory on the region's DFI work, we will need to ensure an effective transition of this experience and accumulated knowledge.

Please let me know if you foresee any problems with the proposed approach; otherwise I will ask Jacques to make the necessary travel arrangements. Thanks.

Masoud Ahmed



6/15.

WDIAL
.EMPID
OINFO

-SUBJECT: POLAND MISSION TRAVEL
-DRAFTED BY: MAHMED/JB EXT: 32206
-AUTHORIZED BY: MASOOD AHMED, DEPUTY CHIEF, EMPID
-0201/67

867 814704 =
-MR. MARIO REYES VIDAL, WORLD BANK STAFF, ROOM 706
-VICTORIA INTERCONTINENTAL HOTEL
-WARSAW, POLAND

BT
WASHINGTON DC MAY 28 1987
JUST TO REMIND YOU THAT INBUCON ARE EXPECTING TO MEET WITH JULIO
AND YOU FOR LUNCH AT 1245 MONDAY 1ST JUNE AT THEIR OFFICES AT 197
KNIGHTSBRIDGE, LONDON SW7. TELEPHONE: 01-584 6171. THE TWO
PERSONS WHO WILL BE THERE ARE DAVID ST. JOHN WALLIS AND ROY VERNON
WHO IS DIRECTOR OF INBUCON MARKETING AND RESEARCH. VERNON'S OFFICE
CAN BE REACHED AT TELEPHONE 01-998 1655. I SUGGEST JULIO AND
YOURSELF MEET WITH THEM AND EXTEND APOLOGIES ON MY BEHALF.

REGARDS. MASOOD, INTBAFRAD, WORLD BANK

Mr. Montfort D629.

Bernard / Robin

I believe that Mr. Baig's cv. already exists in E4781 files, but he came to see me recently + reiterated his interest in being considered for consultancy work in ESMAP.

A copy of his updated cv. is attached.

Mauro

May 13, 1987

Ken:

Further to our conversation last night, I would be grateful if you could ask one of your staff to input the following numbers for two EMPID proposed ESW tasks into the MIS.

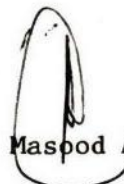
- (i) FY88 - Regional Study of Export Market Constraints
(Informal Yellow Cover)

Total SW	20
FY88 SW	20 - of which EMPID 15
	EMPA3 5

- (ii) FY90 - Regional Study: Comparative Analysis of CPE
Industrial Reform (Informal Yellow Cover)

Total SW	30
FY88	0
FY89	0
FY90	30 - of which EMPID 20
	EM1 10

Many thanks.


Masood Ahmed

cc: Mr. Coudol
Ms. Chin

FORM NO. 75
(6-83)

THE WORLD BANK/IFC

ROUTING SLIP		DATE: May 14, 1987	
NAME		ROOM NO.	
Messrs. Dervis			
Liebenthal			
<input type="checkbox"/> APPROPRIATE DISPOSITION		<input type="checkbox"/> NOTE AND RETURN	
<input type="checkbox"/> APPROVAL		<input type="checkbox"/> NOTE AND SEND ON	
<input type="checkbox"/> CLEARANCE		<input type="checkbox"/> PER OUR CONVERSATION	
<input checked="" type="checkbox"/> COMMENT		<input type="checkbox"/> PER YOUR REQUEST	
<input type="checkbox"/> FOR ACTION		<input type="checkbox"/> PREPARE REPLY	
<input type="checkbox"/> INFORMATION		<input type="checkbox"/> RECOMMENDATION	
<input type="checkbox"/> INITIAL		<input type="checkbox"/> SIGNATURE	
<input type="checkbox"/> NOTE AND FILE		<input type="checkbox"/> URGENT	
REMARKS: Can we discuss the attached note at your convenience?			
FROM: Masood Ahmed		ROOM NO.: H-10-035	EXTENSION: 3-2206

EMENA
INDUSTRIAL DEVELOPMENT & FINANCE DIVISION
PROPOSED SEMINAR ON INDUSTRIAL COMPETITIVENESS
TASK BRIEF

Objective

The objective of the proposed seminar is to enable EMPID staff to learn how to apply two widely used measures of industrial competitiveness analysis, viz, Total Factor Productivity (TFP) Analysis and Domestic Resource Cost (DRC) Analysis. It is expected that at the end of the seminar, the majority of the staff in the division will be sufficiently at ease with the relevant concepts, methodology and data gathering and interpretation to be able to design TFP and DRC studies at the country level, albeit with some guidance from experts within and outside the Bank. They should also be able to review and comment knowledgeably upon such studies if asked to do so by our borrowers or in the context of regular operational work.

Rationale

TFP & DRC measures are used increasingly in the analysis of industrial competitiveness at the enterprise, subsector or sector level. The use of these measures provides a more rigorous underpinning for the policy advice that our staff are called upon to provide in the context of both sector and lending work. Although most of the staff in the division are aware of the importance of these analytical techniques, few have had an opportunity to become as familiar with their use as they need to be given the increasing

EMENA - FY88 Work Program & Budget

ESW Task Brief

<u>Country:</u>	Regional	<u>Task:</u>	Study on Feasibility of export promotion strategies
<u>Sector:</u>	Trade Policy	<u>Year of Completion:</u>	FY88
<u>Managing Division:</u>	EMPID	<u>Total Staffweeks:</u>	20
<u>Task Manager:</u>	M. Klein		
<u>Type of Report:</u>	Informal		

Objectives and Relation to Country Strategy:

A key feature of the policy advice that the Bank has been providing to our borrowers in the Region is that a move towards an outward oriented and export promoting trade strategy is the most promising option for sustained growth. This advice has been underpinned by a considerable amount of analytical and empirical work at the country level, as well as by cross country research of a more theoretical nature. However, doubts continue to be raised by some policy makers within these countries and by international observers as to the long term sustainability of export promoting strategies in the EMENA countries. These doubts reflect two separate sets of concerns:

- first, concerns about market saturation in the importing countries; even recognizing that the aggregate exports from Emena borrowers may not account for a substantial share of regional trade, the argument is that at the disaggregated product or market level saturation, may be a binding constraint, especially because many of these countries are planning to expand the exports of similar products to essentially the same markets;
- second, concerns about the fact that the primary market for the exports of Emena borrowers is the EEC, where a complex system of tariffs and other trade barriers may limit export expansion even if market penetration is not a relevant constraint.

Recent research and the experience of many successful developing country exporters suggest that generalized export pessimism is probably unfounded. However it is difficult to reject these doubts categorically because the situation for individual Emena countries and for individual products exported from these countries may indeed be subject to these

limitations. The question is whether, and how best, some work could be organized to provide a better substantiated overview of these issues at the regional level. A number of methodological issues need to be addressed in designing such work. First, the concept of "market saturation" is itself far from clear when the expanded exports would in many cases be substituting for competing imports from other countries outside the region; in such cases, the relevant issue becomes one of competitiveness rather than saturation. Second, it is important to remember that any export activity will come about through the actions of individual exporting enterprises successfully seeking buyers who wish to import their specific products; any aggregate judgements about export prospects may well be at odds with the experience of individual firms operating within this framework and this experience will likely vary from firm to firm. Third, as regards the issue of barriers in the importing country, while it is true that the EEC has some overall policies, the application of these policies varies both by importer and exporter and any generalized observations will necessarily be subject to a variety of caveats.

Notwithstanding these points, it is the case that our confidence in the robustness of our advice at the country level would benefit from a better understanding of the pattern of regional trade flows and of the institutional and trade policy system for exports from the principal EMEA borrowers to the EEC and other major markets. Such analysis would also help us to identify those particular aspects of the EEC's import regulations which, if altered, would bring about substantial benefits to our borrowers. Finally, the collation and synthesis of the material gathered for this study could serve as a starting point for defining the institutional arrangements within the Bank to monitor and report on significant changes in this area on a more permanent basis.

Assuming that the general objectives of the proposed work are accepted, the next step would be to discuss and define how it could best be carried out. A general premise would be to draw extensively on the country level work that has already been done and to minimize fresh data gathering through field visits. It would also make use of the data base of GATT/ITC and other agencies as well as other departments in the Bank (CPD, EPD, DRD). Finally, there is the possibility of collaborating with the UNDP, with whom there has been some discussion of joint work on this subject but where internal UNDP reasons may limit the scope of this work to only the European countries in the region. Pending these discussions, the proposal is that at this stage an allocation of some 20 SW be made for the study of these issues during FY88, but that a final resolution of the modus operandi for the study and the responsibility for its execution be deferred until the first quarter of the fiscal year. By that time the post reorganization staffing and resource availability position will also become clearer.

EMENA - FY88 Work Program & BudgetESW Task Brief

Country: Regional Task: Study on Export Promoting Trade Strategies

Sector: Trade Policy Year of Completion: FY88

Managing Division: EMPID Total Staffweeks: 20 SW (of which 20 SW in FY88)

Task Manager: M. Klein

Type of Report: Informal (Yellow)

Objectives and Relation to Country Strategy:

The study would address doubts raised about the long terms sustainability of export promoting strategies in EMENA countries. These doubts are of two types:

- (a) doubts about existence of sufficient import markets. ("if all LDCs export, who is going to import"?)
- (b) fears of rising protectionism ("how are we to conquer markets for key export products (agro-industry and textiles) when faced with European Community trade barriers and the Multifibre Agreement"?)

Recent research, much of which was sponsored by the Bank has cast doubt on such export scepticism (see Bhagwati 1986). The proposed study would assemble and analyze relevant evidence as it concerns EMENA countries.

Links to Other Studies

The study could complement the first phase of a regional UNDP project on Marketing and Export Promotion for European countries for which the Bank would be executing agency. It would draw on existing Bank studies of trade policy in the countries concerned and would fill only a few crucial gaps through original research in close consultation with the country departments concerned.

Government Commitment/Involvement

The study would be conducted in Washington possibly with a mission to the European Community.

Primary Client and Methods of Dissemination

The study would be disseminated inside the bank. As a discussion paper, it could be made available to interested Governments.

OFFICE MEMORANDUM

DATE: May 12, 1987

TO: Mr. Robert Liebenthal, Senior Economist, EMPDR

FROM: Edilberto L. Segura, Division Chief, EMPID

EXTENSION: 3-3047

SUBJECT: FY88-90 ESW Proposals

1. Attached please find the ESW proposals for EMPID-managed tasks to be carried out in FY88-90. These proposals have been discussed with the CAMs as part of the division's overall submission on work program and resource requirements. Also attached are task briefs for the ESW tasks on which work will be initiated in FY88.
2. As anticipated, the proposed program envisages an increase over historical levels in the division's ESW program. This partly reflects the increased demand for industrial and financial sector work by the CAMs as part of their overall priorities. Moreover, it is also feasible because the division's capacity to implement sector work has been enhanced through the recruitment and training efforts carried out over FY86-87.
3. In terms of focus and composition we have attempted to respond to the priorities set out for ESW in the regional guidelines of April 13, 1987. To this end, the importance of reforming industrial incentive, regulatory and trade policies for many of our borrowers is reflected in the emphasis accorded to these issues in our own proposed work program: such work is proposed in Morocco, Egypt, Poland, Turkey, Hungary, Yugoslavia and YAR. In virtually all these countries, industrial and trade policy is closely interlinked with programs of sectoral and macroeconomic reform that the Bank is supporting through SALs or other lending operations. The second focus of our ESW program is the analysis of financial sector issues, which will contribute to more efficient resource mobilization and intermediation and stimulate the competitiveness of the Banking system; such work is planned in Algeria, Egypt, Morocco, Poland, Tunisia, Turkey, and Yugoslavia. Finally, the proposed work on public enterprises and industrial restructuring will lay the basis for programs to enhance the competitiveness of this sector through rationalization and divestitures to the private sector. We plan to examine these issues in Morocco, Poland, and Tunisia.
4. We have also proposed two regional studies. The first, to be carried out in FY88, will examine the extent to which trade barriers and market saturation are becoming real constraints for the export promotion strategies

we are recommending at the country level to most of our borrowers; this study will thus seek to address doubts that have been raised both within the countries and in the Bank about the feasibility of our recommended strategy. The second study, proposed for FY90, will be a comparative analysis of the progress and difficulties experienced in industrial sector reform in the CPE countries; this study will synthesize the results of country level work on Hungary, Poland, and Yugoslavia that is programmed for FY88-90.

5. In regard to the quality and efficiency of ESW, we have taken note of the points made in para. 21 of the regional guidelines in the design of the proposed program. Notably, we propose to take the following steps in implementing the FY88-90 program:


- the share of informal reports in the program has been increased to half the total in each year; we also plan to restrict the absolute number of formal reports to about four per year.
- all reports processed by this division to yellow cover (formal or informal) will have executive summaries and an agenda for subsequent action.
- we will discuss explicitly the objectives and scope of all proposed ESW tasks with counterpart officials prior to the launching of the main mission; whenever possible this will be based upon a draft task brief or pre-mission issues paper;
- we will attempt to reduce the post mission production time for all yellow cover reports to less than twelve weeks.
- we intend to make full use of opportunities to link ESW with complementary work financed from other sources (project financed studies in the case of Poland and Hungary, UNDP in the case of the proposed regional study on export market constraints);
- we have asked for a "realistic" allocation of SWO to carry out small unprogrammed tasks and for the adequate preparation of larger ESW tasks;

With these measures, we expect that the quality, relevance and timeliness of our ESW work will improve further over the next year. We would be happy to meet with you to discuss any comments or questions you might have on the above.

Attachments

cc: Messrs. Rajagopalan, Zaidan, Jones, Ahmed, Coudol (EMP)
EMPID Staff

MAhmed/
0200L/87 88



EMPID
Summary FY88-90 ESW Program a/

Title and Type of Report b/	-----Staffweeks-----			
	FY88	FY89	FY90	TOTAL FY88-90
<u>FY88 Completions</u>				
Morocco: Enterprise Development Study (F/G)	20	-	-	20
Morocco: Capital Market Study (I/Y)	45	-	-	45
Tunisia: Public Enterprise Review (F/G)	25	-	-	25
Turkey: Regulatory Framework (I/Y) d/	40	-	-	40
Yugoslavia: Export Incentives Study (I/Y) d/	30	-	-	30
Yugoslavia: Study of Local Comp. Policies (I/Y) d/	30	-	-	30
Yugoslavia: Banking Development Study (I/Y) d/	20	-	-	20
Regional: Study of Export Market Constraints (I/Y)	20	-	-	20
<u>FY89 Completions</u>				
Egypt: Import Policy Review (F/G)	30	40	-	70
Morocco: PE Review II (F/G)	-	62	-	62
Poland: Industrial Incentives/ Regulatory Framework (F/G)	40	60	-	100
Poland: Design Review of Subsector Restructuring (I/Y)	35	35	-	70
Poland: Finan. Sector Strategy Paper (I/Y)	-	30	-	30
Turkey: Ind/Finance Issues (I/Y) d/	-	60	-	60
Yugoslavia: Ind/Finance Issues (I/Y) d/	-	100	-	100
<u>FY90 Completions</u>				
Algeria: Fin. Inst. Review (F/G)	-	-	70	70
Egypt: Fin. Sector Review (F/G)	-	15	55	70
Hungary: Trade Policy Review (F/G) c/	-	-	70	70
Hungary: Industrial Incentives Review (FY91 Comp.) (I/Y)	-	-	28	28
Poland: Ind. Sector Strategy Paper (I/Y)	-	-	15	15
Tunisia: Financial Restructuring (F/G)	-	-	60	60
Tunisia: PE Review (FY91/Comp.) (I/Y)	-	-	19	19
Turkey: Fin. Sector Review (F/G) d/	-	-	45	45
YAR: Ind. Sector Review (F/G)	-	-	50	50
Yugoslavia: Ind/Finance Issues (I/Y) d/	-	-	65	65
Regional: Comparative Analysis of CPE Reform (I/Y)	-	-	30	30
Total ESW requirements	<u>335</u>	<u>402</u>	<u>507</u>	<u>1,244</u>

- Notes: a/ Excludes SW0 and other tasks requiring less than 10 SW in FY88-90
b/ Type of report F/G: Formal (Gray Cover)
I/Y: Informal (Yellow Cover)
c/ This task is likely to be brought forward into FY89.
d/ Proposals for Turkey and Yugoslavia supercede May 11 computer input into the MIS; the MIS file will be updated to conform to this table as soon as the system is unfrozen.

EMENA - FY88 Work Program & Budget

ESW Task Brief

Country: Regional Task: Study on Export Promoting Trade Strategies

Sector: Trade Policy Year of Completion: FY88

Managing Division: EMPID Total Staffweeks: 20 SW (of which 20 SW in FY88)

Task Manager: M. Klein

Type of Report: Informal (Yellow)

Objectives and Relation to Country Strategy:

The study would address doubts raised about the long terms sustainability of export promoting strategies in EMENA countries. These doubts are of two types:

- (a) doubts about existence of sufficient import markets. ("if all LDCs export, who is going to import"?)
- (b) fears of rising protectionism ("how are we to conquer markets for key export products (agro-industry and textiles) when faced with European Community trade barriers and the Multifibre Agreement"?)

Recent research, much of which was sponsored by the Bank has cast doubt on such export scepticism (see Bhagwati 1986). The proposed study would assemble and analyze relevant evidence as it concerns EMENA countries.

Links to Other Studies

The study could complement the first phase of a regional UNDP project on Marketing and Export Promotion for European countries for which the Bank would be executing agency. It would draw on existing Bank studies of trade policy in the countries concerned and would fill only a few crucial gaps through original research in close consultation with the country departments concerned.

Government Commitment/Involvement

The study would be conducted in Washington possibly with a mission to the European Community.

Primary Client and Methods of Dissemination

The study would be disseminated inside the bank. As a discussion paper, it could be made available to interested Governments.

OFFICE MEMORANDUM

DATE: May 11, 1987

TO: Mr. Alberto J. Favilla, Division Chief, EMIEG

FROM: Edilberto L. Segura, Division Chief, EMPID

EXTENSION: 3-3047

SUBJECT: EGYPT - Import Policy Study

1. Attached please find the task brief for the ESW task that we propose to initiate in FY88.
2. We would be happy to meet with you to discuss any comments or queries you might have on the proposed work.

Attachment

cc: Messrs. Zaidan, Liebenthal, Ahmed, Coudol, Kanaan (EMP)
Mahmed/jb

EMENA - FY88 Work Program & Budget

ESW Task Brief

Country:	Egypt	Task Name:	Import Policy Study
Sector:	Trade Policy	Year of Completion:	FY89
Managing Division:	EMPID (156/50)	Total Staffweeks:	70 SW of which 30 SW in FY88
Task Manager:	Adil Kanaan (ext. 3-3064)	Type of Report:	Formal

Objective

The objective of the study is to deepen our understanding of the import regime (structure, policies and procedures) in Egypt. It would build on a number of existing studies in the areas of trade and industrial policy but would focus on a more in-depth analysis of the policy-related features of the trade regime (imports in particular) and their relationship to industrial growth.

Relationship to Country Assistance Strategy

The performance of the Egyptian economy has deteriorated rapidly in the past few years. Its short-term outlook is grim. A program of policy reforms is needed to restore it to a healthier growth path in the medium-term. The Bank is already engaged in a dialogue with the Government on an Economic Reform Program which the Bank would support, during its first phase, with three sector loans in agriculture, energy and industry. The IMF is also in the process of negotiating a Standby Agreement that is expected to include reform of the foreign exchange system. In the context of the dialogue on the Economic Reform Program and the preparatory work for the proposed sector loans (particularly that for industry), we have studied the trade regime to some extent. However, we still need to deepen our knowledge and analysis in anticipation of the ongoing dialogue in this area and the likelihood of follow-up operations.

Link to Other Studies

Under the trade component of the proposed First Industrial Sector Loan, a study is proposed of the customs tariff and consumption taxes structures with a view to achieving better coordination between them and to review the tariff system from the standpoint of protection. At the same time, Egypt may be included in the sample of countries whose trade regime would be reviewed under the UNDP-financed Bank-executed Trade Expansion Program (TEP) project. Should this materialize, it may be possible to subsume the study called for in the proposed loan under the TEP project. It may also mean that the scope of the proposed Import Policy Study be adjusted (most likely reduced) accordingly.

Government Commitment

During the pre-appraisal of the First Industrial Sector Loan, the government indicated that it would support a study of the tariff and consumption taxes structures as proposed in the mission's aide-memoire. More positive Government confirmation is currently being awaited. The possibility of including Egypt in the TEP project has not been raised with the Government. Once that is done and a decision made, we would be in a better position to decide on the best course of action to follow with the Government on the Import Policy Study.

Clients and Dissemination

The primary client for the study is the Government of Egypt, particularly the Ministries of Industry, Planning and Economy as well as the Central Bank. A discussion of the study with key officials from the concerned agencies will be the initial form of dissemination. Such discussions could be followed by seminars, if appropriate. The linkage to the other studies mentioned above will also be important in the dissemination process.

OFFICE MEMORANDUM

DATE: May 11, 1987

TO: Mr. John D. Shilling, Division Chief, EM2B

FROM: Edilberto L. Segura, Division Chief, EMPID

EXTENSION: 3-3047

SUBJECT: MOROCCO - Capital Market Study

1. Attached please find the task brief for the above ESW task that we propose to initiate in FY88.
2. We would be happy to meet with you to discuss any comments or queries you might have on the proposed work.

Attachments

cc: Messrs. Zaidan, Liebenthal, Ahmed, Coudol, Klein, Basterra (EMP)
Mahmed/jb

(N)

EMENA - FY88 Work Program & Budget

ESW Task Brief

<u>Country:</u>	Morocco	<u>Tasks:</u>	Capital Market Study
<u>Sector:</u>	Financial	<u>Year of Completion:</u>	FY88
<u>Managing Division:</u>	EMPID	<u>Total Staffweeks:</u>	45 SW (of which 45 SW in FY88)
<u>Task Manager:</u>	C. Basterra; (M. Klein (back-up))		
<u>Type of Report:</u>	Informal		

Objectives and Relation to Country Strategy:

Morocco's banking system can offer only limited support to enterprise restructuring activities and to the Government's privatization plans.

The proposed study would update our knowledge of equity and bond markets in Morocco. It would recommend measures aiming at an increase in supply and demand for equity and securities including changes in the institutional and legal framework for such markets. The proposed measures should ultimately support proposed enterprise restructuring activities, the Government's privatization policy and generally increase competition in financial markets in Morocco.

Links to other Studies and Lending

The proposed study would build upon the financial sector study of 1984 and the consequent sector adjustment loan (ITPA II). It would complement the proposed SAL and provide critical inputs for an industrial and financial sector loan proposed for Morocco (FY89). The study would be carried out in close cooperation with IFC's capital market division.

Government Commitment/Involvement

Over the past years the Government has repeatedly requested IFC and the Bank to undertake such a study. An IFC mission is visiting Morocco in mid-May to discuss terms of reference. The respective and precise responsibility of IFC/IBRD will be defined on the return of the mission.


Primary Clients and Workers of Dissemination

Primary clients would be the Ministry of Finance, the Central Bank and other institutions involved in capital markets. In addition to a final report, short seminars for key policy makers would be envisaged to disseminate the study's findings.

OFFICE MEMORANDUM

DATE: May 11, 1987

TO: Mr. Philippe Nouvel, Division Chief, EM1DA

FROM: Edilberto L. Segura, Division Chief, EMPID 

EXTENSION: 3-3047


SUBJECT: POLAND - FY88 ESW Task Briefs

1. Attached please find the task briefs for the ESW tasks that we propose to initiate in FY88. These tasks are:

- (i) Industrial Incentives and Regulatory Framework Review, and
- (ii) Design and Review of Subsector Restructuring.

2. We would be happy to meet with you to discuss any comments or queries you might have on the proposed work.

Attachments

cc: Messrs. Zaidan, Liebenthal, Ahmed, Coudol, Reyes-Vidal (EMP)
MAMed/jb 

EMENA - FY88 Work Program & Budget

ESW Task Brief

Country:	Poland	Task Name:	Industrial Incentives and Regulatory Framework Review
Sector:	Industry		
Managing Division:	EMPID (156/50)	Year of Completion:	FY89
Task Manager:	Masood Ahmed (ext. 3-2206)	Total Staffweeks:	100 SW of which (40 SW in FY88)
Type of Report:	Formal (Gray Cover)		

Objectives and Relation to Country Strategy

Establishing and sustaining Poland's creditworthiness depends critically on bringing about a higher volume of more competitively produced exports from the manufacturing sector. This increase in exports will itself be closely interlinked with measures to improve the productivity and performance of industrial enterprises as a whole and with the reallocation of resources towards sectors and products with greater comparative advantage. Reform of the industrial incentive and regulatory framework will be one key component in bringing about the behavioral changes at the enterprise level that will enable the above macroeconomic objectives to be realized. Some understanding of the operations and impact of the existing regulatory and incentive framework has already been acquired through the work done under the CEM and in connection with the preparation of a proposed first industrial project. However, given the number and complexity of the instruments currently in use (general and firm specific taxes and subsidies; investment tax allowances; cash grants; licensing and other controls; income and profit distribution policies, etc.), much more analysis is needed to develop specific and internally consistent proposals for industrial policy reform. The proposed study will attempt to define such an approach. It should generate both a much clearer understanding (for both Polish authorities and the Bank) of the actual workings of the existing system at the plant and sector level; and it should serve to determine the relative priorities for action in reforming the various aspects of the regulatory and incentive framework.

Links to Other Work

Apart from the existing body and knowledge (CEM, etc) the proposed study will draw upon three additional pieces of future work. These are, first the information on the workings of the financial sector and its links with industry that will be generated by the ongoing financial intermediaries study and through the special focus of the next CEM; second, the information on the policy and institutional framework for exports that will be developed as part of the preparation of the proposed First Industrial Project; and, third, the

information on the prospects and constraints facing some of the key industrial subsectors for which subsector restructuring studies are programmed as components of the proposed industry project. The study will also feed into the design and preparation of a proposed FY92 Industrial Sector Loan.

Government Commitment

The policy dialogue on industrial (and macroeconomic) reform in Poland is frank and the appetite for Bank advice on these matters appears healthy. The role of the Bank in this study, as in other aspects of our operations/advisory work, will be to provide analytical support, cross country experience and a catalytic function for Polish policy makers to focus upon and think through key development issues. The counterpart agencies for this task have not been agreed yet but are likely to include NBP, the Ministry(ies) of Industry and other academic agencies carrying out related analytical work (e.g. Polish Academy of Science, Foreign Trade Institute, Planning Commission). The study design will attempt to carry out the work on a collaborative basis with input from local academics/consultants where profitable.

Primary Clients/Methods of Dissemination

The Primary clients for this study are (i) Polish policy makers and the quasi academic community that influence the pace and sequencing of economic reform and (ii) Bank managers and staff who will participate in the design and review of our own assistance strategy for the industrial sector. The report will be processed as a formal document and apart from the discussions with the Government at the Green Cover Stage, it may also serve as a basis for seminars for a wider audience in the country once the Government's views have been reflected in the final (Gray Cover) version.

0200L/85-86



EMENA - FY88 Work Program & Budget

ESW Task Brief

Country:	Poland	Task Name:	Design and Review of Subsector Restructuring Studies.
Sector:	Industry	Year of Completion:	FY89
Managing Division:	EMPID (156/50)	Total Staffweeks:	70 SW of which (35 SW in FY88)
Task Manager:	Ahmed (ext. 3-2206)		
Type of Report:	Informal (Yellow Cover)		

Objectives and Relation to Country Strategy

Establishing and sustaining Poland's creditworthiness depends critically on bringing about a higher volume of more competitively produced exports from the manufacturing sector. This increase in exports will itself be closely interlinked with measures to improve the productivity and performance of industrial enterprises as a whole and with the reallocation of resources towards sectors and products with greater comparative advantage.

In a competitive system, the resource reallocation decisions could be left largely to the market's response to the incentive framework and the primary focus of our analytical work would be upon helping to remove any distortions in this framework. Such efforts are certainly needed in the case of Poland (and programmed under a related ESW task), but they will not be an adequate approach given the current directive nature of the economic system and the fact that the transition to competitive market behavior at the enterprise and sector level can only be expected to be completed in the medium term. In the meantime, efforts will be needed to define a strategy for restructuring and improving the competitiveness of production within the major industrial subsectors (electro-engineering, chemicals, forest products, light industry, food processing, etc.). Such a strategy would examine the organizational structure, production technology, product mix, operational efficiency, market prospects, investment requirements, etc. for each of these subsectors. It would thus provide an internally consistent framework for setting the level and structure of incentives and for allocating investment and foreign exchange resources among competing projects in the light of their dynamic comparative advantage.

The studies themselves would be carried out by Polish authorities assisted by international consultants funded under the technical assistance component of the proposed First Industrial Project. However, extensive Bank staff input will be needed to ensure that the studies are designed and implemented effectively. Bank staff input will also be needed once the studies have been completed to review the analysis and recommendations and to prepare short reports synthesizing the consultants' work as a basis for decision upon the scope of subsequent Bank involvement in the implementation phase. The proposed ESW task covers this input for 2-3 subsectors for which restructuring studies are expected to be carried out during FY88-89. The "output" will be 2-3 informal (yellow cover) reports, one for each subsector.

Relationship with Other Tasks

Apart from the points noted above, it is worth mentioning that the output of the restructuring studies is likely to form the basis of two lending operations, Industrial Restructuring I and II proposed for FY90 and FY91 respectively. The studies will also feed into the overall review of industrial incentives and regulatory framework that is expected to be carried out during FY88-89.

Government Commitment

The concept of subsector restructuring studies has been discussed with and endorsed by the Government as part of project identification. Close involvement by the NBP and the concerned industrial branch ministry can be expected.

Clients/Dissemination

The main clients for the restructuring studies are the Polish authorities, who must take the necessary decisions on the recommendations, and international agencies such as the Bank which may support these restructuring programs financially. The specific clients for the proposed ESW task are Bank managers and staff who will decide upon the scope and focus of Bank assistance for this restructuring effort, notably through the planned lending operations. However, the results of the proposed ESW work will also feed into the operational dialogue with Polish authorities and the reports themselves may be discussed with them as informal working level documents.


0200L/83-84



OFFICE MEMORANDUM

DATE: May 10, 1987

TO: Mr. James Chaffey, Division Chief, EM2DA

FROM: Edilberto Segura, Division Chief, IDF 

EXT: 3047

SUBJECT: Turkey: Proposed Industrial and Financial Sector Work for FY 1988-90

1. During FY1986-87, the Bank undertook a significant amount of industrial and financial sector work, some of the results of which have already been communicated to the Government (Adjusting Public Investment, Financial Policy and Tax Reform) or will be communicated shortly (Private Manufacturing Study, Agro-industries Subsector Review). In addition, a number of sector studies were undertaken in the context of the Industrial Restructuring Project (three sub-sector studies, public enterprise regulation and privatization) which have been also provided to the Government. In the financial sector, the First Financial Sector Adjustment Loan (FSAL-I) provided the vehicle for an in-depth review of financial sector issues.

2. As regards future work, the key issues identified in the industrial sector include: (a) distortions in trade policies resulting from increased import protection and selective export encouragement; (b) inadequate technology, quality control and training policies and programs; (c) deficiencies in the regulatory framework (distorted investment incentives, inadequate bankruptcy procedures, policies inhibiting direct foreign investment, policies inhibiting entry of new firms, particularly small and medium scale firms; and (d) regulation of state enterprises and control of public investment.

3. In the financial sector, the key issues relate to:

- (a) high real interest rates resulting from expansionary fiscal policies, (high public sector borrowing requirements) and high intermediation taxes, charges and provisions;
- (b) the problem of insolvency of some commercial bank due to a high percentage of non-performing assets;
- (c) issues relating to money and capital market development;
- (d) regulation of deposit rates;
- (e) the large share of foreign currency deposit and potential instability caused by currency substitution.

4. Although there are good analyses of all these issues in various Bank reports, a consensus has yet to be achieved on the industrial sector issues which deserve priority action and which the Government is willing to address. In this regard, as you know, we propose to complete an industrial sector strategy paper by the beginning of FY88 which would delineate the priority issues and the Bank's strategy for addressing them.

5. Pending the completion of the strategy paper, it is proposed to allocate 60 sw per year during FY1988-90 for industrial and financial sector work. For FY 1988 two industrial sector topics will be covered (a) factors affecting direct foreign investment (20 sw) and (b) a review of the regulatory framework focusing on investment incentives (40 sw). The first study would be managed by the Industry Department (INDSP). The second study would be undertaken by regional staff in collaboration with the State Planning Organization, TSKB and local universities. This collaboration would be desirable to facilitate collection of data and disseminate analytical skills. Task briefs for both studies are attached for your review. The FSAL-II will cover all of the financial sector topics identified in para 3.

cc: Messrs. Zaidan, Liebenthal, Ahmed, Coudol (EMP)

SBanerji/cs
1000L/80

EMENA - FY88 Work Program & Budget

ESW Task Brief

Country:	Turkey	Task Name:	Study of Regulatory Framework
Sector:	Industry	Year of Completion:	FY88
Managing Division:	EMPID (156/50)	Total Staffweeks:	40 SW
Task Manager:	Shyamadas Banerji (ext. 3-3053)	Type of Report:	Informal

Objectives and Relation to Country Strategy

The present investment incentive system plays a key role in correcting certain distortions in the economy, e.g. high import protection of capital goods, high interest rates, deficient infrastructure in less developed areas, etc. However, the system is complex, lacks transparency and highly differentiated by sector and region which could result in resource misallocation. Moreover, the actual value of the incentives to a firm depends on factors which cannot be estimated precisely at the time the incentives are granted, e.g. interest rates and inflation over the project's life. The incentive system needs to be rationalized to reduce budgetary costs and thus lower the budget deficit and to make it more effective in promoting projects in line with Turkey's comparative advantage.

Linkage to Other Studies

The proposed study will build on the results of the Private Manufacturing and Agro-Industries Subsector studies, to be discussed with the Government in July/August 1987. The proposed sector study will be initiated after these discussions. It will focus on the actual realization of incentives in a sample of firms.

Government Commitment

The Government has indicated its willingness to study these important issues. The study would be undertaken by the SPO, perhaps with input from TSKB and universities. The Bank will help define the scope and TOR of the Study and provide expert guidance on its execution.

Primary Clients

SPO, Treasury and the Bank.

EMENA - FY88 Work Program & Budget

ESW Task Brief

Country:	Turkey	Task Name:	Study of Direct Foreign Investment
Sector:	Industry	Year of Completion:	FY88
Managing Division:	INDSP	Total Staffweeks:	20 SW
Task Manager:	Dahlman/Nagaoka	Type of Report:	Informal

Objectives and Relation to Country Strategy

The study aims to provide the Turkish Government with (a) an evaluation from an international perspective of the existing regulatory and promotional framework for direct foreign investment in Turkey; and (b) recommendations for enhancing the contributions of direct foreign investment to the growth and structural adjustment of the Turkish economy.

Linkage to Other Studies

Recommendations relating to investment could be reflected in the design of the financial sector adjustment loan now under preparation.

Recommendations relating to the macroeconomic environment could be reflected in the macro policy dialogue between the Turkish government and the Bank, planned for December 1987.

Government Commitment

In spite of having substantially liberalized the foreign investment regime recently, the Turkish Government perceives the current flow of investment to be far less than adequate and is seeking advice from the Bank to further its growth.


Primary Clients

The main client is the Turkish Government, but with its agreement part of the output could be disseminated among potential investors in order to encourage productive investment in Turkey.

OFFICE MEMORANDUM

DATE: May 11, 1987

TO: Mr. Roberto Fernandes, Chief, EM1DB

FROM: Edilberto L. Segura, Chief, EMPID 


EXT: 3-2161

SUBJECT: YUGOSLAVIA: Proposed EMPID FY88 Sector Work Program

1. Attached please find the task briefs for the ESW tasks we have prepared for FY88. In proposing these tasks, we have attempted to take account of the specific country circumstances that have influenced the progress of our previous ESW efforts in Yugoslavia. As you know, it has in the past been very difficult to elicit a sustained interest and commitment in Yugoslavia to major self-standing analytic studies or sector work. We have had, on the other hand, some success during the recent economic and export industries identification missions in initiating highly focused studies on export incentives and local competitive policies which can be clearly related to the main issues to be addressed through Bank lending. This suggests that one productive approach would be to plan and build-up our industry and finance sector work on the basis of a series of discrete studies to be carried out in parallel and in coordination with the preparation of lending operations.

2. We are therefore proposing three such studies for FY88: two of these would be for continuation of efforts on export incentives and local competitive policies which have been started within the context of preparation of the proposed export industries project and for which the first phase of work should be completed by end-June 1987. The third would be a study on one or more of the important issues in financial sector development (such as development of financial instruments and markets) and would feed into the more comprehensive financial sector study now scheduled for FY89-90.

3. All three studies would be operationally oriented with the purpose primarily of providing the Bank with the analytical basis to support lending operations and background for discussions of policy reform with the Government. They would be issued as informal reports in yellow cover. At a later stage, if desirable, the industry studies could be combined with other related economic and sector studies into a more formal and comprehensive industry sector study.

Cleared with and cc:  Ahmed (EMPID)
cc: Messrs. Dewey, Zaidan, Liebenthal, Coudol (EMP)

IZurayk/as

EMENA - FY88 Work Program & Budget

ESW Task Brief

Country:	Yugoslavia	Task Name:	Export Incentives Study (II)
Sector:	Industry	Total Staffweeks:	FY88: 30
Managing Division:	EMPID (156/50)		
Task Manager:	I. Zurayk	Type of Report:	Informal (Yellow Cover)

Objectives and Relation to Country Strategy

Industrial development and increased exports are critical to continued progress of structural adjustment as set forth in the Government's Long Term Stabilization Program. The macroeconomic issues which impinge on efficient industrial production and exporting such as the trade regime, the foreign exchange allocation system, and the domestic price policy, have been the subject of the SAL I operation and the SAL II discussions. Direct industrial policies leading to a greater degree of neutrality in the incentive system, and effective programs of aggressive export marketing in partner countries, are also needed to enhance the efficiency and growth of exports. The proposed work would focus on these policies and would follow up on the ongoing first stage study on export incentives and Yugoslavia's export performance.

Links to Other Studies and Lending

The first stage of the study is being carried out within the context of the initial phase of preparation of the proposed export industries project and will be completed by June 30. This initial look at the export incentive regime will provide a broad analysis of the policy environment faced by exporters, a review of the various direct incentives available to exporters, a first cut attempt at quantifying the effect of the incentive regime on production decisions at the firm level through an empirical survey of a number of manufacturing enterprises, and recommendation for reforming the administration of the direct export incentives, such as the duty draw-back scheme.

The proposed follow-up work would involve: (i) a more detailed review of the policy environment as it pertains to particular key export sectors; (ii) recommendations regarding priorities in a program of import liberalization; (iii) an analysis of the demand and protection characteristics of external markets to assist in developing a marketing strategy for Yugoslavia.

Government Commitment and Involvement

The Government is interested in the results of the ongoing study. Some data on trade has been provided by various government agencies. Several of the banks (LBL, UBB, Jugobanka) are directly involved in the survey exercise. YBIEC is interested in developing a program to strengthen the marketing capabilities of exporters and has requested support under the proposed line of credit. It will be necessary to seek the assistance of a counterpart in Yugoslavia to assist in data collection and information gathering particularly data at subsectoral and firm levels.

EMENA - FY88 Work Program & Budget

ESW Task Brief

Country:	Yugoslavia	Task Name:	Study of Local Competitive Policies (II)
Sector:	Industry	Total Staffweeks:	FY88: 30
Managing Division:	EMPID (156/50)		
Task Manager:	I. Zurayk	Type of Report:	Informal (Yellow Cover)

Objectives and Relation to Country Strategy

Appropriate domestic market policies and price policies are important for growth and development of the industrial sector. The Bank has addressed price policy issues through economic and sector work and through SAL I. SAL II discussions also include price issues and some other factors affecting domestic market development. The objective of the proposed work is to follow up on the initial stage of the ongoing study on price policies and market structure in Yugoslavia. The study will provide background for discussions of policy reform under this line of credit and other future operations.

Links to Other Studies

The first stage of the study, which is being carried out within the context of the identification of the proposed export industries project, will provide an indication of the trends in market structure and price control at the industry level; recommend pricing policies and undertake a critical review of legislation affecting exit and entry barriers and other hindrances to a competitive domestic market. This phase of the work is expected to be completed by end-June 1987.

The second stage would proceed on one of two paths; first, a more in depth view into the competitive nature of the domestic markets for various manufactured subsectors to provide a more accurate basis for discussions on price policy and trade policy; or second, further study of the entry and exit constraints to domestic market development through indepth study of a few important subsectors which could be regarded as representative of the problems and possible solutions involved in the domestic markets for manufactured goods. Subsequently, the work could entail combining the price and domestic market study with the study on export incentives and export performance to give a more complete picture of the domestic and trade related factors affecting exports.

Government Commitment and Involvement

The Government is interested in the results of the study. Various agencies provided data at the sectoral level to assist in the preparation of the study. It will be necessary to have the assistance of a counterpart in Yugoslavia to help in collection of data at the subsectoral and firm levels.

EMENA - FY88 Work Program & Budget

ESW Task Brief

Country:	Yugoslavia	Task Name:	Banking Development Study (I)
Sector:	Finance	Total Staffweeks:	FY88: 20
Managing Division:	EMPID (156/50)		
Task Manager:	J.Coudol/I.Zurayk	Type of Report:	Informal (Yellow Cover)

Objectives and Relation to Country Strategy

Policy makers in Yugoslavia have recognized that reform and strengthening of the financial sector is essential for structural adjustment in the real sectors to succeed; and significant initial steps have already been taken through enactment of the new banking law, adjustment of interest rate policies, and recent legislation aimed at reinforcing financial discipline. Development of the financial sector has also been one of the prime areas of concern of the Bank in its dialogue with the Government and a key objective of country assistance strategy.

The purpose of the proposed work would be to initiate study of one or more of the following broad priority areas in banking system development: (a) The development of financial instruments and markets (in commercial paper and treasury and corporate bonds); (b) rehabilitation and restructuring of the portfolios of the weaker banks; and (c) the development of the role and capacities of SDK in the audit of banks and of NBY as the banks' supervisory authority.

Links to Other Studies and Lending

This study would be designed with the intent of (i) providing key support to the work to be done under the proposed export industries project and possible future industrial lines of credit; (ii) complementing the country economic work on monetary policies; and (iii) contributing to the more comprehensive financial sector work now scheduled for FY89 and FY90.


Government Commitment and Involvement

The likely financial intermediaries for the proposed export industries project (LBL, UBB and Jugobanka) all expressed a special interest in obtaining assistance from the Bank in development of commercial paper and medium-term bond markets. The Government is also currently considering similar initiatives aimed at increased mobilization of private savings and increased capital mobility. Some interest in the other two topics proposed above was expressed to the export industries identification mission by representatives of the weaker banks and officials from the Yugoslav Banks' Association and the Federal Secretariat for Finance.

OFFICE MEMORANDUM

DATE: May 8, 1987

TO: Distribution Below

FROM: Masood Ahmed, Deputy  Chief, EMPID

EXTENSION: 3-2206

SUBJECT: POLAND - Proposed Industrial Export Project: Review of Subsector Investment Proposals

1. You will have received a copy of the IND staff report reviewing the subsector investment proposals for the above project.^{1/} A working level meeting was held on May 1 to review these proposals and to agree upon the next steps required for their preparation. The meeting was attended by staff of the Programs, Industry, and EMENA Projects Departments. I am attaching, for your information, a copy of the minutes of that meeting. These have been cleared by the staff representing the three Departments concerned.

2. As regards the preparation of the project, the next steps are the issuance of an IEPS, which should be done in the coming week, and the launching of the next set of operational missions from May 18-30. This will essentially comprise four interrelated missions:

- (i) Completion of the financial intermediaries review (main staff: Messrs. Ahmed, Reyes, Mombru, Poldermans and Luhman);
- (ii) Review of general disbursement and relending procedures and systems (main staff: Ms. Loos);
- (iii) Further preparation of the Chemicals Industry component for the proposed project (main staff: Messrs. Borin, Glenshaw, et al); and
- (iv) Identification/preparation mission for the overall design of the proposed industrial export project, including the institutional and incentive framework (main staff: Messrs. Ahmed, Gamba and Reyes-Vidal).

^{1/} Circulated under cover of memorandum of April 27 to Messrs. de Capitani and Segura from Messrs. Gamba, Borin, Glenshaw, Ziv, Amin and Ewing.

Terms of References for the above missions are being circulated separately. I would be grateful for any comments that you might have on the attached document or on the proposed next steps.

Distribution

Messrs./Mmes. Nouvel, Harrison, King, Lav, Loos (EML) Dervis (EMNVP)
Colaco, de Capitani, Goldberg, Rowat, Simon, Raghavan,
Stern, Sood, Duvigneau, Rogerson, Ewing, Kononov, Borin,
Glenshaw, Amin, Gamba, Mulckhuyse (IND)
Dewey, Zaidan, Harris, Reekie, Liebenthal,
Segura, Coudol, Reyes-Vidal, Mckechnie (EMP).

MAhmed/jb
0200L/78-79

POLAND: Proposed Industrial Export Project

Minutes of meeting held on May 1st, 1987 to review subsector investment proposals

A meeting was held on May 1st, 1987 to discuss the subsector projects proposed by IND staff for consideration under the direct lending component of the Proposed First Industrial Project and to coordinate further preparation work. The meeting was chaired by Mr. Masood Ahmed (EMPID) and it was attended by Messrs./Mmes. Loos (EMIDA), Reyes-Vidal (EMPID), Ewing, Gamba, Glenshaw, Simon (IND), Konovalov (INDSP). Messrs. Lav (EMIDA) and Rogerson (INDD2) joined for part of the meeting.

At the outset of the meeting it was agreed that the appropriate framework for the review of the various investment proposals was the objectives of the proposed first project as spelled out in the missions overall back-to-office of April 13, 1987. These objectives place a high priority on investments which would lead to a quick and significant improvement in Poland's balance of payments through higher industrial exports or efficient import substitution. Moreover, because of the current limited understanding of the dynamic comparative advantage of individual subsector and products, it had been agreed that the first project would focus on relatively small investments whose justification would not require a comprehensive review of competitiveness and subsector development strategies. However, this project would include a provision for carrying out the analytical work necessary to develop such strategies and thus lay the groundwork for subsequent operations which would support more fundamental restructuring in the industrial sector.

It was recognized that applying these criteria to the investment proposals in each subsector, could result in the elimination of some subprojects which could make an important contribution but only in the longer term. It was stressed that these subprojects should not "fall by the wayside" but should be retained as possible candidates for subsequent industrial lending operations; this point applied particularly to the chemical subsector where the Polish authorities had proposed a number of interesting "new capacity" projects which, however, entailed longer implementation periods and required more sector analysis to ensure their consistency with the medium term sector development strategy.

Two other general points were also raised at the meeting. First, it was noted that different shadow prices and selection criteria for the investments to be financed under the proposed Industrial Project had been used by the different subsectoral teams. It was agreed that the analysis would be made consistent based on the criteria discussed previously within the working group and spelled out in Mr. Reyes-Vidal memorandum of April 10, 1987. Similarly, shadow prices to be provided by Country Programs staff by mid-May would be used in subsequent subprojects evaluation. Second, a thorough assessment of export market potential for each of the products produced by the proposed investments would need to be undertaken during the next mission.

Until now, the subsectoral teams have had to rely only on the incomplete information provided by the respective enterprises, but it is recognized that independent analysis of export markets would be an essential component in the justification of the proposed project.

With regard to the various individual subsector studies, the following points were agreed.

(a) On the proposed cement project. The principal benefits of this project were fuel (coal) savings resulting from the conversion of a cement plant from the wet to dry process. Although no explicit economic analysis had been done for the project, the numbers supplied by the Polish counterparts did not look very attractive (the two technical options entailed investments of \$60 and \$90 million respectively for fuel savings of under \$5 million per year). It was therefore agreed that INDD3 would reexamine the merits of this project before recommending its inclusion in the list of subprojects for further preparation.

(b) On the proposed investments in the electro-engineering industry. The subsector review provided strong grounds for supporting investments in the machine tool industry. However, it was not clear why potential investments in the nuts, bolts and screws area should be excluded; and it was agreed that this would be reexamined with a view to allowing for the inclusion of profitable export projects in the subgroup. Within the machine tools industry, the three subprojects proposed were defined in terms of the enterprises involved but not in term of the specific investments entailed. It was agreed that the investments and their cost benefits would be specified more clearly, including the need for a comprehensive investment strategy for each enterprise, and that this would also provide the basis for deciding if these investments were better financed within the Line of Credit component.

(c) On the proposed investments in the chemical industry. In this subsector a large number of subprojects with a foreign component totalling about \$140 million had been recommended by the subsector team for inclusion. Some of these projects appear to have attractive rates of return, but do not meet the criteria of rapid impact on the balance of payments. Some others also need further work to ensure consistency with longer term sector priorities. Moreover, given the total loan amount proposed for the first project (\$200 million) it was, in any event, unlikely that all the proposed projects for chemicals could be accommodated in the operation. Consequently, it was agreed that further work would be done by the subsector team to classify the proposed projects into those which address the specific objective of the first project and those which are better suited for consideration under a possible subsequent operation dealing with the restructuring of the chemicals subsector. In this regard, it was also important to communicate to the Polish authorities the agreed list of subprojects for further preparation to Bank standards, and it was agreed that this would be done at the end of the next chemicals subsector preparation mission. This would help the counterpart teams to focus their work better as well as ensuring that expectations for Bank assistance in this subsector were realistic in relation to the potential coverage of the direct lending component of the proposed project.

(d) On proposed projects on forest industries. The analysis of these projects had been clearly spelt out and it was agreed that further work would focus on market verification and on the viability of the selected enterprises.

Other Issues

Subsector Studies. It was agreed that TOR's for the studies of the chemical, electro-engineering, pulp and paper subsectors, and possibly cement, would be produced by the respective subsectors teams as a result of the next mission. Particular attention will need to be given to the scope and depth of the proposed studies, and to the arrangements for preparation, including the proper balance between Bank staff and Polish counterparts and possibly foreign consultants. Draft TOR would be discussed with the Government at the time of appraisal of the proposed project.

DRC Studies It was agreed that the proposed DRC work to be carried by Mr. Konovalov (IND) was of great importance for the industrial sector operational program. This would provide a measure of the comparative advantage of the various subsectors, albeit on a static basis, and thereby complement the enterprise and subsector level work proposed under the industrial project.

Project Preparation and FY88 Budget. In this context, Ms. Loos confirmed that the aggregate staff year allocation for work on Poland in FY88 had been set at a level that would impose tight constraints on all operational work. The total CAM allocation for industrial work in FY88 is 252 SW. This is meant to deliver the first industrial project and to initiate the preparation of a second (restructuring) project. Moreover, it covers the initiation of sector development strategies in 2-3 subsectors and the start of an industrial regulatory and incentives study. In the view of the staff concerned, this allocation is unlikely to prove adequate for all these tasks, particularly given the limited knowledge we have both of the subsectors themselves and of the overall incentive framework. Consequently, while a notional allocation of resources has been made across tasks and organizational units, it was recognized that this allocation will likely need to be revised in early FY88 when the organizational structure becomes clearer and the results of the subsector preparatory missions of May and July are available. In this regard, it is worth noting that there is a direct correlation between the complexity of project design (numbers of subsectors and components) and the resources required for the project; it is likely that subsector and appraisal will require on average 40 SW for subsector.

Next mission and next steps on subsector projects preparation. The forthcoming May/June mission would continue project preparation. The chemical subsector team would follow up in the evaluation of the proposed chemical investments to be included in the direct lending component and recommend others for possible financing under the Line of Credit component. The subsector teams dealing with cement, electro engineering and forest industries, however, have scheduled their mission only for early July, 1987 because of prior commitments. In the interim, the May/June mission will collect in their behalf additional information these teams have requested to the relevant institutions involved on these investments in order to continue project preparation at headquarters.

Working Level Internal Coordination

During the next phase of project preparation, close working level coordination would continue to be a priority given the number of organizational units involved. To this end, it was agreed that to the extent possible, all documents submitted for management consideration by any of the teams involved would be reviewed first by the others. Mrs. Loos (EML), and Messrs. Ahmed (EMP) and Gamba (IND) will continue to serve as the primary focal points for this work in their respective organizational units.

Cleared with Messrs. Gamba, Rogerson, Simon, Ahmed
Ms. Loos

EMPID
5/8/87
MReyes-Vidal:ylg
0403L/47-50

OFFICE MEMORANDUM

DATE: May 7, 1987

TO: Mr. Govind Menon, EMNVP

FROM: Masood Ahmed, Deputy Division Chief, EMPID 

EXTENSION: 3-2206

SUBJECT: Theft of Computer Software

As I mentioned to you on the phone earlier this week, the set of software for the IBM Compaq you sent me has vanished from my office while I was away on mission between March 20 and April 6, 1987. The incident has been reported to the Security office and is being investigated by them.

I would like to point out that we have had a number of incidents where softwares or manuals have disappeared from this division. We have now requested all staff to lock their software packages in a safe place under lock.

cc: Mr. Segura

FORM NO. 75
(6-83)

THE WORLD BANK/IFC

ROUTING SLIP		DATE: May 6, 1987	
NAME		ROOM NO.	
Ms. Nishimuzu		E-539	
APPROPRIATE DISPOSITION		NOTE AND RETURN	
APPROVAL		NOTE AND SEND ON	
CLEARANCE		XX PER OUR CONVERSATION	
COMMENT		PER YOUR REQUEST	
FOR ACTION		PREPARE REPLY	
INFORMATION		RECOMMENDATION	
INITIAL		SIGNATURE	
NOTE AND FILE		URGENT	
REMARKS:			
FROM: Masood Ahmed		ROOM NO.: H-10-035	EXTENSION: 3-2206

EMENA
INDUSTRIAL DEVELOPMENT & FINANCE DIVISION

PROPOSED SEMINAR ON INDUSTRIAL COMPETITIVENESS
TASK BRIEF

Objective: The objective of the proposed seminar is to enable EMPID staff to learn how to apply two widely used measures of industrial competitiveness analysis, viz, Total Factor Productivity (TFP) Analysis and Domestic Resource Cost (DRC) Analysis. It is expected that at the end of the seminar, the majority of the staff in the division will be sufficiently at ease with the relevant concepts, methodology and data gathering and interpretation to be able to design TFP and DRC studies at the country level, albeit with some guidance from experts within and outside the Bank. They should also be able to review and comment knowledgably upon such studies if asked to do so by our borrowers or in the context of regular operational work.

Rationale: TFP & DRC measures are used increasingly in the analysis of industrial competitiveness at the enterprise, subsector or sector level. The use of these measures provides a more rigorous underpinning for the policy advice that our staff are called upon to provide in the context of both sector and lending work. Although most of the staff in the division are aware of the importance

of these analytical techniques, few have had an opportunity to become as familiar with their use as they need to be given the increasing orientation of the division's activities towards industrial and trade policy analysis. This is partly due to historical factors, i.e., the changing focus of IDF work, and partly a function of the fact that the widespread use of these techniques in the Bank is itself a phenomenon of relatively recent vintage (especially TFP). In association with INDSP, the training division has organized periodic seminars on this subject but they are generally geared more towards "awareness raising" rather than the "nitty-gritty how to do the work"; moreover, because of their bankwide audience, the allocation of places to EMPID has necessarily been limited. To address EMPID's staff needs, therefore, we propose to organize a three day seminar on this subject in June 1987 when most of the Division's staff will be in Washington.

Modus Operandi

The success of an intensive seminar such as this, covering considerable ground in 18 hours, depends critically on good and adequate preparation.

Discussions with the relevant staff in the Bank have generated a consensus that such preparation can best be ensured by calling upon the services of an external academic consultant who would be an acknowledged expert in the field and who would also have good pedagogical

skills. (In conjunction with Ms. Nishimuzu of INDSP, the person identified for this task is _____). Professor _____ would also be the main presenter at the seminar, but other Bank staff with experience in this field (notably Ms. Nishimuzu and Messrs. Page, Konovalov, Porter, etc.) will also be asked to participate in the sessions to share the experience of their work. The training division in PMD will be asked to provide logistical support (training room, teaching aids, etc.).

The seminar will be held on three consecutive days in mid-June. It will be a full time venture for those days and participants will be expected to spend some time in the evenings in associated reading. The seminar is being held within the Bank for obvious reasons of economy, but strong management support will be needed to ensure that proximity to regular work does not distract from the concentration required to ensure the maximum gains from the seminar.

Cost: (to be filled in)

SEMINAR ON INDUSTRIAL COMPETITIVENESS ANALYSIS

AGENDA

Proposed Dates: June 15 - 17, 1987

Venue: C Building Training Room

Time: 9:30 a.m. - 4:30 p.m.

Principal Trainer:

Agenda:

Session I Introduction to Competitiveness Analysis

- (i) The Objectives of Competitiveness Analysis
 - What questions does it help to answer
 - How does it fit into industrial/trade policy analysis and with industrial restructuring issues

- (ii) The Principal Concepts
 - Domestic Resource Costs (DRC) including relation to Effective Protection Coefficients)
 - Total Factor Productivity (TFP)
 - Dynamic DRC's and other indicators

The Economic Theory Underlying these Concepts

- its limitations and implications

The Relationships among these Concepts

- their comparative advantages in answering particular questions
- their comparative complexity and data requirements
- their comparative costs and efforts

(iii) The Bank's experience in the use of these techniques

Sessions II & III. Total Factor Productivity: Theory and Practice

(i) The Analytical Framework

- the underlying economic theory (production and cost functions)
- the methodological approaches: the use of index numbers vs. econometric estimates of production functions
- the underlying assumptions: behavioral objectives of producers (profit maximization); technological relationships in production (constant returns to scale); competitive markets for inputs and outputs

(ii) Estimating TFP Growth: the data gathering and number crunching

- the basic formulae and their meaning
- data sources for the terms in these formulae: manufacturing census data/other sources/own surveys

- massaging incomplete/inadequate data: for quantities (labor/capital inputs), and for prices
- sensitivity of results to quality of data
- the time period and number of observations required to generate "reliable" results
- the level of aggregation to be used (individual firms/groups of firms in same subsector subsector or industry/aggregate industrial sector data, etc.); their relevance to the policy issue being addressed
- manipulating the data; regression analysis, meaning of coefficients and goodness of fit statistics; use of dummy variables

(iii) Interpreting TFP Results: What do the numbers mean?

What do TFP Growth estimates measure?

- the catch all problem: the impact of "quality of management" and the "environment"
- separating technical efficiency from technological progress
- isolating the effects of variations in capacity utilization, especially over short periods
- other constraints and limitations on firms that impact on TFP growth numbers
- how to use the numbers for policy prescription:
 - comparison over time periods, across countries
 - comparison between different industries in same country

(iv) Case Studies

Mexico - John Page

Hungary - Mieko Nishimuzu

Morocco - John Porter

Egypt - ?

III. Domestic Resource Cost - Theory and Practice

(i) The Analytical Framework

- The underlying economic theory (comparative advantage; social cost benefit analysis; shadow pricing, etc.)
- relationship of DRC with effective protection coefficients
-

(ii) Estimating DRC Ratios

- The formulae and the alternative presentations of DRC indicators
- the prior calculation of nominal and effective protection: why required and how carried out; the option of directly estimating DRC's (pros and cons)
- the degree of aggregation: product level, firm level or subsector or sector level; what different levels mean for answering different policy questions

- implications of study design for data sources: Input Output Tables vs. direct enterprise level sources
- massaging data from I-O tables (updating, matching assets to industries, disaggregating labor costs, etc.)
- massaging data from the enterprise surveys (use of annual accounts, problems of multi-product/multi-plant firms)
- shadow pricing the variables-labor, discount rate, foreign exchange
- manipulating the data

Interpreting DRC Numbers

- What comparisons are valid? Across firms, sectors, countries
- the effect of capacity utilization variations
- the effect of real exchange rate disequilibria
- the limitations imposed by the static nature of the DRC concept: its inability to account for possibility of technological improvement, higher efficiency, better management, etc; the dangers of extrapolating DRC numbers directly to recommend industrial policy.
- Overcoming the Static Nature of DRC's: decomposing DRC changes over time into changes in prices, production technology and TFP.

Case Studies:

Firm level DRC studies

Konovalov

Sub-Sector level DRC Studies

Hungary

Morocco

Dynamic DRC Studies

Nishimuzu

Session VI The use of microcomputers in Productivity Analysis: An
Introduction to CYNTHIA.



Record Removal Notice

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File Title Masood Ahmed - Chronological File - January to December 1987		Barcode No. 30450195		
Document Date May 5, 1987	Document Type Memorandum			
Correspondents / Participants To: Mrs. Helen D. Vasquez, PMDRT From: Masood Ahmed, Deputy Chief, EMPID				
Subject / Title Mr. Yoshinori Takeyama				
Exception(s) Personal Information				
Additional Comments		<p>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.</p> <table border="1"><tr><td>Withdrawn by Shiri Alon</td><td>Date November 14, 2022</td></tr></table>	Withdrawn by Shiri Alon	Date November 14, 2022
Withdrawn by Shiri Alon	Date November 14, 2022			

FORM NO. 75
(6-83)

THE WORLD BANK/IFC

ROUTING SLIP		DATE: May 4, 1987	
NAME		ROOM NO.	
Messrs. Banerji			
Coudol			
Deshpande			
Kanaan			
Ms. Zurayk			
APPROPRIATE DISPOSITION	NOTE AND RETURN		
APPROVAL	NOTE AND SEND ON		
CLEARANCE	PER OUR CONVERSATION		
COMMENT	PER YOUR REQUEST		
FOR ACTION	PREPARE REPLY		
INFORMATION	RECOMMENDATION		
INITIAL	SIGNATURE		
NOTE AND FILE	URGENT		
REMARKS: The attached may be a useful reference point in preparing your Task Briefs. cc: Mr. Segura			
FROM: Masood Ahmed		ROOM NO.: H-10-035	EXTENSION: 3-2206

18. **ESW.** The Economic and Sector Work program should be based primarily on the CASBs and the regional sector strategy briefs, and should concentrate on the priority issues discussed in para 3-12 above as the basis both for policy advice and for the direction and content of lending operations. Our response both within the Region and more generally in the Bank to the continuing difficulties of our borrowers must be to heighten the importance of ESW, increase its relevance and encourage innovative ways to deliver the messages of this work. Though the emphasis will depend on country strategies, ESW tasks should address one or more of the following topics:

- (a) Of primary importance is updating and keeping current Country Assistance Strategy Briefs (CASBs). CAMs should give the highest priority to ensuring that strategy work is properly programmed and adequately funded. As we have done in the past two years, updated CASBs for each of our client countries will be reviewed within the Region in November/December. In addition, as you are aware, there is a bankwide program for Senior Management review of Country Strategy Papers (CSPs) replacing CPPs (see Attachment 4). In planning country strategy work, therefore, CAMs should incorporate the enlarged scope (vis-a-vis CASBs) called for in CSPs. Depending on timing, if a suitable CSP is available, it could substitute for the CASB in the Regional reviews. With respect to CSPs, the schedule in Attachment 4 should be complied with and centrally provided guidelines on format and content followed.
- (b) Medium term macro-economic frameworks should be developed or updated for all countries. (At the very least frameworks are expected for Turkey, Yugoslavia, Poland, Hungary, Morocco, Egypt, Tunisia, Algeria). These macro frameworks should incorporate the effects of alternative assumptions (both external and internal policy changes) upon the future evolution of the Region's economies, and contain special emphasis on debt and creditworthiness issues. In some cases these macro "work-out" papers will be standalone tasks. In other cases a macro framework may be part of a broader exercise -- a CEM, for instance, or a CSP or "Baker" paper. CAMs are asked to explicitly identify in their FY88 programs where these macro framework analyses are sited.
- (c) Sectoral policy reforms and institutional changes will continue to dominate our country dialogues. Well conceived ESW tasks should be programmed for trade policy reform, financial sector reform and public enterprise restructuring.
- (d) Domestic resource mobilisation has emerged as an important theme of our work. Attention should be paid to the analysis of fiscal revenue policies, reduction of public enterprise deficits through improved cost recovery, realistic interest rates and improved financial intermediation including capital market development. Improved mobilisation may also occur through privatisation of activities currently in the public sector. This last theme of privatisation requires more prominence in ESW programs.
- (e) Public expenditure and investment monitoring should continue to be addressed. Emphasis should be given to improving investment selection and national monitoring systems.
- (f) Poverty alleviation, human resource development, population and urbanization, and the environment are areas which, as noted earlier, have suffered in the competition for resources. CAMs are invited to make especial efforts to accommodate these in ESW programs.

19. The ESW program should cover the period FY88-90. FY90, however, need not be filled out with task-specific detail, but should, as a general guideline, be resourced at about the same level as FY88-89; include already-programmed tasks, such as CSPs (according to the existing schedule); give an allowance for broad allocations by sector or topic and include an allocation for EWO and SWO.

20. To facilitate review of the program, task managers are asked to prepare task briefs, following the format in Attachment 5 and not exceeding one page, for all tasks requiring manpower during FY88, (i.e. FY88 outputs and those FY89 tasks which would start during FY88) and submit them to the CAMs according to the timetable in Attachment 1. After their review, CAMs are asked to submit the task briefs for review to the Chief Economist and the Senior Departmental Economists in Programs and Projects by May 19, together with a brief covering memorandum listing the content of the program and drawing special attention to the form in which macro framework analysis will be done and to any other issues.

21. In preparing the program, CAMs and tasks managers are also asked to pay particular attention to improving the quality and efficiency of ESW, by:

- (a) Clearly identifying the audience and obtaining client commitment to the scope, content, timing and responsibilities for ESW tasks proposed. Managers should be realistic about what can be delivered; flexibility should be ensured by identifying reserve tasks and utilizing ESW (see below) to fund limited upstream work on them.
- (b) Improving the impact of our work by ensuring that well considered Executive Summaries are written for all Yellow Cover reports.
- (c) Improving the focus of our ESW by reducing the number of formal reports programmed, producing shorter informal reports and notes focussed on particular policies or issues, utilizing studies financed under projects, UNDP auspices etc., and synthesising these into short formal reports aimed at key policy makers, and programming follow-up work wherever possible and appropriate.
- (d) Ensuring that task schedules and manpower allocations allow adequate time for mission preparation and faster report production after missions, following the approaches outlined in OPN 2.60 and the region's standing guidelines on ESW (Mr. Wapenhans' memorandum of March 27, 1985).
- (e) Allowing sufficient unprogrammed time (EWO and SWO) for mission reconnaissance and other upstream "nurturing" of work not yet agreed by government, developing background information and methodology, for maintenance of sector knowledge in conjunction with other operational missions and for other tasks requiring less than 10 staff weeks.

22. Finally, limited time may be available for regional studies. Task briefs for such studies should be submitted by the Chief Economist to the RVP by May 25.

EMENA - FY88 Work Program & Budget

ESW Task Brief Format
(Attach MIS Input Form)

Country:

Task:

Managing Division:

Total staffweeks:

Task Manager:

Objectives and Relation to Country Strategy

(refer to priority issues:

- o macro framework, debt, creditworthiness
- o policy reform
- o poverty alleviation
- o public expenditure (investment)

Links to other studies (ESW, Project financed, UNDP, etc.) and Lending

(Refer also to critical timing, e.g. relation to country plan or budget cycle, lending operation, etc.)

Government Commitment/Involvement

(which institutions/agencies, why Bank is needed)

Primary clients and methods of dissemination
(Formal/informal, use of seminars, etc.)

Other

(03/30/87)

OFFICE MEMORANDUM

DATE: April 30, 1987

TO: Mr. Ghassan El-Rifai, Division Chief, EM2DC

FROM: Edilberto L. Segura, Division Chief, EMPID

EXTENSION: 3-3047

SUBJECT: JORDAN - Proposed Work Program FY88-90

1. I have reviewed the country work program circulated under cover of your memorandum of April 27, 1987. Apart from the technology transfer/EMI project and the phosphate/mining project, which will both be managed by the Industry Department, the following tasks are proposed for the industrial sector:

- An Industry Trade and Finance Project in FY89
- A review of the Public Enterprise Sector in FY89/90
- A review of Institutional Developments in Industry in FY90.

2. I understand that all of these tasks are to be managed by the Programs Division, but that you would like EMPID to provide support. It is not clear what the underlying rationale is for this proposed allocation of task management responsibilities. However, given the impending reorganization, I propose that this issue be resolved after July 1, 1987. In the meantime, we would be happy to comment on the substance of the Task Briefs for the proposed ESW tasks which I presume your staff will be preparing as Task Managers.

cc: Messrs./Mme Zaidan, Ahmed, Coudol, Chin (EMP)

MAhmed/jb
0200L/69

OFFICE MEMORANDUM

DATE: April 30, 1987

TO: Mr. James Chaffey, Division Chief, EM2DA

FROM: Edilberto L. Segura, Division Chief, EMPID

EXTENSION: 3-3047

SUBJECT: SYRIA - EMPID Work Program Proposal FY88-90

1. I have reviewed the draft CPBP circulated under cover of your memorandum of April 23, 1987 and would like to make the following comments in regard to the proposed work program for industry.
2. First, in regard to the proposed lending program we agree that an export promotion project is probably the most appropriate vehicle for maintaining a useful Bank presence in difficult country circumstances. However, given these country conditions and the current status of our policy dialogue, we do not believe it feasible to prepare such a project in time for FY88 Board presentation. Consequently, we would propose that the first export promotion project be moved to FY89. Given the history of Bank project preparation in Syria, even this schedule requires that preparatory work be initiated in early FY88.
3. The first step in such preparatory work would be to carry out the study of export promotion that is referred to in your memorandum. This study should provide us with an overview of the current impediments to higher exports and recommend both policy and institutional improvements that would be supported by the subsequent project. To be timely, the work would have to be carried out in FY88, i.e., prior to project appraisal. Given the close linkage between the study and the project, in our view, both tasks should be carried out by the same staff and managed by the same operating unit. Under the current draft of the CPBP, the study would be done by EM2DA, while the project will be managed by EMPID. Given the impending reorganization, I propose that this question be resolved after July 1, but I would like to flag it now because we would welcome the opportunity to comment upon the Task Brief for the Study that your division will be preparing as Task Managers.
4. Finally, on the question of resources, the sector allocation for industry included in the CPBP will not be adequate to deliver the lending program envisaged, even allowing for the slippage that we propose above. Assuming that the basic sector issues have been identified through

the FY88 study, the resources required to prepare two industrial export promotion operations for FY89 and FY90 respectively will certainly exceed 30sw in FY88 and FY89. Our estimate would be as follows:

	FY88	FY89	FY90
LEN Industrial Export I (FY89)	35	35	
Industrial Export II (FY90)		<u>30</u>	<u>30</u>
	<u>35</u>	<u>65</u>	<u>30</u>
SPN	-	<u>5</u>	<u>10</u>
TOTAL	<u>35</u>	<u>70</u>	<u>40</u>

5. We appreciate that aggregate budget constraints may not allow this level of effort in industry work in Syria over the next two years. If that is the case, then we propose that the lending program be revised further to conform to available resources. Specifically, in the industrial sector, if the level of resources in FY89 was restricted to 30 sw, preparatory work on the second project could be delayed until the following year and board presentation would slip to FY91.

We would welcome the opportunity to discuss these proposals with you before we input them into the MIS on May 11.

cc: Messrs./Mme. Zaidan, Pranich (EMP)
Ahmed, Coudol, Chin (EMPID)

MAhmed/jb
0200L/66-67

OFFICE MEMORANDUM

DATE: May 1, 1987

TO: Mr. Philippe Nouvel, Division Chief, EMIDA

FROM: Edilberto L. Segura, Division Chief, EMPID 

EXTENSION: 3-3047

SUBJECT: POLAND - EMPID Work Program Proposal FY88-90

1. I have reviewed the proposed FY88-90 work program circulated under cover of your memorandum of April 27, 1987. As the proposals for industry work have already been discussed extensively amongst our staff, I have no further comments or suggested modifications. I presume that the low level of FY90 ESW for the industrial sector -- as well as in the aggregate -- is a reflection of the fact that specific tasks have yet to be defined and does not reflect any conscious proposal to reduce the Bank's efforts in this area.

2. We will enter the detailed numbers for EMPID-managed work into the MIS by May 11 and will also send for your review the task briefs for EMPID-managed ESW tasks.


cc. Messrs. Lari (EM1), Dewey, Zaidan (EMP), Ahmed, Coudol,
Reyes-Vidal, Ms. Chin (EMPID)

 Mamed/jb
01/01/88

OFFICE MEMORANDUM

DATE: April 29, 1987

TO: Messrs. J. Gamba, L. Borin, P. Glenshaw, Y. Ziv, R. Amin,
A. Ewing, IND

FROM: Masood Ahmed, Deputy Division Chief, EMPID 

EXTENSION: 3-2206

SUBJECT: POLAND - Proposed First Industrial Project

I have received your review of the subsector projects proposed for consideration under the direct lending component of the above project. Before these are considered by regional management, I propose that we meet to discuss the report and the next steps in regard to the preparation of the component. Could we meet on Friday, May 1 at 2:30 p.m. in my office (H-10-035)? I have also asked Ms. Loos to attend so that she can reflect the results of our discussion in the IEPS which is under preparation.

cc: Messrs. de Capitani, Nouvel, Segura, Reyes-Vidal
Ms. Loos

MAhmed/jb

OFFICE MEMORANDUM

DATE: April 13, 1987

TO: Mr. A. de Capitani, Assistant Director, INDDR, and
Mr. E. L. Segura, Division Chief, EMPID

FROM: *J. Gamba*
M. Ahmed, J. Gamba and M. Reyes-Vidal

EXTENSION: 32206/74636/33054

SUBJECT: POLAND - Industrial/Financial Sector Reconnaissance Mission
Back-to-Office Report

Introduction

1. In accordance with TOR dated March 5, 1987, a team of EMP/IND staff visited Poland for varying dates between March 9, 1987 and April 3, 1987 to initiate the work on a study of financial intermediaries and on the identification of potential investments for inclusion in a first bank industrial project.
2. The mission's work was facilitated by the high degree of cooperation and interest shown by the Government and other local institutions and enterprises concerned. The National Bank of Poland (NBP) had clearly done a thorough job of briefing the various ministries and other agencies involved on the scope and objectives of the mission. These agencies in turn had carried out considerable preparatory work prior to our arrival and they were generous with both information and the time of key officials during our stay. Within the NBP our principal substantive counterpart was Dr. Grzegorz Wojtowicz, Director of the Foreign Department, who chaired most of the meetings and participated actively in both formal and informal discussions with the mission. The final meeting was chaired by Professor Baka at which the mission's aide-mémoire (Annex I) was reviewed and its thrust and conclusions endorsed by the Government.
3. As planned, the mission's work proceeded in parallel on two planes. At one level, the discussions focussed on initiating the substantive work on identifying and preparing potential investments, on developing a better understanding of the institutional and policy framework for export development and on beginning the systematic review of the role and contribution made by the various financial intermediaries. The preliminary findings of this aspect of the mission's work are under preparation now and will be circulated shortly, for review and comments. These findings will be further developed during the second phase of fieldwork which, as you know, has been planned for May-June 1987.

4. In parallel to these substantive discussions, the mission also focussed on the operational aspects of identifying and preparing a potential industrial lending operation. There was considerable interest amongst our counterpart officials in gaining a better understanding of what precisely would be entailed in the preparation phase of such a project and we were asked repeatedly to explain the procedures, modalities and processing aspects of our proposed work. One implication of this strong interest is that we have been able to go further in exploring operational options for the first industry project than we had envisaged prior to the mission. A related outcome is that the mission's aide-mémoire and this back to office report also focus largely on the operational implications of the ongoing substantive work. The rationale for adopting this presentational strategy is to enable a better focus (both by Polish Government policymakers and Bank management) on some key operational issues whose early resolution is a prerequisite to ensuring that an ambitious project processing timetable can be met. As noted above, the mission's reports on the various substantive issues explored will be circulated as they become available in the coming weeks.

Principal Operational Findings

5. The mission's main conclusions are summarized in the attached Aide Memoire. The operational implications that need to be stressed at this stage are noted below:

6. First, it should be possible to prepare an industrial project for FY88 Board presentation, which will meet the objectives and criteria set out in your memorandum of March 5, 1987. However, accomplishing this target entails an obviously tight processing schedule which does not allow for any significant departures from the "best case" set of assumptions underlying the critical path of project preparation. Specifically, it is assumed that agreement on a satisfactory macroeconomic framework will be reached in the near future, that the limited objectives envisaged for the first generation of projects will not be substantially revised during preparation, that the initial momentum of project preparation efforts will continue to receive high priority both in Poland and in the Bank, and that the possible disruptive effects of the Bank's impending reorganization will be minimal in terms of the staffing or scheduling of preparatory work for this project.

7. Notwithstanding these caveats, the obvious high priority of an industrial exports development project remains unchanged. The mission's work has confirmed the view that there exist a number of potential investment opportunities in the industrial sector where an injection of relatively modest foreign exchange funds would lead to a quick expansion in exports. This is simply a manifestation of the backlog of unrealized profitable investments created by the severe shortage of foreign exchange that most enterprises have experienced over the past few years. As a result, the "marginal productivity" of foreign exchange in these industries has risen substantially and the provision of such funds is likely to generate a quick and substantial impact on the balance of payments.

8. The discussions and plant visits conducted by the mission indicate that foreign exchange funds would be deployed profitably in support of both medium sized investments (mostly in the range of \$5-25 million) in selected

enterprises as well as smaller debottlenecking investments (under \$ 2 million) dispersed in a larger number of firms. In the former category, the mission's visits to firms in the cement, electro-engineering, pulp and paper and chemical subsectors has generated a first listing of projects amounting to over \$550 million. Some of these are unlikely to be suitable for inclusion under the first project because of the length of implementation or uncertainty about their consistency with the longer term comparative advantage of the subsector. However, it is clear that there will be enough eligible investments to absorb the funding provided under a Bank loan of \$150-200 million. Regarding the smaller and more dispersed investments, because of their nature, the mission's review has relied more on Polish counterpart information. The Ministry of Foreign Trade has prepared a list of over 150 small projects which would contribute to rapid export growth if the sponsoring enterprises could obtain the necessary foreign exchange. The Bank of Export Development also informed us that they have a pipeline of highly profitable small projects awaiting funding and provided a few examples of typical projects. Anecdotal evidence of high payoff debottlenecking investments was also raised in many of the visits to other agencies and enterprises. Thus, while the detailed review of a potential pipeline of small projects will still need to be carried out in May-June, the mission is reasonably confident that there would be enough demand for such projects to justify a \$30-50 million line of credit component under the first Bank industry loan. Inclusion of such a component in the loan would also respond to the Government's concern that the smaller and more decentralized firms should also be able to benefit from the Bank's support and that at least some of the Bank supported investments should be identified through the direct work of the enterprises and banks rather than being prescreened by the line ministries.

9. The mission's initial review of the financial intermediaries also suggests that it should be feasible to formulate intermediation arrangements that would permit the inclusion of a line of credit component in the first project. Again, further detailed work will be done during the next phase of fieldwork in May-June to arrive at firm conclusions, but at this stage the mission proposes an on-lending scheme for the proposed project which would use the NBP as the primary intermediary for provision of Bank funds to industrial enterprises. NBP seems to have the largest experience in project evaluation in the country as a result of its role as the main source of financing for medium and long term industrial investments. The capabilities in project appraisal and supervision of the other various banks are rather limited at this stage because of their specialized roles in banking activities and in the provision of funds for investments. The newly created Export Development Bank, which has been in operation since January 1987, is still little more than a "shell" institution. However, the envisaged scheme would allow the participation of these other banks in the use of Bank funds available through the line of credit under a rediscounting mechanism with the NBP. This would contribute to strengthening the project appraisal and supervision capabilities in these other Banks in a prudent way and thus provide a wider spectrum of financial intermediaries for future Bank operations.

10. Regardless of the detailed arrangements finally chosen, it is clear that the project appraisal and supervision capacity of the local banks (including NBP) will need to be strengthened both for the successful

implementation of this project and for the increasingly important role in development banking that they will play in future projects. The strengthening of this capacity should be one of the main objectives of the first Bank industrial project and the mission envisages the inclusion in the project of some funds for training and technical assistance to achieve this objective.

11. The proposed project would also have two other objectives. First, it would support the government's efforts to streamline and improve the institutional and policy framework for export development. The Government is taking a number of actions to improve the attractiveness of exporting but these actions have been taken in a somewhat ad hoc manner by a variety of agencies. As a result, the overall package of export incentives is complex, cumbersome and frequently product and firm specific. The mission has begun a review of this system and discussed with counterpart officials some options to improve its functioning. These will be further explored during the next phase of fieldwork with a view to arriving at specific proposals for improvements to be carried out in association with the proposed project.

12. The final objective of the proposed project would be to lay the analytical groundwork for subsequent programs of industrial restructuring in key areas. The mission has stressed in its discussions that the first project is likely, in one important sense, to be different from those that may follow. Essentially, the backlog of foreign exchange starved enterprises provides an opportunity to bring about an initial increase in the level of exports relatively easily by supplying this foreign exchange and by choosing good projects from a large portfolio. However, in the mission's view, subsequent sustained increases in exports will come about largely through more fundamental actions affecting resource allocation, incentives and the organization of industrial production. Clearly these decisions will be more difficult and more complex and their pace and sequencing will be determined by the various branches of the Government and other in-country forces. However, the Bank can contribute to this process by supporting the development of well focussed medium term strategies for the major industrial subsectors. These strategies would then provide an internally consistent framework for setting incentives and priorities in the light of the dynamic comparative advantage of the subsectors concerned. They would also provide the basis for the design of future Bank-supported industrial projects. The mission suggests that the first industrial project include funds to support sectoral studies needed to develop such a strategy.

13. The objectives and scope of the project as outlined in the aide-mémoire have been endorsed by the Government. The mission also agreed on a detailed timetable and scope of work to be undertaken by the Polish counterpart teams for further project preparation. However, the processing of the proposed industrial project in accordance with the above timetable will require the resolution of a number of issues which are outlined below.

Project Processing Issues

14. Macroeconomic Context. As stated in Mr. Nouvel's memorandum of February 12, 1987, preparation of potential first operations in Poland would proceed on the assumption that an agreed scenario for the recovery of creditworthiness would be launched. This scenario, which is expected to include satisfactory measures to begin addressing major macroeconomic and

systemic issues, would provide the basis for a Bank decision to proceed with lending, including the proposed industrial project. The mission's work is based on the premise that, as agreed, additional major macroeconomic or systemic conditionality would not be attached to this project. However, the mission seeks guidance on the extent to which processing of the proposed first industrial project should proceed prior to the agreement on such a macroeconomic scenario. In the mission's view, an agreement would need to be reached at least by the time of project appraisal.

15. A particularly relevant macroeconomic issue, concerns the negative level and dispersed structure of interest rates. As compared with an estimated inflation rate of 18%, the lending rates in force today for domestic credit range from 2% for housing and some agricultural loans to 12% for general industrial credit. The NBP recognizes the difficulties imposed by this system but it is not clear how quickly and comprehensively the problem can be resolved. Given the economy-wide nature of this issue, the mission seeks guidance on the extent to which Government action to redress the interest rate question will be linked to the processing of the first industrial project. A related issue, is the definition of mechanisms to ensure that Bank funds lent to industrial users carry a rate of interest high enough to ensure their effective use, and that satisfactory arrangements can be established for the bearing of the foreign exchange risk associated with the use of these funds. The mission's initial review of this subject indicates that such agreement will entail some changes in the existing procedures for foreign exchange loans in Poland, but NBP officials were confident that these changes could be made.

16. Project Appraisal Parameters. Another cross-sectoral issue to be resolved prior to the next mission, refers to the arrangement between the Bank and the Government of Poland with regard to parameters to be used in project appraisal, e.g. discount rates, shadow prices, etc. The mission seeks guidance on the values to be attached to these parameters in the evaluation of proposed investments which will be reviewed during the next mission.

17. Action is required to establish effective disbursement and procurement arrangements for the proposed project. These agreements would include, first, general aspects, e.g. review of procurement guidelines with local authorities and second, specific issues related to the implementation of the proposed project, in particular, the conditions for local competitive bidding.

18. Finally, support for local project preparation is essential to ensure timely processing of the proposed timetable. Based upon discussion with Government officials, a proposed one week seminar in this area to be conducted by the Bank next May in Warsaw, would be highly beneficial. The seminar should focus on relating UNIDO methodology for project preparation (for which training is being already undertaken locally) to the Bank's standards. Further training would be provided through the direct participation of the trainers in subproject preparation during the next mission (scheduled for May/June), which also would involve Polish counterpart staff.

Next Steps

- (i) The mission's conclusions included in the Aide-Mémoire to be confirmed by telex (draft attached in Annex 2) to the Government of Poland;
- (ii) an analysis of the cement, electro-engineering, pulp and paper and chemicals subsectors, with specific reference to proposed investments therein will be produced in the next two weeks by various mission members;
- (iii) a summary of the discussions held with the various financial intermediaries and the next step in the review of their roles and capacities will also be circulated for comments during the coming week;
- (iv) the draft IEPS to be prepared by Country Programs and circulated for review and clearance;
- (iv) a decision regarding the amount of the proposed first industrial loan. This decision should be based on the results of the review of investment proposals undertaken by IND including those for selected enterprises and those to be supported under a line of credit;
- (v) a decision with regard to parameters to be used in project preparation;
- (vi) the next mission, currently scheduled for middle May/June, to complete field work for the financial intermediaries study and to continue preparation of the proposed project. Specific tasks to be conducted would include (a) to complete the review of financial intermediaries (including the Bank of Food Economy, for its possible role in agricultural projects); (b) to define and agree upon mechanisms for rediscounting and onlending of Bank funds; (c) to review the pipeline for small investment projects and to develop criteria for approval of line of credit subprojects; (d) to review the status of preparation for feasibility studies of projects in preselected enterprises and to agree on a sublist of such projects for further detailed work; (e) to review the export development framework and to define specific measures for its potential streamlining; and (f) to define further technical assistance that might be required to improve project appraisal capacity in NBP or other financial institutions.

- (vii) An initial Project Brief will be prepared, as scheduled, after the May/June mission. Subject to satisfactory completion of Project Preparation, project appraisal could take place in October/November 1987.

19. The realization of the above schedule requires continuity of staff currently involved in the financial/industrial sector in Poland as well as the allocation of adequate time in their work program. It is the mission's view and a concern of the Government that shifts in staffing could lead to delays and unnecessary high learning costs.

Distribution

Messrs./Mmes. Lari, Nouvel, Harrison, King, Lav, Loos (EML), Dervis (EMNVP), Golan, Colaco, Goldberg, Rowat, Raghavan, Stern, Sood, Duvigneau (IND), Rajagopalan, Dewey, Zaidan, Harris Reekie, Liebenthal, Coudol (EMP), Mission Members.
Kopp (PPDDR) (2)

Attachments

POLAND

Industrial - Financial Sector Reconnaissance Mission

Aide Memoire

I. Introduction

A World Bank /WB/ staff mission visited Poland between March 9 and April 4, 1987, to initiate preparatory work on Industrial-Financial sector and to begin the identification of a potential first industrial lending operation. The mission's specific tasks included:

- /i/ identification of potential investments at the enterprise level in selected subsectors, which could make an early contribution to increased exports, with relatively small injections of convertible currency funds,
- /ii/ initiation of the review of the institutional and policy framework for export development, and
- /iii/ initiation of discussions with potential financial intermediaries with the view to establishing the procedures and mechanisms for the transfer of Bank funds to support these investments.

The mission has held discussions with the National Bank of Poland /NBP/, representatives of the Planning Commission /PC/, and other Ministries, agencies and enterprises. The conclusions presented in this Aide Memoire are based on these discussions. However, the mission would like to stress: /i/ that the following ideas are of a preliminary nature and subject to the results of the detailed analysis which will be carried out in the coming months, and /ii/ that these ideas reflect the mission's view and are subject to review and confirmation by WB management in Washington.

II. Main Conclusions

/i/ The mission's work has confirmed that a number of potential investments exists which could be developed quickly to generate a positive balance of payments impact, largely through increased exports.

/ii/ These investments are located both in the selected enterprises visited by the mission and in other enterprises for which information has been provided by the government. They comprise larger, discrete packages and smaller proposals, respectively.

/iii/ The initial review of the financial system suggests that the various banks play specialized roles in the provision of funds for different types of industrial projects. Consequently, the mission proposes the further exploration of a scheme which would use the NBP as the primary intermediary for provision of WB funds to industrial enterprises ; other banks would participate in the use of these funds for their clients through the development of an appropriate rediscounting facility at the NBP.

/iv/ The Bank of Food Economy is unlikely to participate in the channeling of WB foreign exchange funds for industrial projects but it has a potential role as an intermediary for agricultural development projects. This role will also be further explored in subsequent work of WB financial sector missions.

/v/ Based on these conclusions, the mission has developed and discussed with Government representatives a proposed industrial lending operation whose objective, scope and modus operandi are summarized below. Also summarized below are the potential issues that will need to be addressed in the design of further industrial lending as well as the specific work required for the preparation of the first project and its timetable.

III. Potential First Industrial Project

/i/ Objectives

The objectives of the First Industrial Project would be:

/a/ to achieve a quick improvement in the balance of payments situation through expanded industrial exports, by providing foreign exchange for debottlenecking and efficiency improvements of existing plants, and by further streamlining the policy institutional framework for export development;

/b/ to initiate the preparation of the analytical and institutional building support required for the development and implementation of subsequent industrial investment programs; and

/c/ to support the strengthening of the project appraisal and supervision capacities of the financial intermediaries active in the sector.

/ii/ Scope

The project would have three components:

/a/ discrete and preappraised investments in selected industrial enterprises in the Electroengineering, Chemicals, Metallurgy, and Pulp and Paper subsectors. The final selection of these investments is likely to be part of those detailed in Annex 1 of this Aide Memoire.

Such selection will be based on a technical, financial and economic evaluation of the enterprise as a whole, including the proposed investment ;

/b/ a package of smaller investments in other industrial enterprises, which would meet specific preagreed criteria and would be financed out of a WB line of credit to NBP. A listing of potential investments in this category will be submitted by the Government of Poland to the WB in accordance with the timetable specified below ;

/c/ a series of studies and technical support required to strengthen the project appraisal and supervision capacities within the local financial institutions and to prepare the analytical framework for the design of industrial sector development strategies which would also guide the scope of potential future WB supported industrial projects.

/iii/ Project Size

The total cost of the project and its breakdown among individual components will be defined through the preparatory work, that is now being initiated. However based on the review of the investments proposed, the mission believes that a loan of at least US \$ 150,0 million could be quickly and effectively absorbed.

/iv/ Financing and Implementation Mechanisms

The principal financial interlocutor for implementing the project would be the NBP. However, NBP's role in the channeling of funds and in the supervision of project implementation will likely vary by component ; the details of which will be defined during subsequent project preparation. At this stage it appears that the mechanisms for project financing could work as follows:

/a/ for the discrete and preappraised investments in selected enterprises, the NBP would channel the WB funds to these enterprises in accordance with WB standard procedures ; NBP would also participate in the supervision of the project implementation in association with other Government agencies, as appropriate /branch ministries, Planning Commission, etc/ who may perform complementary technical or other functions ;

/b/ for the package of smaller investments to be financed out of the line of credit, NBP would play a dual role ; first, as a primary channel for funds, and second, as the agency which would ensure that the sub-projects ultimately proposed to the WB for inclusion under the line

of credit satisfy the criteria previously agreed between the Government of Poland and the WB. For this purpose, NBP project evaluation and supervision capacities may require strengthening through technical assistance, which the proposed project would also support under its third component.

The other financial intermediaries /Export Development Bank, Bank Handlowy, Bank PKO/, would be able to participate in such a line of credit by proposing subprojects to NBP meeting those agreed criteria. The internal transfer of resources between NBP and these intermediaries to fund the approved subprojects could be organized through a rediscounting mechanism. The details of this rediscounting mechanism will be worked out during project preparation.

The financing and implementation arrangements for the technical assistance and study component also need to be worked out and agreed as part of subsequent project preparation, but these are likely to be relatively straightforward.

IV. Issues related to Project Preparation

/i/ Agreement on the Macroeconomic Framework

As indicated earlier the design of the proposed first project does not envisage major additional changes to the policy or institutional framework over and above those that would be agreed between the Government of Poland and the WB as part of the macroeconomic framework required for the initiation of WB lending.

Consequently, the mission would like to stress that the timetable proposed for the processing of the first industrial project assumes that such an agreement would be reached in time for the execution of the various steps associated with project preparation.

/ii/ Interest rate

One specific macroeconomic issue that is of direct relevance to the design of the first industrial project is the level and structure of interest rates for domestic credit. This issue has two aspects first, the interest rate to be charged for onlending of WB funds to industrial beneficiaries and the arrangements to govern the bearing of foreign exchange risk on these funds. As part of this, the Government will need to define how repayments of these subloans will be made by the final beneficiaries. The current practice appears to be that exporters repay foreign exchange subloans in foreign exchange and therefore bear the foreign exchange risk. However, it is not clear what the parallel arrangements are for beneficiaries who cannot generate sufficient foreign exchange directly to repay such subloans in this manner. Second, regardless of the arrangements agreed for the onlending of WB funds, the broader question of the highly negative and dispersed structure of local credit interest rates will also need to be addressed, since it will be difficult to demonstrate the effective use of WB provided funds in such an overall framework.

/iii/ Contribution of the First Industrial Project to Medium-term Industrial Development

As noted above, the mission agrees that it would be possible to generate an initial expansion of exports through a project that aims, primarily, at providing foreign exchange for debottlenecking and similar operations. This expansion of exports may also require some streamlining of the institutional and incentive framework for export development. The mission has held some preliminary discussions on this subject and proposes a more systematic review of this during the next stages of project preparation.

Notwithstanding these efforts, it is the mission's view that further sustained increases in the level and profitability of industrial exports

are likely to come about only as a result of more fundamental actions to improve the structure of industry, its inherent competitiveness and its operational efficiency. This, in turn, is likely to entail more difficult and complex decisions on reallocations of human and financial resources from firms and subsectors with low competitiveness potential to those with higher. These decisions will require the formulation of specific development strategies for each of the major industrial subsectors to ascertain where and how their dynamic comparative advantage can best be exploited.

Some indicative work in this area is already being done. In the mission's view however, a more comprehensive and systematic approach is likely to be required for each of the major subsectors.

The results of such an effort would serve three purposes:

- /a/ assess the impact of the existing framework of incentives and guide their future development to enable better decentralized decision making by enterprises ;
- /b/ provide a framework for the Government of Poland to review individual project proposals in the subsector in the light of their inherent economic competitiveness and long term contribution; and
- /c/ serve as a basis for the development of future industrial projects to be proposed to the WB and other lending agencies.

Given these factors, the mission has proposed that some such studies could be financed under the third component of this project. This would enable the breathing space provided by increased exports resulting from this first project to be utilized effectively towards addressing the more fundamental industrial restructuring issues in the medium term.

V. Project preparation schedule and next steps

Subject to the satisfactory resolution of the macroeconomic and interest rate issues noted above and to the approval by Bank management of the mission's proposals, the timetable for further project preparation would proceed as outlined in the table below. This envisages that the project would be appraised in October /November 1987 and would be presented to the World Bank Board of Directors for approval in the first half of 1988.

This is an ambitious timetable, particularly for a first lending operation as procedures and mechanisms will have to be agreed which would normally already be in place. The realization of this timetable will require considerable effort on the part of a variety of agencies and enterprises in Poland. It will also require frequent and close involvement of Bank staff to assist and guide the process of project preparation in a short time. However, given the capacities and dedication of the staff in the many agencies and enterprises visited by the mission and the high degree of cooperation received, we are confident that such a timetable can be met.

Timetable For Preparation Of Proposed Industrial Project And For

Review Of Financial System

<u>Date</u>	<u>Activity</u>	<u>Responsible Agency</u>
April 15, 1987	Confirmation by WB management of general approach and scope of project as proposed by mission	WB
April 20	Completion of financial sector questionnaire by Polish banks	NBP to coordinate and forward to WB
Mid-May	Completion of technical /and wherever possible economic/ analysis of investments proposed in selected enterprises as attached in Annex 1	Branch Ministries to coordinate enterprise data and submit to NBP
Mid-May	Preparation of Revised pipeline of smaller investments for possible inclusion under a line of credit component	NBP to coordinate with Min. Foreign Trade and other agencies/banks
Mid-May	Preparation of Issues Paper on effectiveness of various existing export incentives	Min. Foreign Trade in coordination with NBP and Ministry of Finance
Mid-May Early June	Financial Sector Mission/Project Preparation Mission. Objectives: <ul style="list-style-type: none"> - complete review of financial intermediaries/including Bank of Food Economy for possible role in agriculture projects/; - define and agree mechanism for rediscounting and onlending of WB funds ; - review small investment projects pipeline and develop criteria for approval of line of credit subprojects ; 	WB

- review export development framework and agree on scope of potential streamlining
- define technical assistance required to project appraisal capacity in NBP/other institutions ;
- review status of preparation for feasibility studies of projects in preselected enterprises ;
- agree on sublist of such projects for further detailed work and on scope and timetable for this work

June-Sept

Completion of project Preparation Work as agreed during May-June mission

NBP to coordinate

Oct-Nov 1987

Appraisal of Project

World Bank

Warsaw, April 3, 1987

POLAND
INDUSTRIAL SECTOR

Investment Project Possibilities in Selected Enterprises^{1/}

Subsector/Enterprise	Description	Estimated Cost		Incremental Annual Exports ^{2/} US \$ mill
		Local zł mill	Foreign US \$ mill	
<u>Cement</u>				
1.1 Chełm	Conversion to dry-process	18.000	28.0	Marginal; 200.000 tpy Savings in coal
<u>2. Machine Tools</u>				
2.1. Avia	Debottlenecking	5.000	10.0	1.5
2.2 Mechanics	same	9.000	12.0	3.0
2.3 Rafanet	same	3.000	10.0	5.0
<u>3. Tools</u>				
3.1 Vis	Debottlenecking	3.000	20.0	Good potential; to be estimated
<u>4. Cables</u>				
4.1 Krakowska	Debottlenecking	9.800	23.7	Significant; to be estimated
<u>5. Compressors</u>				
5.1 Eda	Production of electro-compressors	25.000	60.0	Import substitution
<u>6. Nuts and Bolts</u>				
6.1 Polmetal	Rehabilitation	6.000	10.0	Good potential ; to be estimated
<u>7. Pulp and Paper</u>				
7.1 Myskow	Rehabilitation/ New line	6.750/ 5.000	28.0/ 27.0	11.5/7.5
7.2 Swiecie	Rehabilitation	2.200	33.0	15.0
7.3 Ostrołęka	Rehabilitation	20.000	93.0	18.9

8. <u>Wood-based Panel</u>				
8.1. Wieruszów	Rehabilitation	500	5.0	2.7
8.2 Jasło	Rehabilitation	500	5.0	2.7
8.3 Karlin	Debottlenecking/	120 /	5.0 /	4.1 / 2.5
	Modernization	100	3.0	
8.4 Szczecinek	Rehabilitation	2.400	10.0	5.4
8.5 Czarnków	Rehabilitation	250	5.0	3.1
8.6 Piotrków	Rehabilitation	350	2.0	1.6

-
- 1/ Inclusion of project possibilities in this list is based on a preliminary assessment about the investment details provided to the mission. It does not mean that their technical, financial and economic viability has been evaluated and confirmed. This analysis will be carried out in the near future and will include an evaluation of the enterprise operations as a whole, including the proposed investments.
- 2/ Or other impact on balance of payments, as indicated. Final estimate will be net of value of imports required in production.

P O L A N D
I N D U S T R I A L S E C T O R

Investment Possibilities for Chemical and Related Industries

S U M M A R Y
=====

Sub - Sector	No of Projects	Estimated Cost		Incremental Net Exports
		Local	Foreign	
		b Zl	£m	
PHARMACEUTICAL	8	20.3	65.3	64.3
PETRO- AND COAL CHEMICAL	11	50	75.3	56.3
OTHER PROJECTS	9	7.2	38.4	27.7
TOTAL	28	77.5	179.0	148.3

Note: Source of data is from the enterprises concerned

PHARMACEUTICAL SUBSECTOR

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Enterprise	Description	Estimated Cost		Intermental Annual Net export
		Local	Foreign	
		<hr/>	<hr/>	<hr/>
TERPOL	New annual production of	b ZL	US \$ mill.	US \$ mill.
	- 50 tpy cephalosporine	7	29.1	24.9
	- 9 million units of infusions	0,5	2.2	3.6
	- 23 million pieces of CAPD	5	11.7	4.9
		<hr/>	<hr/>	<hr/>
		12.5	43.0	33.4
ERG BRZOSOW	New annual production of 150 million ampules	2.3	8.3	20.0
ERG KLOBUCK	New production of 300 million syringes per year	1.8	10.0	9.2
POLFA LOWICKIE	Expansion of production of calcium gluconate /+ 750 tpy/	2.1	3.0	1.2
OSWIECIM	New production of 2500 tpy propilfenazone	1.6	1.0	0.5
		<hr/>	<hr/>	<hr/>
	TOTAL SUBSECTOR	20.3	65.3	64.3

PETRO- AND COAL CHEMICAL SUB SECTOR

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BLACHOWNIA /	Debottle necking and expansion of coal chemical derivatives - hydrorefining of benzol; new production of ethylbenzene, styrene, ABS resins and phthalic anhydride /5 projects/			
		32.0	40.4	20.4

TARNOW	Increasing Amm Sulfate capacity to debottleneck caprolactan	1.4	1.3	16.0
OSWIECIM	Installation of new 30000 tpy detergent intermediate plant	4.0	1.2	3.0
PULAWY	Debottlenecking of urea - melamine plants; rehabilitation of nitric acid	10	20	9
PLOCK	Revamp polypropylene to cut costs and improve quality.	1.1	10	4.8
	Install 60000 tpy MTBE plant	1.5	2.4	3.1
TOTAL SUB SECTOR		50	75.3	56.3

OTHER CHEMICAL INDUSTRY RELATED PROJECTS

JANIKOWSKIE	Shut Ammonium Chloride plant now polluting Krakow and commence new production as by- product of existing soda ash plant	1.1	2.1	0.3
TOMASZOW	- Add 9000 tpy high wet modulus viscose staple line	0.1	12.0	5.4
	- Install 6000 tpy bi-oriented polypropylene film line	1.6	8.0	6.3
JASLO	Install 6 million m ² /yr PVC floor lining line	0.3	3.5	1.2
BELCHATOW	Increase conveyor belt production from 120-190 km/yr	0.7	7.5	11.0
DABROWA	Utilize surplus of 20000 tpy fats to produce soap and cosmetic intermediates			

NOWY DWOR

Utilize spare glycerine capacity
by installing fatty acid splitter
and install new plant to process
10000 tpy palm oil

1.0 2.1 1.0

PIONKI

Upgrade and expand CMC
production by 5000 tpy

0.7 1.1 1.5

SUB TOTAL OTHER PROJECTS

7.2 38.4 27.7

POLAND

Industry - Financial Sector Reconnaissance Mission

Draft Telex to Government

REFERENCE INDUSTRIAL FINANCIAL SECTOR RECONNAISSANCE MISSION

ON BEHALF OF THE BANK EYE WOULD LIKE TO EXPRESS OUR APPRECIATION FOR THE COURTESY AND ASSISTANCE EXTENDED TO THE RECENT INDUSTRIAL FINANCIAL SECTOR RECONNAISSANCE MISSION. WE BELIEVE THAT THE MISSION HAS MADE CONSIDERABLE PROGRESS IN THE DISCUSSIONS WITH REPRESENTATIVES FROM GOVERNMENT, INSTITUTIONS AND ENTERPRISES IN DEFINING THE SCOPE AND TIMETABLE FOR FUTURE COLLABORATION IN THESE SECTORS.

WE HAVE NOW REVIEWED THE DIFFERENT PROPOSALS PRESENTED BY THE MISSION IN ITS AIDE MEMOIRE WHICH WAS DISCUSSED WITH YOU ON APRIL 3 AND WOULD LIKE TO CONFIRM THAT WE ARE IN AGREEMENT WITH THE STRATEGY AND TIMETABLE FOR FUTURE WORK PROPOSED THEREIN. SPECIFICALLY WE RECONFIRM THAT NEXT INDUSTRIAL FINANCIAL SECTOR OPERATIONAL MISSION WILL VISIT POLAND IN MAY/JUNE 1987, THE MUTUALLY CONVENIENT SPECIFIC DATES TO BE ARRANGED IN DUE COURSE. IN THE MEANTIME WE LOOK FORWARD TO RECEIVING FROM YOU THE QUESTIONNAIRES AND OTHER PREPARATORY INFORMATION, AS AGREED BETWEEN YOURSELVES AND THE MISSION. WE LOOK FORWARD TO CONTINUE OUR FRUITFUL COLLABORATION IN THIS AREA. BEST REGARDS, PHILIPPE NOUVEL, EMENA, INTBAFRAD



Record Removal Notice

File Title Masood Ahmed - Chronological File - January to December 1987		Barcode No. 30450195
Document Date April 10, 1987	Document Type Memorandum	
Correspondents / Participants To: Mr. Benjamin Cu Kok, PMDRT From: Masood Ahmed, Deputy Division Chief, EMPID		
Subject / Title Mr. Keshava D. Saxena		
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.
		<table border="1"><tr><td>Withdrawn by Shiri Alon</td><td>Date November 14, 2022</td></tr></table>
Withdrawn by Shiri Alon	Date November 14, 2022	



Record Removal Notice

The World Bank Group
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File Title Masood Ahmed - Chronological File - January to December 1987		Barcode No. 30450195		
Document Date April 10, 1987	Document Type Memorandum			
Correspondents / Participants To: Mrs. Helen D. Vasquez, PMDRT From: Masood Ahmed, Deputy Division Chief, EMPID				
Subject / Title Mr. Kimihiro Imamura				
Exception(s) Personal Information				
Additional Comments		<p>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.</p> <table border="1"><tr><td>Withdrawn by Shiri Alon</td><td>Date November 14, 2022</td></tr></table>	Withdrawn by Shiri Alon	Date November 14, 2022
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April 9, 1987

Dr. Grzegorz Woftowicz
Narodowy Bank Polski
Director, Foreign Department
Warsaw, Poland

Dear Dr. Woftowicz:

On behalf of Julio Gamba, Mario Reyes, and the other members of our mission I would personally like to thank you for all your guidance and support during our recent visit. It was a real pleasure to work with you and I am convinced that without your inspired chairmanship of the key meetings, we would not have been able to make the progress that we did in jointly developing an operational strategy for Bank assistance in the industrial/financial sectors.

I would also like to express our appreciation for your warm hospitality which contributed so much to making our visit an enjoyable one.

We are looking forward to our next set of discussions in May/June when we hope to make further progress in the review of financial/industrial sector issues and in the preparation of the first Bank-supported industry project.

With warm regards.

Sincerely,

Masood Ahmed
Deputy Chief
Industrial Development and Finance Division
Europe, Middle East and North Africa Region

cc. Messrs. Gamba, Reyes, Ms. Loose
MasoodAhmed/dls
0202L/dls

OFFICIAL FILE COPY

April 10, 1987

Mr. Andrzej Olechowski
Narodowy Bank Polski
Foreign Department
ul. Swietokrzyska 11/21
00-950 Warsaw, Poland

Dear Andrzej:

On behalf of Julio Gamba, Mario Reyes, and the other members of our mission, I would like to thank you and your staff for the advice and assistance in organizing our recent visit to Poland. We recognize the heavy requirements imposed by the presence of such a large and diverse group of Bank staff. The fact that they were all able to carry out their envisaged tasks is, in a large part, due to the excellent organizational arrangements made by your group.

We also appreciated very much your personal hospitality. We not only enjoyed the evening, but this also provided an opportunity to exchange views on matters of mutual interest in an informal context. Please also thank Irene for the excellent dinner.

I look forward to working together with you in the future.

Best regards.

Sincerely,

Masood Ahmed
Deputy Chief
Industrial Development and Finance Division
Europe, Middle East and North Africa Region

Masood Ahmed/dls
0202L p54

cc: Messrs, Julio Gamba, Mario Reyes, Ms. Loos

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April 9, 1987

Dr. Stephan Przywecki
Member of the Board
Narodowy Bank Polski
ul. Swietokrzyska 11/21
00-095 Warszawa, Poland

Dear Dr. Przywecki:

I would like to express my appreciation for the valuable guidance that you provided to our mission during our recent discussions in Warsaw. I would also like to thank you for taking the time to show me some of the sights of interest in your city. I enjoyed our excursion very much, and appreciated the opportunity to discuss matters of mutual interest with you in an informal context.

I look forward to our continuing collaboration in the future.

Best regards.

Sincerely,

Masood Ahmed
Deputy Chief
Industrial Development and Finance Division
Europe, Middle East and North Africa Region

MasoodAhmed:dls
0202L/p52

OFFICIAL FILE COPY

EMENA/IDF DIVISION ECONOMISTS

<u>Name</u>	<u>Title</u>	<u>Phone</u>	<u>Room</u>
Segura, Edilberto	Division Chief	3047/8	10-001
Ahmed, Masood	Deputy Chief	2206	10-035
Ba N'Daw, Safiatou	Financial Analyst	3061	10-021
Banerji, Shyamadas	Sr. Operations Officer	3053	10-019
Behbehani, Redha	Industrial Economist	3056	10-009
Carrère, Noel	Sr. Industrial Economist	3052	10-005
Galal, Ahmed	Financial Economist	3060	10-023
Hunt, Robert	Senior Economist	3050	07-015
Klein, Michael	Industrial Economist	2170	10-013
Pottker, Bernardus	Sr. Operations Officer	3055	10-011
Reyes-Vidal, Mario	Operations Officer	3054	10-017
Rocha, Roberto	Operations Officer	3058	10-029
Sawaya, Emile	Operations Officer	3051	10-007

EMENA PROJECTS DEPARTMENT
Industrial Development and Finance Division
DIVISION OBJECTIVES

I. OVERALL CONTEXT

1. The importance of the industrial sector in reestablishing sustained growth prospects for the EMENA countries continues undiminished. In virtually all of these countries, improving the international competitiveness of the industrial sector and expanding the volume and profitability of industrial exports has become a sine qua non of better macro-economic performance. This improved competitiveness will come about through a variety of actions -- trade liberalization, a more effective domestic regulatory framework, financial and corporate sector restructuring, economic pricing and other incentive systems, easier entry and exit of firms, greater accountability and autonomy for public enterprises, etc. However, the precise mix of instruments and their relative priority and sequencing in a package of industrial sector reform will vary according to the specific circumstances of each country. The Bank's own assistance in support of these efforts, will similarly have to be tailored carefully to meet these country specific requirements while drawing upon the analytical techniques and empirical experience acquired through our broad base of cross-country involvement.

2. For the countries of the EMENA Region, an overall strategy to address the principal industrial, trade and financial sector issues has been outlined in the divisional strategy paper of November 1986. This paper also sets the framework for the division's objectives and priorities in the coming year. In general terms, these objectives will be to assist our client countries in (i) developing and implementing appropriate policy regimes covering industry, trade and the financial sector; (ii) strengthening the institutions involved in the management and delivery of industrial production and financial services in the countries (including public enterprises, relevant government agencies, financial institutions, the private sector); and (iii) financing high priority activities that support the realization of the above objectives.

II. OPERATIONAL OBJECTIVES

3. The quantitative FY88 operational objectives for the Division will be finalized as part of the impending CAM process and will be subject to changes resulting from any reorganization of the Bank's internal structure. However, based on the agreements already reached with the various CAM units, the tentative work program for the division during the coming year can be identified now and is attached as Annex 1. Moreover, the qualitative objectives outlined below will apply to industrial trade financial policy and sector analysis no matter what part of the Bank it is carried out with.

4. These qualitative objectives will focus on two particular aspects in the design and delivery of the agreed work program. First, a major objective during the first half of the fiscal year will be to develop and articulate an industrial sector assistance strategy for each of our active borrowers (except for Turkey where this task will be completed in FY87). This will define the principal issues that the Bank will seek to address through our policy

dialogue and operational work in the medium term and it will set out a proposed lending and sector work program that will help to resolve these issues. A second major objective during FY88 will be to upgrade the quality and focus of the analytical work through the more systematic use of up to date analytical techniques and approaches. This effort will build upon and operationalize the skills acquired through a series of training seminars in these areas to be organized during the remainder of FY87.

5. These two general themes will run through the operational work we carry out in each major functional area, as noted below:

(a) Economic and Sector Work: The development of well focussed country strategies as well as the use of advanced analytical techniques to provide relevant and convincing policy advice will both be most apparent in the design and content of our ESW program. We will also make a special effort to improve the focus of ESW tasks by expending more of the allocated resources upstream in agreeing upon the objectives and precise scope and focus of each task. We will also be more selective in the number of tasks to be carried out in a given period, in order to permit closer attention to the delivery of each agreed task. This should also serve to improve the timeliness of our ESW output where, despite the progress made in FY87, further improvements are needed. In specific terms, we intend to carry out major ESW tasks in the following areas:

- (i) Industrial and trade policy analysis (Poland, Morocco, Hungary);
- (ii) financial sector analysis (Poland, Hungary, Morocco)
- (iii) public enterprise sector and corporate restructuring analyses (Egypt, Tunisia, etc.)

We will also continue to collaborate with, and provide support to, tasks managed by Programs which have a major industrial sector focus (SALs, CEMs, etc.).

6. Lending Objectives. A major focus in the design of our lending operations will be to ensure that all type of projects managed by this division fit in with and contribute to the realization of a well-articulated sector assistance strategy. One implication of this will be a higher share of policy-based lending in our portfolio. Another will be a particular effort in ensuring that our DFI lines of credit operations serve macro-sector policy as well as micro institutional objectives. As agreed under the CAM process, during FY88 we expect to bring to the Board six operations totalling \$740 million -- a substantial increase over this fiscal year. These operations are: (i) Egypt - Industrial Sector Loan; (ii) Hungary - Industrial Exports and Industrial Restructuring III; (iii) Portugal - BFN III/Industrial Restructuring Project; (iv) Turkey - Export Credit; (v) Yugoslavia - Industrial Exports Project. It is also likely that the FY89S Tunisia SSI-II project (\$30 million) and Turkey FSAL II (\$) will be brought to the Board in FY88.

7. To accelerate the preparation status of the operational pipeline for FY89, we would expect to have completed the appraisal stage for at least ____% of our FY89 projects during the next fiscal year.

(c) Supervision

In line with the expansion of the objectives of the division in terms of industrial and financial policy, supervision will also require a re-orientation. Gradually, the main focus of supervision will be monitoring of sector policy programs agreed under IDF loans. This will increasingly apply in FY88 to policy loans (ITPALs, FSALs, SALs) as well as to IDF projects such as loans in Hungary (Ind. Restructuring), in Morocco (PERL), and in the near future in Egypt (Industrial Sector loan), Turkey (FSAL II).

The concern for the institutional strength of DFIs would continue to be an important supervision objective, but the relative involvement of divisional supervision resources for that purpose would be reduced by about 20% in FY88 (about 1 staff-year). New techniques would be adopted to streamline the monitoring and implementation of institutional building. This can be achieved given the growing maturity and experience of DFIs in the Region. There are still, however a few financial institutions in our portfolio in Tunisia, YAR and Yugoslavia facing serious financial problems due to a deterioration of their portfolio or inadequate financial policies. We have started to assist some of these institutions in FY87 and will continue in FY88.

III. DIVISIONAL MANAGEMENT OBJECTIVES

8. The reorganization of the divisional management structure will have been completed during FY87. The focus for FY88 will therefore lie in four major areas, which have emerged from the discussions held at the September 1986 Divisional Retreat as well as subsequent periodic meetings on divisional management issues. These areas are: (i) greater involvement of country coordinators and task managers in the design of work programs and schedules, the specific objectives and focus of individual operations and the monitoring of progress in the implementation of the agreed output targets; (ii) the greater use of the deputy division chiefs in the day-to-day management of operations in their respective areas thereby enabling the division chief to spend more time on divisional strategy development, program conceptualization and staff/career development issues; (iii) establishment of effective, clear and smoothly functioning systems for the processing of work in the division, particularly in the area of economic and sector work where additional clarification of systems and procedures is required and (iv) the strengthening of office support systems and the raising of the effectiveness, morale and team spirit of the division's support staff.

IV. DIVISIONAL STAFFING OBJECTIVES

(a) Recruitment. The achievement of the above objectives will be greatly facilitated by the completion of the major recruitment effort undertaken during FY87. This has comprised a total of _____ new HL staff (including a second deputy division chief to help manage the division's growing policy/economic work) and _____ support staff (including a new administrative secretary). Although this magnitude of staff change has temporarily added to the stress and strain of all involved, the costs are largely behind us and during FY88 we should begin to see the benefits flowing from these changes. Consequently, apart from the replacement of staff lost through retirement or transfers, we do not see a major recruitment focus during the coming year.

- (b) Training. In contrast to recruitment, staff training will be a major area of emphasis both to integrate new staff and management and to reorient some of the existing staff in new methodologies and techniques. During the second half of FY87 we expect to organize a series of seminars for divisional staff to expose them to the latest techniques for the analysis of industrial and trade policy issues. Some of this effort may need to be continued during early FY88. Thereafter, specialized training in financial sector policies and in the mechanics of implementing corporate restructuring programs will be carried out during FY88. We will also provide another round of seminars for hands-on training in the use of micro-computers for industrial sector/project analysis and word processing. The first set of such seminars was held during FY87 and was found to be extremely useful by all participants. The next round will seek to cover new staff as well as those who were unable to attend the first round due to travel or other constraints.

OFFICE TECHNOLOGY

9. During FY88 we anticipate that all H/L staff will have access to a personal computer for economic analysis/word processing. Apart from raising H/L staff productivity and satisfaction, this will also enable us to move to a higher H/L staff/secretary ratio in the division.

(Helen to provide something on Wang if useful)

PRIORITIES:

In terms of relative importance, the priority for the Divisional Objectives during FY88 will be as follows:

- (i) Develop country specific assistance strategies and work program for each active borrower;
- (ii) Complete training in the use of advanced analytical techniques for industrial sector analysis and apply these techniques routinely in our operational work and
- (iii) streamline office system and procedures;
- (iv) enhance involvement of country coordinators in work program and task design and delivery.

0200L/94-97

FORM NO. 75
(6-83)

THE WORLD BANK/IFC

ROUTING SLIP		DATE: March 19, 1987	
NAME		ROOM NO.	
Messrs. Segura			
Coudol			
APPROPRIATE DISPOSITION		NOTE AND RETURN	
APPROVAL		NOTE AND SEND ON	
CLEARANCE		PER OUR CONVERSATION	
COMMENT		PER YOUR REQUEST	
FOR ACTION		PREPARE REPLY	
INFORMATION		RECOMMENDATION	
INITIAL		SIGNATURE	
NOTE AND FILE		URGENT	
REMARKS: Attached please find the first draft of the division's objectives for FY88. We could discuss these sometime tomorrow if you want to, before my departure.			
FROM: Masood		ROOM NO.:	EXTENSION:

EMENA PROJECTS DEPARTMENT
Industrial Development and Finance Division
DIVISION OBJECTIVES

I. OVERALL CONTEXT

The importance of the industrial sector in reestablishing sustained growth prospects for the EMENA countries continues undiminished. In virtually all of these countries, improving the international competitiveness of the industrial sector and expanding the volume and profitability of industrial exports has become a sine qua non of better macro-economic performance. This improved competitiveness will come about through a variety of actions -- trade liberalization, a more effective domestic regulatory framework, financial and corporate sector restructuring, better pricing and other incentive systems, easier entry and exit of firms, greater accountability and autonomy for public enterprises, etc. However, the precise mix of instruments and their relative priority and sequencing in a package of industrial sector reform will vary according to the specific circumstances of each country. The Bank's own assistance in support of these efforts, will similarly have to be tailored carefully to meet these country specific requirements while drawing upon the analytical techniques and empirical experience acquired through our broad base of cross-country involvement.

Within this context the general objectives of the EMENA-IDF Division will continue to be to assist our client countries in (i) developing and implementing appropriate policy regimes covering industry, trade and the financial sector; (ii) strengthening the institutions involved in the management and delivery of industrial production and financial services in the countries (including public enterprises, relevant government agencies, financial institutions, the private sector); and (iii) financing high priority activities that support the realization of the above objectives.

II. OPERATIONAL OBJECTIVES

The quantitative FY88 operational objectives for the Division will be finalized as part of the impending CAM process and will be subject to changes resulting from any reorganization of the Bank's internal structure. However, based on the agreements already reached with the various CAM units, the tentative work program for the division during the coming year can be identified now and is attached as Annex 1.

In qualitative terms, the division will focus on two particular aspects in the design and delivery of the agreed work program. First, a major objective during the first half of the fiscal year will be to develop and articulate an industrial sector assistance strategy for each of our active borrowers. This will define the principal issues that we will seek to address through our policy dialogue and operational work in the medium term and it will set out a proposed lending and sector work program that will help to resolve these issues. A second major objective during FY88 will be to upgrade the quality and focus of our analytical work through the more systematic use of up to date analytical techniques and approaches. This effort will build

upon and operationalize the skills acquired through a series of training seminars in these areas to be organized during the remainder of FY87.

These two general themes will run through the operational work we carry out in each major functional area, as noted below:

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We will also continue to collaborate with, and provide support to, tasks managed by Programs which have a major industrial sector focus (SALs, CEMs, etc.).

Lending Objectives. A major focus in the design of our lending operations will be to ensure that all type of projects managed by this division fit in with and contribute to the realization of a well-articulated sector assistance strategy. This will imply particular effort in ensuring that our DFI lines of credit operations serve macro-sector policy as well as micro institutional objectives. As agreed under the CAM process, during FY88 we expect to bring to the Board six operations totalling \$740 million -- a substantial increase over this fiscal year. These operations are: (i) Egypt - Industrial Sector Loan; (ii) Hungary - Industrial Exports and Industrial Restructuring III; (iii) Portugal - BFN III/Industrial Restructuring Project; (iv) Turkey - Export Credit; (v) Yugoslavia - Industrial Exports Project. It is also likely that the FY89S Tunisia SSI-II project (\$30 million) will be brought to the Board in FY88.

To accelerate the preparation status of the operational pipeline for FY89, we would expect to have completed the appraisal stage for at least ____% of our FY89 projects during the next fiscal year.

(c) Supervision

(Jacques Coudol to insert paragraph)

III. DIVISIONAL MANAGEMENT OBJECTIVES

The reorganization of the divisional management structure will have been completed during FY87. The focus for FY88 will therefore lie in four major areas, which have emerged from the discussions held at the September 1986 Divisional Retreat as well as subsequent periodic meetings on divisional management issues. These areas are: (i) greater involvement of country coordinators and task managers in the design of work programs and schedules, the specific objectives and focus of individual operations and the monitoring of progress in the implementation of the agreed output targets; (ii) the greater use of the deputy division chiefs in the day-to-day management of operations in their respective areas thereby enabling the division chief to spend more time on divisional strategy development, program conceptualization and staff/career development issues; (iii) establishment of effective, clear and smoothly functioning systems for the processing of work in the division, particularly in the area of economic and sector work where additional clarification of systems and procedures is required and (iv) the strengthening of office support systems and the raising of the effectiveness, morale and team spirit of the division's support staff.

IV. DIVISIONAL STAFFING OBJECTIVES

- (a) Recruitment. The achievement of the above objectives will be greatly facilitated by the completion of the major recruitment effort undertaken during FY87. This has comprised a total of _____ new HL staff (including a second deputy division chief to help manage the division's growing policy/economic work) and _____ support staff (including a new administrative secretary). Although this magnitude of staff change has added to the stress and strain of all involved, the costs are largely behind us and during FY88 we should begin to see the benefits flowing from these changes. Consequently, apart from the replacement of staff lost through retirement or transfers, we do not see a major recruitment focus during the coming year.
- (b) Training. In contrast to recruitment, staff training will be a major area of emphasis both to integrate new staff and to reorient some of the existing staff in new methodologies and techniques. During the second half of FY87 we expect to organize a series of seminars for divisional staff to expose them to the latest techniques for the analysis of industrial and trade policy issues. Some of this effort may need to be continued during early FY88. Thereafter, specialized training in financial sector policies and in the mechanics of implementing corporate restructuring programs will be carried out during FY88. We will also provide another round of seminars for hands-on training in the use of micro-computers for industrial sector/project analysis and word processing. The first set of such seminars was held during FY87 and was found to be extremely useful by all participants. The next round will seek to cover new staff as well as those who were unable to attend the first round due to travel or other constraints.

OFFICE TECHNOLOGY

During FY88 we anticipate that all H/L staff that so choose will have access to a personal computer for economic analysis/word processing. Apart from raising H/L staff productivity and satisfaction, this will also enable us to move to a higher H/L staff/secretary ratio in the division.

(Helen to provide something on Wang if useful)

PRIORITIES:

In terms of relative importance, the priority for the Divisional Objectives during FY88 will be as follows:

- (i) Develop country specific assistance strategies and work program for each active borrower;
- (ii) Complete training in the use of advanced analytical techniques for industrial sector analysis and apply these techniques routinely in our operational work and
- (iii) streamline office system and procedures;
- (iv) enhance involvement of country coordinators in work program and task design and delivery.

0200L/94- 97

OFFICE MEMORANDUM

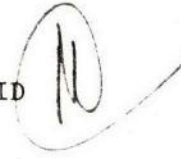
DATE: March 19, 1987

TO: Mr. James Edward Lee, ITFWD (E-127)

FROM: Masood Ahmed, Deputy Division Chief, EMPID

EXTENSION: 3-2206

SUBJECT: Delays in fixing furniture



1. I have been trying without success for over a month now to get the credenza in my office adjusted so that its top is level. This adjustment has been necessary since the initial rearrangement of my office furniture done when I moved in, which left one end of the credenza higher than the other.

2. Despite repeated phone calls and at least two visits by ADM staff (the most recent of which took place this morning, where two gentlemen confirmed that there was a problem but advised me that it was the responsibility of a different division, they could do nothing about it), the problem has yet to be resolved. I must say that I find it difficult to accept that the resolution of what appears to me to be a relatively simple matter should require this amount of time and persistent follow up.

3. I would be grateful for your early attention to this matter.

MAhmed/jb

March 17, 1987

TO: EMPID H/L Staff

The attached table prepared by Nadereh using UN Trade data shows clearly how the position of LDCs in trade with industrialized countries has altered substantially over the past 10 years, after a preceding decade of near stability.

Masood Ahmed

Attachment

Value of Trade

=====

(Billions of \$US)

Year	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974
U S A												

Total Imports	22.4	26.1	27.8	30.9	32.1	35.3	38.7	44.4	45.4	50.9	70.5	98.7
Imports from LDCs	7.5	8.9	9.2	10.2	10.1	10.7	11.0	12.6	13.1	14.2	19.8	30.7
% of Total	33.5%	34.3%	32.9%	33.1%	31.3%	30.3%	28.5%	28.4%	28.8%	28.0%	28.0%	31.1%
Total Exports	15.9	17.8	20.9	24.3	25.8	31.7	34.6	38.6	45.2	53.9	68.2	94.4
Exports to LDCs	5.9	6.3	7.1	7.5	7.7	8.5	9.0	10.1	11.3	13.7	19.7	34.0
% of Total	37.1%	35.7%	34.0%	30.9%	29.9%	26.9%	25.9%	26.2%	25.0%	25.5%	28.9%	36.0%
Japan												

Total Imports	4.6	5.8	7.3	8.3	9.3	11.2	13.5	16.3	20.5	25.0	31.8	45.2
Imports from LDCs	2.1	2.7	3.2	3.5	4.2	4.8	5.7	6.5	8.2	9.3	12.8	20.0
% of Total	45.9%	45.9%	44.0%	42.5%	44.9%	42.8%	42.4%	40.0%	39.9%	37.1%	40.3%	44.2%
Total Exports	5.0	6.3	6.1	7.2	8.8	9.7	10.4	13.6	13.7	17.2	29.8	46.9
Exports to LDCs	1.7	2.2	2.3	2.7	3.4	3.7	3.3	3.9	4.1	5.2	9.4	13.5
% of Total	34.3%	35.4%	37.4%	37.6%	38.7%	38.2%	31.4%	29.1%	29.8%	30.2%	31.7%	28.8%
Industrialized Economies												

Total Imports	94.3	111.0	121.9	134.7	142.3	159.7	183.7	213.1	237.6	280.9	379.0	502.0
Imports from LDCs	21.7	27.0	28.9	31.0	32.7	35.3	38.4	44.2	49.9	55.7	74.9	112.2
% of Total	23.1%	24.3%	23.7%	23.0%	23.0%	22.1%	20.9%	20.7%	21.0%	19.8%	19.8%	22.3%
Total Exports	89.8	104.6	115.6	125.8	133.0	150.2	171.3	199.5	220.7	268.0	367.7	512.1
Exports to LDCs	20.7	23.0	24.5	26.0	27.2	29.0	30.2	33.6	33.7	41.7	61.8	91.9
% of Total	23.0%	22.0%	21.2%	20.6%	20.4%	19.3%	17.7%	16.9%	15.3%	15.6%	16.8%	18.0%
EEC10 Group 1/												

Total Imports	48.1	56.7	62.8	68.6	71.8	80.6	93.8	108.7	123.1	148.1	201.0	260.9
Imports from LDCs	10.0	12.7	13.6	14.1	14.8	16.0	17.3	19.8	22.5	25.3	33.3	47.6
% of Total	20.7%	22.4%	21.7%	20.6%	20.6%	19.8%	18.5%	18.2%	18.3%	17.1%	16.6%	18.3%
Total Exports	49.0	57.7	62.2	66.2	68.8	76.9	90.4	106.8	116.6	143.1	198.4	269.7
Exports to LDCs	11.0	12.1	12.6	13.2	13.4	13.8	14.9	16.2	14.7	18.4	26.5	35.4
% of Total	22.4%	21.0%	20.3%	19.9%	19.4%	17.9%	16.5%	15.2%	12.6%	12.8%	13.4%	13.1%

1/ FDR,FRA,NDL,BEL,LUX,DNK,ITL,GBR,GRC,&IRL

Value of Trade

=====

(Billions of \$US)

Year	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
U S A												

Total Imports	107.5	114.2	122.8	140.0	182.5	231.3	239.5	218.6	207.5	188.0	169.7	3.4
Imports from LDCs	37.2	36.4	38.6	42.3	56.3	78.3	84.4	75.1	67.6	40.6	24.8	
% of Total	34.6%	31.9%	31.4%	30.2%	30.9%	33.8%	35.3%	34.3%	32.6%	21.6%	14.6%	
Total Exports	88.8	109.4	139.1	158.1	196.7	233.3	242.5	225.5	255.3	253.2	251.3	5.5
Exports to LDCs	29.5	38.5	48.6	50.3	71.7	90.0	86.8	86.3	99.9	57.7	42.3	
% of Total	33.2%	35.2%	35.0%	31.8%	36.5%	38.6%	35.8%	38.3%	39.1%	22.8%	16.8%	
Japan												

Total Imports	47.7	57.8	71.0	87.2	98.7	123.1	142.8	137.3	139.7	147.6	138.6	3.3
Imports from LDCs	22.7	24.6	30.8	35.3	41.0	51.2	58.5	52.4	51.8	43.0	27.7	
% of Total	47.7%	42.6%	43.3%	40.5%	41.5%	41.5%	40.9%	38.2%	37.1%	29.1%	20.0%	
Total Exports	41.7	48.0	51.5	58.8	86.4	107.2	105.4	97.5	106.5	77.1	53.6	2.0
Exports to LDCs	11.2	13.4	15.1	17.4	31.7	39.9	36.0	36.2	37.9	27.2	11.7	
% of Total	26.9%	28.0%	29.3%	29.6%	36.7%	37.2%	34.1%	37.1%	35.5%	35.3%	21.9%	
Industrialized Economies												

Total Imports	536.1	593.9	679.7	807.2	1009.7	1193.7	1173.5	1126.0	1098.8	1064.3	1045.4	57.2
Imports from LDCs	134.6	135.3	158.3	171.5	211.6	267.6	292.0	265.5	245.0	161.6	102.4	
% of Total	25.1%	22.8%	23.3%	21.2%	21.0%	22.4%	24.9%	23.6%	22.3%	15.2%	9.8%	
Total Exports	498.6	578.7	658.4	762.6	1008.7	1209.5	1131.8	1051.1	1083.9	1004.2	982.4	46.4
Exports to LDCs	82.4	101.7	119.2	127.5	201.9	253.4	228.3	229.1	248.2	145.4	90.5	
% of Total	16.5%	17.6%	18.1%	16.7%	20.0%	21.0%	20.2%	21.8%	22.9%	14.5%	9.2%	
EEC10 Group 1/												

Total Imports	281.2	308.6	359.4	429.0	542.2	620.9	577.6	563.3	544.7	506.7	518.4	41.3
Imports from LDCs	59.2	58.7	70.3	73.6	88.8	106.4	113.7	105.3	96.5	56.3	36.2	
% of Total	21.1%	19.0%	19.6%	17.2%	16.4%	17.1%	19.7%	18.7%	17.7%	11.1%	7.0%	
Total Exports	267.7	310.4	345.5	411.3	555.6	662.4	585.6	547.0	541.4	491.9	488.9	29.2
Exports to LDCs	33.6	39.6	44.7	48.5	80.5	99.2	81.1	83.0	87.1	47.2	26.5	
% of Total	12.5%	12.8%	12.9%	11.8%	14.5%	15.0%	13.9%	15.2%	16.1%	9.6%	5.4%	

March 17, 1987

Mr. Ernest Stern, Senior Vice President, Operations

Visvanathan Rajagopalan, Acting VP, EMENA

3-2707

MOROCCO - Industrial Export Finance Project

1. I have reviewed your memorandum of March 16 on the above project and would like to offer the following clarifications in regard to the three points you raised.

2. Reallocation of Proceeds. I agree entirely that reallocation of loan proceeds would have been a much preferred option and, as with other previous operations in the Region, we had intended that it be a feature of this loan. The reason it had to be ruled out is that:

- (i) the Government was unwilling to be the primary borrower in an apex-type arrangement because it was concerned about the effect on direct Government indebtedness and because it felt that this would undermine the direct relationship being fostered between the Bank and the participating banks (PBs);
- (ii) BNDE, the national development bank, was also not willing to accept the role of primary borrower because of the impact on its balance sheet; moreover, the other commercial banks were not willing to accept BNDE in this role under the project;

- (iii) subsequently, we had worked on the premise of a single legal agreement between the Bank and all the PBs which would also have allowed reallocation; unfortunately, this alternative was ruled out as unsatisfactory by the Management of the Legal Department just prior to negotiations, because it would pose issues regarding the legal extent of each bank's liability; and
- (iv) under the legal arrangements for loan documentation finally chosen (separate loan agreement with each PB), each proposal to reallocate funds during implementation would require Board approval for the simultaneous cancellation of part of one loan and the making of a supplemental loan to the other agency. We felt this would be a complicated and time consuming procedure and therefore not a practical option.

Under these circumstances, we decided to forego the advantage of reallocation in this operation.

3. Extension of Fiscal Incentives. The need to extend fiscal incentives to indirect exporters had been discussed prior to appraisal and agreed in principle during appraisal with the Ministries of Industry and Finance. Moreover, this extension had been included in the draft new Export Code to be submitted by the Government to the Parliament. It now appears that the new Minister of Finance has since become increasingly concerned with the Government's budgetary situation and has reconsidered his ministry's position on this issue. We have re-explained the importance of this point, and stressed that extension of incentives to indirect exporters need not have any negative impact on the budget, as

the same amounts previously anticipated could be distributed pari passu among direct and indirect exporters. We are hopeful that the Government will accept our proposal, and we intend to make this a condition of proceeding further with the processing of this operation.

4. Exemptions from Individual Credit Ceilings. In principle, sub-loans made from our funds should be subject to the same constraints as those affecting other sources of funding for the participating banks. However, in the case of Morocco, two points are worth noting. First, other types of medium-term financing for the commercial banks provided through the Central Bank's rediscounting facility are currently outside these credit ceilings; therefore, we felt that the Bank funds should also be outside these ceilings, provided that the overall aggregate credit ceilings to the economy are met. Second, if our funds were to be within the individual credit ceiling of each institution, our sub-loans would compete, from the point of view of the commercial banks, directly with the provision of short term credit for working capital which carries a lower perceived risk and higher profit margins. Consequently, the commercial banks have repeatedly indicated that if the Bank's funds were included in this common ceiling, they would not be able to utilize them in the manner envisaged, notwithstanding the demand from eligible borrowers. Finally, exempting Bank funds from local bank credit ceilings had also been the practice in all earlier lines of credit operations in Morocco. Thus we did not expect this issue to be raised at negotiations. For these reasons, we believe that it should continue to be a feature of this operation while we identify means to reduce the short term bias of the local commercial banks through our continued dialogue with the financial sector authorities.

March 13, 1987

Mr. Zaidan:

Re: draft WDR - 1987

George:

I have read through this draft, with the exception of chapters 8 and 9 which deal with protection, and some of the Boxes which I have only glanced through. I have some general comments which are listed below. More specific points are annotated to each Chapter.

First, I should say that I have no difficulty with the basic substantive message of this report i.e., outward-oriented trade policies and competitive industrial sector policies are an integral and critical feature of successful economic development. This is now widely accepted in the Bank and there is a growing body of empirical evidence to support the theoretical underpinnings of such an approach.

Having said that, I must say that I find the packaging of the message pretty unsatisfactory in the following terms:

Length: This report could easily be reduced by 50% without any loss of substance and considerable gain in presentation; in fact, if the right bits were cut, this would also improve the report's substantive balance.

Objectivity: I am all in favor of reports which have a clear message but this one seems to be so concerned with making a point that it risks losing its credibility. It is almost as if the authors feel under an obligation to demonstrate how important trade policy is for industrialization and growth, to the point where they sometimes have to make very tenuous assertions. There are many examples of overkill in the text but one that is particularly good is the attempt made in paragraphs 5.84 - 5.85 to link high savings rates to the outward orientation of an economy. I am not sure that much is gained by this type of analysis but I am quite sure that it will serve as a "lighting rod" for critical comment from those that have not seen the light. In short, it is a little too messianic for my liking. Similarly, there is very little discussion of the recent experience with the implementation of trade policy reform (particularly in LAC) which shows that in a number of cases this might not solve the problem and may even exacerbate it if complementary reform policies are not implemented in tandem.

Balance: This emphasis on trade policy also shows up in the relative space assigned to different topics. Even excluding the two chapters that deal with protection and free trade at a global level, over 100 pages are devoted in two further chapters to national trade policy while all the other aspects of industrialization (local competitive policies, factor market distortions, financial system and the role of financial intermediaries, efficiency and productivity and technology transfer) are all dispensed with in one chapter of less than half the space. I have other suggestions on which sections to compress to improve the balance:

Chapter I - Compress to one paragraph. Currently this is a combination of a series of long-winded Will Rogers type statements plus some philosophical deep thought which adds little to the meat.

Chapter II - Good standard macro-chapter; not much room for cutback.

Chapter III - Much of the first part which provides a potted economic history can be compressed easily without much loss.

Chapter IV - I would make drastic cuts in this and reduce the "ideological bias" from coming through quite as strongly. For example, it may be useful to balance the anti-intervention arguments by drawing a little more on the experience of Korea and Japan where there was lots of intervention but it was to encourage the right kind of shifts. Further, the discussion of the infant industry argument can be condensed as can the section on the returns to education and government involvement in transport, communications and energy. No one is seriously challenging the role of the government in these areas and I don't see the need for the extensive discussion. By contrast the interesting point that Government intervention tends to work against small firms and the informal sector could well be highlighted further.

Chapter V - This is written rather like a textbook or an Economist Schools Brief and this is also where the "ideological bias" shows up most strongly. I would recommend compressing this substantially and combining it with Chapter VI.

Chapter VI and Chapter VII Deal with the real life issues of how to bring about trade policy reform or other industrial policy improvements. They are well written and substantive. Unlike the earlier part of the report, they make good use of country examples and recent data. The boxes are also relevant and interesting. By contrast I found many of the boxes in the earlier chapters too preoccupied with 19th century European experience which may testify to the erudition of the authors but does not easily lend itself to the interest or experience of our principal clients.

Chapters VIII & IX I have not read sufficiently thoroughly.

Chapter X This, along with Chapter 1, is the weakest part of the report and has obviously been put together at the last minute and in a hurry. I would suggest that they be sent a copy of Edi's divisional strategy paper which provides a much better structured and more balanced summary of the principal issues and conclusions in these areas and which is quite consistent with the analysis and recommendations made in the earlier chapters.

In sum, I find this report a little too strong in the importance it attaches to trade policy as the primary instrument for efficient and sustainable industrialization and economic development. I believe that a more balanced presentation would both reflect the Bank's experience of recent work and add to the credibility and pervasiveness of the report for the general audience.

Masood Ahmed

cc. Mr. Segura

2259L/70-72

CHAPTER II

Paras. 2.1 - 2.13: Section I provides a quick broad brush history of economic developments with the usual distinction being made between the pre-1970 period when things on the whole worked well and post 1970 when weaknesses began to show through.

Paras. 2.30: On lower commodity prices, it would be useful to distinguish between prices of agricultural commodities and of metals and minerals, not just in the chart, but in the explanation in the text. It seems to me that the factors underlying continued low prices of agricultural commodities are fundamentally different from those which affect non-agricultural commodities. In the case of the former, industrialized countries' policies on subsidizing agricultural production (particularly the US and EEC) have been major determinants of continued low prices. In the case of metals and minerals, the secular argument of a continuing shift in the demand for these products as a result of substitutes such as plastics, may be a much more telling indicator of the paradoxical continuation of low prices.

Paras. 2.33: In terms of capital inflows to developing countries, it would be useful to break out the oil exporting developing countries from the others, either in the text or in the table 2.3 which follows it. My guess is once capital flows to oil exporters have been accounted for, the picture for 1986 might not be any better than 1985.

Table 2.9: Which shows external financing, by source, is a good indicator of the variation between the high and low cases projected in the report, essentially due to the assumption that commercial banks will change from being net recipients of \$1 billion dollars a year to net providers of \$6.5. It should be interesting to see to what extent the high scenario would still work if the commercial banks was not as forthcoming as we have assumed. Moreover, it would also be interesting to see just which countries these commercial loans were being made to, given that in the case of both SubSaharan Africa and for heavily debted countries, the high scenario actually entails lower commercial banks inflows than in the lower scenario.

Para. 2.62 - 2.66: We ought to discuss trade reform in the industrial countries. It would be useful to tackle explicitly the argument frequently put forward by the industries hurt by liberalization, that their trading partners have restrictions and consequently lower protection in their own country unless it is matched by easier access in export markets, could actually lead to their being worse off in economic terms. It would be useful to demonstrate why this argument is not valid.

A general comment on Chapter 2 is that it would be useful to break down the differences between the low and the high scenarios in terms of those factors which developing countries have direct control over and those which at least for them are exogenous. The second group would include the terms of trade that they obtain, the real interest rates and some estimate of the demand for their export as a function of the growth in industrialized countries.. It would be useful, and I suspect it is possible given that the

tables have been prepared using some general macro-models, to show just what percentage of the incremental benefits accrue from matters over which developing countries themselves have very little control, I say this because I am concerned that in our prescriptions we have both assumptions and policy advice and it would be useful to ensure that we are just as confident that our prescriptions for the developing ones work regardless of the other assumptions.

Regarding box 2.1: I am afraid I simply cannot follow what this analysis is trying to demonstrate and in any event I am baffled by the last sentence of that box.

Box 3.2 on debt equity swaps: Not clear what our view is regarding the applicability of debt equity swaps in terms of the number of developing countries who could or should pursue this as an option. As far as I can make out, this is really applicable to countries which have large external debt and where these debts have been discounted, at least de facto by the creditors. Are we saying that this instrument can be widely used? If so, what would be the criteria that would determine when debt equity swaps were an attractive option. This is different from the criteria that are set out in the box which relate more to how a country should go about making debt equity swaps feasible in terms of their logistics. Finally, while Chapter 2 discusses the debt in a variety of ways, it fails to arrive at any definite conclusions in terms of the viability or otherwise of growth paths that will "solve" that problem in heavily debted countries and by what time such solutions are likely to begin to show results. Interestingly, I see that the box on Debt Restructuring is the only one in this chapter which is still to be prepared.

CHAPTER IV

Para. 4.9: Odd definition of market failure.

Paras. 4.13 - 4.15: Could profitably be compressed into two sentences.

Para. 4.25: The feasibility of implementation is an important feature in choosing between alternative policies and should not be seen as an alternative to efficiency. In some cases, the so-called economically-efficient option may not be feasible to implement in which case it is not a real option at all.

Para. 4.28 - 4.38: The point about unclear property rights in developing countries is an important one but it has been made too great a length. The essential point here is that property rights in developing countries are unclear because the essence of the development process is to change the whole system of property rights and obligations, and that during the process of this change, there is likely to be considerable uncertainty and confusion. The point that needs to then be followed up is how developing-country Governments can act to minimize uncertainty, given that they are in the middle of a fundamental change. Simply listing the problems which are widely known, does not, to my mind, get very far into developing solutions.

Para. 4.39 - 4.43: It is not clear to me where we end up in the area of Government involvement in the provision of standards and information. Are we suggesting that governments need not provide standards or that possible ill-effects of such intervention outweigh the intended benefits?

Para. 4.71: The argument that private investors will not finance a project whose benefit only accrue after a period of losses, is frequently the reflection of the uncertain institutional and legal framework within which investors operate. Thus, if action could be taken to introduce greater certainty about the continuation of existing rules of the game then, people would be willing to take their profits later. The same applies to the unwillingness of capital markets to finance investments whose pay-off is only expected later.

Para. 4.72: The point that needs to be made here is that if the argument advanced for infant industry protection is that of training of workers, then the solution is for the Government to provide subsidies to the firm which offset the cost of this training rather than to provide generalized protection for the output of the firm which is the second best alternative.

Para. 4.85: Not clear what we are saying with regard to the Government's role in regulating pollution or other types of externalities such as urban congestion. If what we are saying is that experience has shown so far that nobody has succeeded in this regard, then I think we ought to trace through the implications of this in terms of our own projects and strategy. The discussion on the discriminatory effect of intervention on the activities of the informal sector is an interesting and relatively new piece of work which could well be highlighted at the expense of some of the earlier material.

GENERAL COMMENTS ON CHAPTER IV

Basic points being made in this chapter are unexceptionable. Role of Governments clearly ought to be prioritized, and limited to those areas where it has the highest returns. However, the presentation in the chapter, as in other chapters, could benefit from focussing more on those areas where the analyses or results reflect recent real life analysis (such as the work done on the effect of regulations and interventions on informal sector) and refrain from going through a rehash of what are now long established arguments in the literature.

CHAPTER V

Para. 5.11: Protection discourages exports not just through the higher cost of inputs both domestic and imported but also because the relative price of sales in the domestic market is higher in comparison with the price which could be obtained through export sales. This point should be clarified.

Paras. 5.14 - 5.18: There is a confusion here between arguments which have been advanced in support of diverting resources towards industrial production away from commodities and agriculture. And arguments which have been advanced for protection as a necessary condition for achieving that industrialization. Different levels should be addressed separately.

Table 5.2: The analyses in this table and the supporting paragraph is certainly interesting and supports a general hypothesis that this chapter is making. I would be careful, however, to put it a couple of caveats. Notably, that GNP growth has been a function of factors other than the inward or outward orientation of the economy: specifically given that the sample size is not particularly large. The inclusion of countries whose terms of trade change in different ways or who have faced other political or economic developments affecting their income growth, may well influence the results that pertain to any particular group over a given period.

Para. 5.48 - 5.49: We can surely have some more empirical evidence showing what has happened to Gini coefficients in countries that have followed more inward-oriented strategies. I am not sure that there is enough of a case to

be made that outward orientation leads to better income distribution. Given the size and the special nature of the strongly outward-oriented group which only contains three countries, I would suggest that the discussions be better focussed in comparing the moderately outward-oriented group with the others rather than using the strongly outward-oriented group as a comparator. If one does this, it is interesting to note that the differences between moderately outward-oriented and moderately inward-oriented are much less pronounced in almost all cases.

Para. 5.77: There I don't see the logic of it at all.

Para. 5.84: The attempts to link every positive developments to the trade strategy become increasingly tenuous. Paragraph 5.84 simply says savings are higher countries which had outward-oriented economies because these economies have grown more and because higher growth could have lead to higher savings, as long as a marginal propensity to save rises with income.

GENERAL COMMENTS ON CHAPTER V

Although the basic message in this chapter is fine, the argument is weakened by the use of repetition and by stretching the point to the extent that it raises issues of credibility.

CHAPTER 6

This is a well-written substantive chapter. It draws heavily on recent cross-country experience and has useful and practical things to say about how to go about implementing a trade reform Program. One comment is that it is very negative about export promotion schemes without giving any empirical evidence for this. Certainly the discussion of the Korean experience earlier would suggest that the use of export promotion schemes worked quite effectively.

Box 6.1: Is a rather odd text. It starts of asking some interesting questions, but the last two paragraphs and the attached chart on country curves doesn't provide any guidance at all in answering these questions.

Para. 7.18 - 7.34: The financial sector focuses largely on interest rate issues and the need to reduce selective credit. There is little discussion on how a new savings instrument could be introduced outside equity markets; and of how intermediation costs can be reduced; nor is there any real discussion of how new institutions are developing which calls for fundamental changes in the role of institutional development finance institutions (including leasing companies, new types of commercial banks, etc.).

CHAPTER X

Para. 1: I must say this is a somewhat different perspective on what the objective of this report has been. Moreover, I find the paragraph itself a bit of a non-sequitor in that I cannot see how you can arrive at the conclusion by reading the preceeding sentences.

Para. 10.04 An interesting definition of public good, I always understood a public good to be something where, if you were to provide it to one person you could not deny it's enjoyment by others. Now it seems to me that the principal difficulty regarding the legal and institutional framework in many developing countries is precisely that they are not public goods. That is to say the access to, and the costs of using the legal and institutional framework to resolve potential difficulties, conflicts, etc.; varies enormously from one person to the other, depending on their background or position in the system. So the point I would make is that Government need to make the legal and institutional system more of a public good in that everybody has equal and low-cost access.

Para. 10.13: The difference between outward and inward-oriented strategies is not the choice of instruments, but in the objectives of either strategy. In order words, as stated earlier, in an outward-oriented strategy, there is no bias against export or the use of imported products. Whereas in an inward-oriented strategy exports are discouraged and the use of imported inputs is also discouraged. It seems to me that you can use a variety of instruments to achieve the same objectives. It so happens, that inward-oriented economies tend to rely more on certain instruments than others but it is not a causal relationship.

Para. 10.24: The interesting question that needs to be asked in this regard is whether the implementation of a trade liberalization program has built into it elements that exacerbate pressures towards inappropriate macro-economic policies (high budget deficits, excessive monetary growth, etc.); if not, then we should say so categorically.

Para. 10.27 onwards: It is another example of how the interaction with domestic policies is given an excessively broad brush treatment. It would seem to me that it is worth spending a paragraph each in looking at the principal areas of local competitive policies and how they interact with trade policy reform. If it is the case (as we say in 10.26) that effective trade liberalization is neither likely to occur nor to achieve its objectives, in the presence of domestic policy distortions (and further in the absence of competitive domestic markets, trade reform could actually worsen economic performance), then, this subject needs to be dealt with in a more structured manner in the subsequent paragraphs than is currently the case. For example, for the financial sector, it would be useful to show what the effect of trade liberalization could be on the portfolios of financial institutions which have lent to the previously-protected firms, and therefore, to make recommendations on what steps might need to be taken to contain the damage that trade liberalization might initially entail for the liquidity or profitability of financial intermediaries. Shouldn't we also in this section, be looking at public enterprises, and what specific measures might be needed to make them respond to a more competitive trading environment?

Para. 10.41: Given that inflation has been lower and may rise, and that real interest rates have been high and should fall, I don't see what the basis is for assuming an increase in real savings.

March 11, 1987

Messrs. Zaidan
Segura
Coudol
Balkind
Popiel

Re meeting on EDI Financial Seminar, Paul Popiel has called to request that this meeting be postponed until Wednesday, March 18 as he needs a couple of extra days to get the preparatory documentation together. The meeting will be in H-10-152 at 3:00 p.m.



Masood Ahmed



Record Removal Notice

File Title Masood Ahmed - Chronological File - January to December 1987		Barcode No. 30450195		
Document Date March 10, 1987	Document Type Handwritten note			
Correspondents / Participants To: Mrs. [illegible] (PMDR1) From: Masood Ahmed				
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Exception(s) Personal Information				
Additional Comments		<p>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.</p> <table border="1"><tr><td>Withdrawn by Shiri Alon</td><td>Date November 14, 2022</td></tr></table>	Withdrawn by Shiri Alon	Date November 14, 2022
Withdrawn by Shiri Alon	Date November 14, 2022			

March 10, 1987

Mr. Zaidan:

Re: TURKEY: FSAL Tranche Release Memo

George:²

I understand that you have already seen an earlier version of this draft, which now incorporates working level inputs from Programs and will be sent to Mr. Chaffey for further processing subject to your review and clearance.²

Please call me if you have any queries.

Masood Ahmed

Attachment

OFFICIAL FILE COPY

WDIAL
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-SUBJECT: SEMINAR ISTANBUL
-DRAFTED BY: MAHMED/JB EXT: 3-2206
-AUTHORIZED BY: MASOOD AHMED, EMPID
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BT
WASHINGTON DC 9 MARCH 1987

FOR ADIL KANAAN, YOUR GUEST, WORLD BANK STAFF MEMBER.

AAA YOU RECALL THE DISCUSSIONS WE HAD ABOUT A PROPOSED EDI
FINANCIAL POLICY SEMINAR TO BE HELD IN ISTANBUL IN LATE JUNE.
THE PARTICIPANTS WOULD BE AT THE SENIOR POLICY MAKER LEVEL,
THAT IS GOVERNOR OF CENTRAL BANK, HEAD OF DFI, FINANCIAL
SECRETARY, ETC. WOULD WELCOME YOUR SUGGESTIONS FOR SUITABLE
CANDIDATES FROM EGYPT. PLEASE ADVISE BY TELEX.

BBB DR. HEBA HANDOUSSA HAS APPARENTLY PREPARED AN INTERESTING PAPER
COMPARING THE INDUSTRIAL DEVELOPMENT STRATEGIES AND EXPERIENCE
OF KOREA AND EGYPT. COULD YOU PLEASE OBTAIN A COPY OF THE
LATEST VERSION OF THIS PAPER FROM HER AND BRING IT BACK FOR
GEORGE. TRUST MISSION IS PROCEEDING WELL.

REGARDS, AHMED

OFFICE MEMORANDUM

DATE: March 6, 1987

TO: EMPID Staff 

FROM: Edilberto L. Segura, Chief, EMPID 

EXTENSION: 3-3047

SUBJECT: Draft Outline for DFC Appraisal Reports

1. I recently prepared for my own use an outline of a typical Staff Appraisal Report for a DFC project. I am attaching a copy of this for your information and comments.

2. In preparing this outline, it struck me that we need to place greater emphasis, than we have sometimes done in the past, on thinking through the precise objectives or rationale for each DFC project that we embark upon. The standard objectives of providing medium-term funding for profitable investments and strengthening the institutional capacity of the intermediary chosen for this work are still important. However, it is increasingly clear, that these alone do not provide sufficiently strong grounds for Bank involvement in this type of project vis-à-vis others. I believe, therefore, that in the design of DFC projects we must pay more explicit attention to how our intervention can help in terms of either streamlining and enhancing the effectiveness of the entire financial intermediary system in the country or by acting as a catalyst for accelerating needed changes in the pattern of industrial investment. This is not to say that our DFC operations should become industrial or financial sector loans -- far from it. However, what it does imply is that in the design of these operations we make an explicit linkage between the institution that we are working with and the policy framework within which it operates. Similarly, we should try to identify what specific contribution the proposed DFC operation will make to addressing the issues identified as part of the Bank's overall industrial/financial sector assistance strategy for the country.

3. I think it would be useful to have a discussion on this subject at one of our forthcoming divisional meetings. I would also welcome any comments you might have on the draft outline.

Attachment

cc: Messrs. Ahmed, Coudol o/r
2259L/38

Content of DFC Appraisal Reports

I. INTRODUCTION

1. Background on the Project and its Sponsors
2. Project Scope, Composition and Financing
3. Project Objectives and Rationale: contribution to:
 - improved functioning/effectiveness of financial system
 - improved allocation of industrial investment or to restructuring of key identified industrial subsectors.

II. THE INDUSTRIAL AND FINANCIAL SECTORS AND POLICIES

1. Sector Trends: Output, exports, investment, employment, capacity utilization in various industries, etc.
2. Sectors Constraints and Bottlenecks: Power shortages, lack of labor, etc.
3. Sector Development Strategy and Prospects.
4. Adequacy of Government Industrial Policies in the sectors that the DFC is Financing: Tariffs, QRs, Foreign Exchange Rate and Controls, Export Promotion, Pricing, investment incentives, taxation, company legislation, ownership, etc.
5. Adequacy of Financial Sector Policies: Resource mobilization, Resource Allocation, Interest Rates, selective credit, Central banking supervision, capital Markets, etc.
6. Proposed Policy Reforms under the Project
7. Financial and Other Institutions involved in the Sector
 - Role of borrower lending agency within the financial system and its relationships with services/objectives of other financial institutions
8. Sectoral Prospects
9. Bank's Role in the Sector.

III. THE BORROWING/EXECUTING AGENCY

1. Objectives and Review of "Policy Statement"
2. Ownership and Legal Status
3. Board, Management, Staff and Organization
4. Adequacy of Internal Procedures for
 - Sectoral Analysis and Promotion.
 - Sub-project identification and Preparation
 - Sub-project Economic and Financial Appraisal
 - Sub-project Supervision and visit follow-up
5. Adequacy of Policies and Procedures for Procurement and disbursements
6. Adequacy of Internal and External Auditing Arrangements
7. Relations with Government and the Business Community

IV. DFI OPERATIONS

1. Borrowing Operations (Resource Mobilization)
 - Resource Planning
 - Sources of Financing
2. Lending Operations (Resource Allocation)
 - Characteristics of Sub-loans (Size, geography, and sectoral distribution),
 - Interest rate, Foreign Exchange Risk, and Term Policies

3. Intermediation and Other operating Costs, and adequacy of Spreads.
4. Quality of Portfolio and Portfolio Management (Level of arrears, measures to cope with them, adequacy of provisions, etc.)
5. Diversification of Operations
6. Financial Performance (Income, Expenses, Profitability, Dividends, Balance Sheet, Liquidity, solvency and Financial Structure).
7. Prospects of Future Operations
 - Details of the Pipeline of Sub-Projects, its nature and composition and expected demand for funds
 - Resource Requirements to meet above demand
 - Projected financial Results and Structure.

V. THE PROPOSED PROJECT AND LOAN

1. Project Scope and Composition
2. Technical Assistance and Institutional Building
3. Intended Beneficiaries
4. Project cost and financing
5. Procurement and Disbursement
6. Project Implementation Arrangements

VI. PROJECT BENEFITS AND RISKS

VII. RECOMMENDATIONS.

2259L/43-44

OFFICE MEMORANDUM

DATE: March 6, 1987

TO: EMPID Staff

FROM: Masood Ahmed, Deputy Division Chief, EMPID

EXTENSION: 3-2206

SUBJECT: Career Information Center - Referral Program

1. Attached please find a copy of a memorandum from the Career Information Center asking for volunteers who would be willing to act as occasional "information contacts" in CIC's referral program. These "information contacts" would provide periodic advice & information to staff in other parts of the Bank who wanted to find out more about the functions and type of work carried out by the contact person. All types of staff can volunteer.
2. If you are interested in participating in this program, please let Jocelyne know by the end of next week (Friday, March 13) so that we can send CIC a consolidated list for the division.
3. Staff who are away and therefore unable to respond by March 13 should contact the CIC directly if they are interested in volunteering for this program.

Attachment

cc: Messrs. Segura, Coudol o/r

MAhmed/jb

2259L/41

OFFICE MEMORANDUM

DATE February 19, 1987
TO Mr. Edilberto Segura
FROM Lynne Motley, Career Information Center (CIC)
EXTENSION 76328
SUBJECT CIC's Informal Referral Program

W. A. Hines
W. C. D. del

Would you like to
do this? who else
may be interested.

Please contact
the CIC
directly

*Lynne Motley**Edi*

This is to request your assistance in identifying staff in your division who may be willing to serve as occasional "information contacts" in the CIC's informal referral program.

As you may know, the CIC assists staff at all grades in researching occupations and career directions in the Bank and IFC. One element of the service is the referral program wherein CIC participants can ask questions of people with first-hand knowledge about particular occupations or about division functions.

The referral program is not for identifying candidates or vacancies. Instead, the program helps clarify to individual staff the facts about, say, working in a different corner of the institution or about present skills/experience requirements for particular occupations. The process also helps individuals develop more realistic and effective career plans.

To date, the CIC has enlisted over 250 staff and managers across the institutions who have agreed to talk about once a month with an individual CIC participant, by telephone or meeting. Feedback from both sides has been positive.

I would appreciate it very much if you could forward to me names of staff who might be willing to participate as contacts -- to discuss their personal knowledge of your division's functions or occupations, on an unofficial and informal basis.

Most divisions nominate staff representing a range of grade levels, including managers, assistants and support staff members since CIC participants using the referral program include all grade levels.

Attached are a copy of the terms of this program, distributed to CIC participants, and an outline of CIC programs.

Thank you for your time and interest -- and please let me know if I can answer related questions or provide assistance to you on your staff's career planning and development issues.

Attachments

ABOUT THE CAREER INFORMATION CENTER

The Career Information Center is open to all Bank/IFC staff and provides the following programs and activities:

- Guidance and assistance in personal career planning for individual staff at all grade levels.
- Seminars on particular Bank/IFC occupations, examining career issues, trends and prospects.
- Self-assessment and career planning materials for individuals, including computerized programs and printed media.
- Career-research assistance, including facts and contacts for information about Bank/IFC occupations and divisions/departments.
- Career planning workshops.
- Consultations for managers on staff career development issues and options.
- Career workshops tailored for individual divisions or departments.

You can participate at your convenience by calling the CIC at Ext 75725 to sign up for an introduction.

NOTES ON THE CIC REFERRAL PROGRAM

1. Purposes. The CIC referral program assists staff members seeking information:
 - (1) about specific Bank/IFC occupations (e.g., engineering positions);
 - (2) about the functions of specific organizational units (e.g., divisions, departments); and/or
 - (3) about the functions of specific occupations in specific organizational units (e.g., Financial Analysts in Projects departments).
2. Participants. The CIC refers Bank/IFC staff and managers doing careers research to other staff and managers who have agreed to participate and who may have various knowledge about Bank/IFC occupations and units.
3. Unofficial and Informal. All contacts and discussions resulting from a CIC referral are on an unofficial and informal basis. That is, staff providing information are not doing so as official spokesmen for the Bank/IFC nor for their department or unit. They have agreed to provide information as a favor to CIC participants. Notes of contacts or discussions are not entered in official personnel files.
4. Not for Vacancy or Candidate Identification. Staff providing information are not sources of position vacancy information. Further, identifying possible candidates is not their purpose in speaking with CIC participants.
5. Preparing for Discussion. Staff seeking information may find it useful to develop a brief set of questions in advance of a scheduled conversation in order to make the most of the time.
6. Information Provided. Staff providing information may not know everything there is to know about particular subjects. They have agreed to answer questions based on what they may know about position or unit functions and on how they may perceive the subjects. They do not claim to be occupational or organizational experts.
7. Scheduling Procedure. Staff seeking information should first telephone staff providing information to ask about scheduling. Each staff member providing information has agreed to participate on an occasional basis -- if and when his/her schedule permits. Therefore, the staff member providing information will set the conditions of any discussion as to the date, time and duration, and as to whether he/she is free for a meeting in person or on the telephone.

OFFICE MEMORANDUM

DATE: March 5, 1987

TO: Distribution

FROM: A. de Capitani, Asst. Director, INDDR, and
E. L. Segura, Division Chief, EMPID

EXT: 72397, 33047

SUBJECT: POLAND: Proposed Industrial Lending
and Sector Work Program

1. Further to our recent discussions on the subject and specifically the decisions reached at the IEPS Review meeting of February 20, 1987, we are setting out below the approach and proposed work program for the remainder of this fiscal year in regard to the preparation of industrial sector lending in Poland. This proposal has emerged as a result of detailed working level discussions among regional projects and IND staff and has also been discussed and agreed with the relevant programs staff. We would welcome any general comments that you might have on the proposed approach, or on the objectives and scope of work for the next joint EMPID-IND operations mission which is scheduled for mid-March/April. The terms of reference for this mission are attached to this memorandum.

2. The general objectives and criteria for the first generation of lending operations in Poland have already been spelled out in Mr. Nouvel's memorandum of February 12, 1987 and do not need restating here. Insofar as their specific application to the first industry project is concerned, we agree that such a project would likely have the following characteristics:

- (i) aim to achieve a quick improvement in the balance of payments situation through expanded exports or (although less important) efficient import substitution;
- (ii) the rapid payoffs implied above would likely focus the operation on investments to improve the productivity and efficiency of existing plant rather than on major new grassroot investments;
- (iii) the same rapid payoff, as well as the early stages of Bank involvement in the sector, would also imply that the first operation is likely to consist of two components:

- investments appraised directly by the Bank; for logistical reasons, these would have to be limited to a few key enterprises/subsectors with recognized export expansion potential; and,
- a line of credit component to support other priority investments that may be too small and dispersed to reach through direct appraisal; however, we will only know if such a component can be feasibly incorporated after the proposed work on evaluating the effectiveness and capacities of potential financial intermediaries is completed in June;

(iv) Although the design of the first project is being undertaken to some extent on a parallel track with the preparation of a medium-term industrial sector assistance strategy, we recognize that at a minimum the proposed project should not be inconsistent with the likely content of such a strategy. Furthermore, the project should include a provision for carrying out part of the preparatory analytical and institutional building work necessary to support the development and implementation of the subsequent pipeline of industry operations.

3. In regard to internal coordination, the proposed work program reflects the agreement reached at the IEPS review meeting that all the work on industry related aspects be carried out in an integrated manner and that mission schedules be coordinated to minimize the demands on counterpart staff time as well as the possibility of confusion or misunderstandings at either end. Specifically, the missions proposed will include both regional and Industry staff and, at headquarters, close working level coordination will be the responsibility of Ms. Loos, and Messrs. Ahmed and Gamba, each of whom will serve as the primary focal point for this work in their respective organizational units. They will organize meetings of other staff and bring forward issues for management attention as required.

4. In substantive terms, these efforts should result in the execution of the following tasks and output between now and June 1987:

- (i) Evaluation of the principal financial intermediaries in Poland and a determination of by when and how those agencies can be strengthened to serve as effective intermediaries for the transfer of Bank funds through a line of credit operation to final beneficiaries; a related task will be to establish the general on-lending mechanisms for Bank resources covering such matters as definition of borrower/guarantors, insurance, revolving funds, reporting and auditing requirements. The envisaged output for this task is an internal report to be completed by end June 1987 which would feed into the relevant sections of the subsequent project appraisal reports and project files.

- (ii) Identification of potential investments in selected subsectors and enterprises which could be financed under the first industry project; agreement with Polish authorities on the initiation of the preparatory work required to enable appraisal of these investments by the Bank in the 2nd Quarter of FY88. The internal output envisaged is the preparation of a detailed BTO by April 30, and an IEPS by mid-May. A Project Brief would be prepared in July 1987 after a second preparatory mission.
- (iii) Based on the work proposed, as well as drawing upon the analysis already carried out in the context of the two country economic reports, the preparation of an industrial and financial sector issues note and work program. This would be a brief strategy document outlining the principal industrial sector issues and proposing an associated medium-term work program for the Bank in supporting their resolution by the Polish Government. Once this document had been reviewed internally, it could be used as a basis for discussions with the Polish Government on the specific sector work and lending operations envisaged for FY88-90. An internal discussion draft of this document could be ready by mid-June 1987.

5. To achieve these outputs, we envisage two sets of missions in the coming months. The first mission would visit Poland in the second half of March with the objective of agreeing upon the proposed strategy with counterpart staff and of initiating the necessary fieldwork with the counterpart agencies involved (both national and at the enterprise level). This would be followed in May/June by a second set of missions of longer duration which would carry out the detailed data gathering and other field work required to complete these tasks. The detailed terms of reference for the first mission are attached. As you will note from these TORs, the staff of the Industry Department will focus primarily on the identification of possible projects through work at the subsector/enterprise level while the responsibility for initiation of the financial intermediary study will rest primarily with EMPID staff. Discussions with central agencies on common issues will be carried out jointly whereas possible.

6. Finally, in regard to the coordination of the proposed work with that proposed for agro-industry, the agricultural trade strategy paper sector mission is already in the field and we would hope to discuss their findings with them upon their return so as to avoid duplication and overlap. Following our own March mission, we would also propose to discuss with EMPAG and Programs staff on how best to coordinate the further processing of the work on agro-industry issues with broader industrial sector issues.

Attachments

Distribution:

Messrs./Mmes.: Lari, Nouvel, Harrison, King, Lav, Loos (EMI), Dervis (EMNVP), Golan, Colaco, Rowat, Raghavan, Duvigneau, Sood, Gamba (IND), Rajagopalan, Dewey, Zaidan, Harris, Reekie, Liebenthal, Ahmed, Coudol o/r (EMP), Mission Members

MAhmed/jb

OFFICE MEMORANDUM

DATE: March 5, 1987

TO: Those Listed Below

FROM: A. de Capitani, Asst. Director, INDDR, and
E. L. Segura, Division Chief, EMPID *ES*

EXT: 72397, 33047

SUBJECT: POLAND: Industry Sector Reconnaissance Mission
Terms of Reference

1. Within the context of the Proposed Industrial Lending and Sector Work Program as set out in our memorandum of March 5, 1987 (attached), you will visit Poland between March 9 and April 5 1/ to initiate the work on a study of financial intermediaries and on the review of potential investment opportunities for inclusion in a first Bank Industry Project(s). During this mission, you should: (i) discuss with the relevant authorities the proposed strategy for industrial work; (ii) identify enterprises in selected industrial subsectors, which could quickly improve their productivity, efficiency and export performance with relatively small injections of convertible currency funds; (iii) identify potential financial intermediaries and initiate discussions with them on the procedures and mechanisms for transfers of Bank funds; (iv) discuss with counterpart staff and enterprises all information the Polish Government will need to prepare prior to the main mission(s) scheduled for May/June 1987.

2. Mr. Ahmed (EMPID) will have primary responsibility for coordinating the work of the mission and for leading the discussions with Central Government Agencies and Counterparts. In this, he will be assisted closely by Mr. Gamba (INDRE), who will coordinate the work of the subsector teams working on the review and identification of potential investment opportunities. The industrial subsectors to be reviewed are: chemical, pulp and paper, cement and electro-engineering.

3. Mr. Gamba will coordinate the work of the various subsector teams in the review and identification of potential investment opportunities, both in the field and at headquarters. Mr. Gamba will also review the governments's industrial energy conservation program and share with Polish officials the

1/ Annex 1 includes the specific arrival and departure dates for the individual mission members.

Bank's experience in this area. Finally, in association with Mr. Reyes (EMPID), he will review the broad-based policy and business environment issues for the selected subsectors, and assess their institutional, administrative and regulatory structures, focussing on the current institutional system of exports, export regulations and incentives.

4. A group comprising Mr. L. Borin (INDD2), Mr. P. Glenshaw (Consultant, industrial specialist) and Mr. J. Ziv (Consultant, petrochemical specialist) will deal with the chemical subsector. The group, which will be led by Mr. Borin, will focus on selected branches of the chemical subsector i.e., inorganic fertilizers, petrochemicals, elastomers, fibers, specialty chemicals and pharmaceuticals. To achieve the objectives of the mission, the group will carry out a preliminary assessment of broad competitive position of the selected branches and select a limited range of products and a few major enterprises for inclusion in the Bank operation. Mr. Glenshaw will focus on financial, economic and policy-related aspects at the subsector and enterprise level, and Mr. Ziv will be responsible for engineering and technical aspects including collection and analysis of technical data. Mr. Borin, who will have overall responsibility for the work of the group, will also be responsible for: defining the scope and the manner of possible Bank assistance to the subsector; providing the rationale for Bank involvement; and identifying potential implementing agencies and appropriate mechanisms and procedures for implementation.

5. Messrs. M.R. Amin and A.J. Ewin (INDD3), will deal with the remaining selected subsectors. Mr. Amin will focus on cement and electro-engineering subsectors and Mr. Ewing will concentrate on the pulp and paper subsector. Their duties will be similar to those described in the previous paragraph for the group involved in the chemical subsector. However, given the limited information available on cement and pulp and paper subsectors and the complexity of the electro-engineering subsector, assessment of the competitive positions of these subsectors will not be possible during this mission, but a preliminary assessment of competitiveness will be made for the selected enterprises. In the electro-engineering subsectors, Mr. Amin's main focus will be on: first, selection of the branches which are suitable for Bank involvement; and, then, identification of enterprises in the selected subsectors.

6. Mr. Reyes and Mr. Brizzi (EMPID) will have principal responsibility for initiating the work on the financial intermediation study. They should discuss with the relevant authorities and institutions the scope of, and action plan for, the proposed task aimed at evaluating the capacity of selected financial institutions to serve as effective intermediaries for the transfer of Bank funds to final borrower. In this context, they will discuss and agree with the various counterpart agencies upon the preparatory work they would need to undertake prior to the main mission scheduled for May 1987.

7. Mrs. Loos, will focus on the establishment of the general onlending arrangements for Bank resources, covering matters such as: definition of borrower, guarantees, insurance, revolving fund for subloan repayments, reporting and auditing requirements.

8. Upon your return, you will produce a joint B-T-O report outlining the principal findings of your mission and the next steps in regard to the further preparation of the tasks covered by the missions.

Attachment

Cleared with & cc. Ms. Loos (EM1DA)

Distribution:

Messrs./Mmes. Amin, Ewin (INDD3), Borin, (INDD2), Gamba (INDRE),
Ahmed, Brizzi, Reyes-Vidal (EMPID), Glenshaw,
Ziv (Consultants), Loos (EM1DA)

L.1POL


Ahmed/Amin/Reyes-Vidal:ylg

Arrival and Departures for individual
mission members:

Messrs.	M. R. Amin	(INDD3)	March 9 - March 21
	A. J. Ewin	(INDD3)	March 9 - March 21
	J. Gamba	(INDRE)	March 16 - March 28
	Reyes-Vidal	(EMPID)	March 16 - March 28
	M. Ahmed	(EMPID)	March 23 - March 28
	G. Brizzi	(EMPID)	March 23 - March 28
	L. Borin	(INDD2)	March 23 - April 4
	P. Glenshaw	(Consultant)	March 23 - April 4
	J. Ziv	(Consultant)	March 23 - April 4
Ms.	J. Loos	(EMIDA)	March 30 - April 4

THE WORLD BANK/INTERNATIONAL FINANCE CORPORATION

OFFICE MEMORANDUM

DATE: March 5, 1987
TO: Distribution
FROM: Edilberto L. Segura, Chief, EMPID 
EXTENSION: 3-3047
SUBJECT: PORTUGAL - BFN III Final Project Brief


Attached please find for your review and comments the final Project Brief and EPS for the above project. Mr. Zaidan will chair a meeting on March 16, 1986 at 3:00 p.m. in H-10-152 to review these documents and to agree upon any changes that need to be made to the EPS before it is sent to the Loan Committee.

AttachmentsDistribution

Mmes./Messrs: de Capitani, Hegstad, Sethi (IND)(2); Argüden (LOALE); Santos (LEGEM); Chopra (OEDDR); Köpp (PPDDR)(5); Moreau (EM1DR); Nouvel, Loos, King (EM1); Barker (EDTPT); Rajagopalan, Jones, Zaidan, Coudol (EMP)

EMENA Files, Div. Files.


L.4POR

 MAhmed/jb

OFFICE MEMORANDUM

DATE: March 5, 1987

TO: Mr. Kenneth Jones, Assistant to the Director, EMP

FROM: Edilberto L. Segura, Chief, EMPID 

EXTENSION: 3-3047

SUBJECT: Management of UNDP Overhead Budget

1. With reference to your memo of February 26, the approach proposed by EMPA for the allocation of UNDP overhead funds is a sensible one which should help to reduce uncertainty by clarifying, ex ante, the rules of the game. I would, however, suggest the following amendments to the proposed approach with the objective of making it yet more effective:

- (i) the calculation of the dollar equivalent for the agreed supervision requirement (point 3 of EMPA proposal) should take travel costs into account explicitly rather than as some standard multiple of staffweeks of supervision. This is important because the supervision of UNDP projects will sometimes require a separate mission, the cost of which will be large in relation to the average staffweeks allocated to such projects.
- (ii) Regarding point 4 of the EMPA proposal, I presume that the phrase "overall ceiling of available funds" means the initial agreed allocations for the project, in which case this should be clarified. If however, the reference is to some region-wide ceiling of available UNDP overhead funding, then, it seems to me that this constraint should be taken into account at the time at which the initial dollar allocations are made to the various implementing divisions and should not affect the process of transferring these funds during the course of the year in line with actual staff week usage. The latter should be a purely routine and automatic process and one which can be implemented by the divisional budget analysts without repeated management input. In line with the above, I would suggest that points 3 and 4 of EMPA's proposal be modified as follows:
- (3) "Funds equivalent to the agreed supervision coefficient would initially be allocated to the implementing divisions as a supplement to their CAM budget. Subject to an overall ceiling of regionally-available funds, these dollar equivalent calculations would take into account, on a project-by-project basis, the cost of manpower, travel, etc. that would be required to ensure effective supervision. These funds could then be used fungibly for consultants, travel, support or any other operational activity and would be administered by the respective division.
- (4) "Transfer of funds from EMPA to the implementing divisions will be made semi-annually on the basis of actual travel costs and time recorded for agreed UNDP-financed projects, up to the total allocation initially agreed."

cc: Messrs. Zaidan, Al-Khafaji
 MAhmed/jb
 2049L/76

March 6, 1987

Messrs. George C. Zaidan
Edilberto L. Segura

Re: Proposed EMENA/EDI Financial Policy Seminar

1. Although we will meet to discuss this topic at the end of next week, you might want to note the following information now:

(i) EDI proposes to change the dates of the seminar to July 6 - 9, 1987 so that it can be funded out of their FY88 budget; Paul Popiel is in the process of changing accommodations and other logistical arrangements accordingly;

(ii) In view of Mr. Nouvel's note and the recent discussions with visiting Polish officials, Poland is proposed as an addition to the list of countries. I am obtaining names of suitable candidates for Poland (from Programs and our own staff) and for Hungary and Egypt from Abhay and Adil by telex.

2. Popiel already has a list of names for Portugal which he is sending us and he is getting some names for Yugoslavia from Programs.

3. We propose to defer action on Morocco and Tunisia until after next week's meeting because John Shilling has reservations about Moroccan participation on those dates and in the absence of Morocco, the inclusion of Tunisia as the only country requiring simultaneous translation would be very expensive. We also need to agree on whether Jordan is to be included--I understand from Popiel that this is still unresolved.

(iii) Regarding agenda/speakers, Popiel tells me that he has all the information and will be putting this together on paper prior to our meeting.

4. In the meantime please let me know if you see any problems with the proposed approach so I can contact EDI or make any other changes necessary.

Masood Ahmed

cc: Mr. Coudol o/r
2259L/42

Pls send to

Mr. El-Rifai's Office
for appropriate disposition.

- We certainly don't have
any projects in the pipeline
in Bahrain!


- However they will be
better informed + able to
respond accordingly,

Masood Ahmed
EMPID

P-1852

Letter on Bahrain.

THE WORLD BANK/IFC

(6-83)		DATE: March 6, 1987	
ROUTING SLIP			
NAME		ROOM NO.	
Mr. Alberto de Capitani		A-513	
	APPROPRIATE DISPOSITION		NOTE AND RETURN
	APPROVAL		NOTE AND SEND ON
	CLEARANCE		PER OUR CONVERSATION
	COMMENT		PER YOUR REQUEST
	FOR ACTION		PREPARE REPLY
	INFORMATION		RECOMMENDATION
	INITIAL		SIGNATURE
	NOTE AND FILE		URGENT
REMARKS: <p style="margin-left: 40px;">Attached is the long awaited memo on Poland for your review and signature. Please return. Thanks. (Call if you have any queries)</p> 			
FROM: Masood		ROOM NO.: H-10-035	EXTENSION: 3-2206

OFFICE MEMORANDUM

DATE: March 5, 1987

TO: Distribution

FROM: A. de Capitani, Asst. Director, INDDR, and
E. L. Segura, Division Chief, EMPID

EXT: 72397, 33047

SUBJECT: POLAND: Proposed Industrial Lending
and Sector Work Program

1. Further to our recent discussions on the subject and specifically the decisions reached at the IEPS Review meeting of February 20, 1987, we are setting out below the approach and proposed work program for the remainder of this fiscal year in regard to the preparation of industrial sector lending in Poland. This proposal has emerged as a result of detailed working level discussions among regional projects and IND staff and has also been discussed and agreed with the relevant programs staff. We would welcome any general comments that you might have on the proposed approach, or on the objectives and scope of work for the next joint EMPID-IND operations mission which is scheduled for mid-March/April. The terms of reference for this mission are attached to this memorandum.

2. The general objectives and criteria for the first generation of lending operations in Poland have already been spelled out in Mr. Nouvel's memorandum of February 12, 1987 and do not need restating here. Insofar as their specific application to the first industry project is concerned, we agree that such a project would likely have the following characteristics:

- (i) aim to achieve a quick improvement in the balance of payments situation through expanded exports or (although less important) efficient import substitution;
- (ii) the rapid payoffs implied above would likely focus the operation on investments to improve the productivity and efficiency of existing plant rather than on major new grassroots investments;
- (iii) the same rapid payoff, as well as the early stages of Bank involvement in the sector, would also imply that the first operation is likely to consist of two components:

- investments appraised directly by the Bank; for logistical reasons, these would have to be limited to a few key enterprises/subsectors with recognized export expansion potential; and,
- a line of credit component to support other priority investments that may be too small and dispersed to reach through direct appraisal; however, we will only know if such a component can be feasibly incorporated after the proposed work on evaluating the effectiveness and capacities of potential financial intermediaries is completed in June;

(iv) Although the design of the first project is being undertaken to some extent on a parallel track with the preparation of a medium-term industrial sector assistance strategy, we recognize that at a minimum the proposed project should not be inconsistent with the likely content of such a strategy. Furthermore, the project should include a provision for carrying out part of the preparatory analytical and institutional building work necessary to support the development and implementation of the subsequent pipeline of industry operations.

3. In regard to internal coordination, the proposed work program reflects the agreement reached at the IEPS review meeting that all the work on industry related aspects be carried out in an integrated manner and that mission schedules be coordinated to minimize the demands on counterpart staff time as well as the possibility of confusion or misunderstandings at either end. Specifically, the missions proposed will include both regional and Industry staff and, at headquarters, close working level coordination will be the responsibility of Ms. Loos, and Messrs. Ahmed and Gamba, each of whom will serve as the primary focal point for this work in their respective organizational units. They will organize meetings of other staff and bring forward issues for management attention as required.

4. In substantive terms, these efforts should result in the execution of the following tasks and output between now and June 1987:

- (i) Evaluation of the principal financial intermediaries in Poland and a determination of by when and how those agencies can be strengthened to serve as effective intermediaries for the transfer of Bank funds through a line of credit operation to final beneficiaries; a related task will be to establish the general on-lending mechanisms for Bank resources covering such matters as definition of borrower/guarantors, insurance, revolving funds, reporting and auditing requirements. The envisaged output for this task is an internal report to be completed by end June 1987 which would feed into the relevant sections of the subsequent project appraisal reports and project files.

- (ii) Identification of potential investments in selected subsectors and enterprises which could be financed under the first industry project; agreement with Polish authorities on the initiation of the preparatory work required to enable appraisal of these investments by the Bank in the 2nd Quarter of FY88. The internal output envisaged is the preparation of a detailed BTO by April 30, and an IEPS by mid-May. A Project Brief would be prepared in July 1987 after a second preparatory mission.
- (iii) Based on the work proposed, as well as drawing upon the analysis already carried out in the context of the two country economic reports, the preparation of an industrial and financial sector issues note and work program. This would be a brief strategy document outlining the principal industrial sector issues and proposing an associated medium-term work program for the Bank in supporting their resolution by the Polish Government. Once this document had been reviewed internally, it could be used as a basis for discussions with the Polish Government on the specific sector work and lending operations envisaged for FY88-90. An internal discussion draft of this document could be ready by mid-June 1987.
5. To achieve these outputs, we envisage two sets of missions in the coming months. The first mission would visit Poland in the second half of March with the objective of agreeing upon the proposed strategy with counterpart staff and of initiating the necessary fieldwork with the counterpart agencies involved (both national and at the enterprise level). This would be followed in May/June by a second set of missions of longer duration which would carry out the detailed data gathering and other field work required to complete these tasks. The detailed terms of reference for the first mission are attached. As you will note from these TORs, the staff of the Industry Department will focus primarily on the identification of possible projects through work at the subsector/enterprise level while the responsibility for initiation of the financial intermediary study will rest primarily with EMPID staff. Discussions with central agencies on common issues will be carried out jointly wherever possible.
6. Finally, in regard to the coordination of the proposed work with that proposed for agro-industry, the agricultural trade strategy paper sector mission is already in the field and we would hope to discuss their findings with them upon their return so as to avoid duplication and overlap. Following our own March mission, we would also propose to discuss with EMPAG and Programs staff on how best to coordinate the further processing of the work on agro-industry issues with broader industrial sector issues.

Attachments

Distribution:

Messrs./Mmes.: Lari, Nouvel, Harrison, King, Lav, Loos (EMI), Dervis (EMNVP), Golan, Colaco, Rowat, Raghavan, Duvigneau, Sood, Gamba (IND), Rajagopalan, Dewey, Zaidan, Harris, Reekie, Liebenthal, Ahmed, Coudol o/r (EMP), Mission Members

MAhmed/jb

OFFICE MEMORANDUM

DATE: March 5, 1987

TO: Those Listed Below

FROM: A. de Capitani, Asst. Director, INDDR, and
E. L. Segura, Division Chief, EMPID

EXT: 72397, 33047

SUBJECT: POLAND: Industry Sector Reconnaissance Mission
Terms of Reference

1. Within the context of the Proposed Industrial Lending and Sector Work Program as set out in our memorandum of March 5, 1987 (attached), you will visit Poland between March 9 and April 5 1/ to initiate the work on a study of financial intermediaries and on the review of potential investment opportunities for inclusion in a first Bank Industry Project(s). During this mission, you should: (i) discuss with the relevant authorities the proposed strategy for industrial work; (ii) identify enterprises in selected industrial subsectors, which could quickly improve their productivity, efficiency and export performance with relatively small injections of convertible currency funds; (iii) identify potential financial intermediaries and initiate discussions with them on the procedures and mechanisms for transfers of Bank funds; (iv) discuss with counterpart staff and enterprises all information the Polish Government will need to prepare prior to the main mission(s) scheduled for May/June 1987.

2. Mr. Ahmed (EMPID) will have primary responsibility for coordinating the work of the mission and for leading the discussions with Central Government Agencies and Counterparts. In this, he will be assisted closely by Mr. Gamba (INDRE), who will coordinate the work of the subsector teams working on the review and identification of potential investment opportunities. The industrial subsectors to be reviewed are: chemical, pulp and paper, cement and electro-engineering.

3. Mr. Gamba will coordinate the work of the various subsector teams in the review and identification of potential investment opportunities, both in the field and at headquarters. Mr. Gamba will also review the governments's industrial energy conservation program and share with Polish officials the

1/ Annex 1 includes the specific arrival and departure dates for the individual mission members.

Bank's experience in this area. Finally, in association with Mr. Reyes (EMPID), he will review the broad-based policy and business environment issues for the selected subsectors, and assess their institutional, administrative and regulatory structures, focussing on the current institutional system of exports, export regulations and incentives.

4. A group comprising Mr. L. Borin (INDD2), Mr. P. Glenshaw (Consultant, industrial specialist) and Mr. J. Ziv (Consultant, petrochemical specialist) will deal with the chemical subsector. The group, which will be led by Mr. Borin, will focus on selected branches of the chemical subsector i.e., inorganic fertilizers, petrochemicals, elastomers, fibers, specialty chemicals and pharmaceuticals. To achieve the objectives of the mission, the group will carry out a preliminary assessment of broad competitive position of the selected branches and select a limited range of products and a few major enterprises for inclusion in the Bank operation. Mr. Glenshaw will focus on financial, economic and policy-related aspects at the subsector and enterprise level, and Mr. Ziv will be responsible for engineering and technical aspects including collection and analysis of technical data. Mr. Borin, who will have overall responsibility for the work of the group, will also be responsible for: defining the scope and the manner of possible Bank assistance to the subsector; providing the rationale for Bank involvement; and identifying potential implementing agencies and appropriate mechanisms and procedures for implementation.

5. Messrs. M.R. Amin and A.J. Ewin (INDD3), will deal with the remaining selected subsectors. Mr. Amin will focus on cement and electro-engineering subsectors and Mr. Ewing will concentrate on the pulp and paper subsector. Their duties will be similar to those described in the previous paragraph for the group involved in the chemical subsector. However, given the limited information available on cement and pulp and paper subsectors and the complexity of the electro-engineering subsector, assessment of the competitive positions of these subsectors will not be possible during this mission, but a preliminary assessment of competitiveness will be made for the selected enterprises. In the electro-engineering subsectors, Mr. Amin's main focus will be on: first, selection of the branches which are suitable for Bank involvement; and, then, identification of enterprises in the selected subsectors.

6. Mr. Reyes and Mr. Brizzi (EMPID) will have principal responsibility for initiating the work on the financial intermediation study. They should discuss with the relevant authorities and institutions the scope of, and action plan for, the proposed task aimed at evaluating the capacity of selected financial institutions to serve as effective intermediaries for the transfer of Bank funds to final borrower. In this context, they will discuss and agree with the various counterpart agencies upon the preparatory work they would need to undertake prior to the main mission scheduled for May 1987.

7. Mrs. Loos, will focus on the establishment of the general onlending arrangements for Bank resources, covering matters such as: definition of borrower, guarantees, insurance, revolving fund for subloan repayments, reporting and auditing requirements.

8. Upon your return, you will produce a joint B-T-O report outlining the principal findings of your mission and the next steps in regard to the further preparation of the tasks covered by the missions.

Attachment

Cleared with & cc. Ms. Loos (EM1DA)

Distribution:

Messrs./Mmes. Amin, Ewin (INDD3), Borin, (INDD2), Gamba (INDRE),
Ahmed, Brizzi, Reyes-Vidal (EMPID), Glenshaw,
Ziv (Consultants), Loos (EM1DA)

L.1POL
Ahmed/Amin/Reyes-Vidal:ylg

OFFICE MEMORANDUM

DATE: March 6, 1987

TO: EMPID Country Coordinators

FROM: Masood Ahmed, Deputy Division Chief, EMPID

W

EXTENSION: 3-2206

SUBJECT: Proposed Training Course for Bank Supervisors

1. The attached memo from INDFD is self explanatory and invites nominations for a three-week course to be held in June 1987 for Banking System Supervisors. The deadline for nominations is April 1, but an earlier response is solicited.

2. Could you please, after consultation with colleagues who are also working on your countries, let me have by next Friday (March 13), any names that you would like to nominate and which fit in with the criteria spelled out in the attached memo. If you do not have any suitable candidates to nominate at this time, please also let me know so that we can ensure that countries have not been left out. Thanks for your cooperation.


Attachment

cc: Messrs. Segura, Coudol o/r
MAhmed/jb
2259L/41

OFFICE MEMORANDUM

Date: February 20, 1987

To: IDF Division Chiefs

From: Manuel Hinds, Acting Chief, INDFD 

Extension: 75093

Subject: Training Course for Bank Supervisors
in Cooperation with the Federal Reserve Board

*Mr. Cordell
Mr. Ahmed
Please follow
up on
this to
ensure
EFCWA
participation*

1. Please find attached a copy of Millard Long's memo of December 29, 1986 regarding the above matter which includes updated information on the contents of the course. The deadline for country selection was January 23, 1987.
2. The reaction we have received is rather uneven: while some IDFs have not replied at all, some others are proposing the participation of certain countries but have not discussed the matter with the respective governments; and the rest have already obtained names of candidates from the countries concerned. The result of it is that only 9 countries have been identified thus far and there is room for more participants.
3. Please consult with your countries and let us know your final decision on participation by countries on or before March 2, 1987.
4. Although the attached memo sets April 1st as the deadline for the names of candidates, those IDFs that have already received names and those that may receive them already as a result of the consultation with the countries should obtain information about candidates according to the attached nomination sheet. April 1st is still the deadline for names but the sooner we begin to gather information about candidates the better. Please remember that selection of candidates in terms of quantity, quality and avoidance of last minute shortfalls is a key element for the success of this project.

Attachments

AdeJuan:mcd

OFFICE MEMORANDUM

DATE: December 29, 1986

TO: IDF Division Chiefs

FROM: Millard Long, Chief, INDFD *M.L.*

SUBJECT: Training Course for Bank Supervisors in Cooperation
with the Federal Reserve Board

1. Following my memorandum to you dated November 4, I am pleased to inform you that the Federal Reserve Board has now agreed to conduct a pilot project to train supervisors from developing countries, as outlined in this memorandum.

2. The Fed will be responsible for the training, following a program that has been designed jointly with us. The Comptroller of the Currency and the Federal Deposit Insurance Corporation are also likely to contribute by providing instructors. Staff from this Division will also make presentations as part of the training.

3. Who Should Attend. Attendees should be people holding top management jobs in bank supervision. Although most of the candidates will probably hold the position of Chief Examiner and Senior Review Examiner, superintendents and their immediate subordinates should be invited to attend, especially for the first course. Most of them may not be available or willing to participate; but if they were, this would certainly help to enhance the "multiplying" effect of the course and would also permit the top supervisors to decide on attendance for future courses.

4. Number of Attendees. The course is expected to be attended by 35 people from different countries, at an average of 3-4 per country. In fact in agreement with the Fed, we feel a nucleus of 3 candidates is important and we should discourage countries from sending only one or two participants. This would mean having representatives from 10-12 countries. Hence each region can select two countries to participate. If you do plan to nominate only one country, please let us know so we can make arrangements with another region.

5. Topics to be Covered. The program will consist of four parts: Fundamentals of Banking Regulation, Bank Analysis, Credit Analysis, Dealing with Distressed Banks (see Attachment I for details).

6. Duration and Timing. The pilot course will take three full weeks and will begin on June 1. If the pilot project works the Federal Reserve stands ready to repeat it as often as is needed and as frequently as once every quarter.

cc: Messrs. Golan, Colaco, Renger, Bruck
INDFD Staff

OFFICE MEMORANDUM

DATE: December 29, 1986

TO: IDF Division Chiefs

FROM: Millard Long, Chief, INDFD *M.L.*

SUBJECT: Training Course for Bank Supervisors in Cooperation
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cc: Messrs. Golan, Colaco, Renger, Bruck
INDFD Staff

7. Language. English.

8. Cost. The Federal Reserve will take care of the training (instructors, facilities, materials, etc.), and the countries would be responsible for travel and related accommodations. Tuition was a debated issue, but the Federal Reserve has kindly decided that there will be no charge on this occasion.

9. Selection. In order to insure the success of the pilot project, selection of proper candidates is a key element. In this connection, the description of "who should attend" is the criteria to be used (see para 3 above). As a first step toward selection, each IDF Division should identify the two countries within its area that should be given priority, and let us know as soon as possible--in any case, not later than January 23rd. Once the selection of countries has been made, your divisions should contact the countries to explain the project so that candidates can be identified and financing arranged. We would like to have the names of the candidates by April 1, together with a brief resume of their academic and professional background, in order to assure a reasonable degree of homogeneity.

10. EDI has agreed to be responsible for administrative arrangements and will appoint a coordinator. Technical aspects of the course will be dealt with by INDFD, through Mr. Aristobulo de Juan.

11. The Federal Reserve is being extremely generous of its time and assistance, even agreeing to wave tuition charges. On its part, the Bank is responsible for assuring the quality and quantity of the participants. We should make it clear to the central banks that if they agree to participate, they are committing themselves to send 3-4 top quality participants and that we do not expect any last minute "drop outs." I would rather see the course over rather than under subscribed on this occasion, so that the Fed will agree to continue what I feel could be a most valuable piece of technical assistance.

Attachment

MLong:ztf
(S-11j)

NOTE

1. The program will have four parts: Fundamentals of Banking Regulation, Bank Analysis, Credit Analysis, Dealing with Distressed Banks.
2. In "Fundamentals," the objective is to describe how banks are chartered, how regulatory agencies are structured and how to regulate and supervise banks to maintain safety and soundness. On-site examinations will be covered, as well as off-site surveillance, through use of the Bank Performance Reports, Call Reports, securities filings and other corporate applications. Supervisory follow-up procedures will also be explained; discussions with management and written agreements through cease- and desist-orders and bank closures. This section will also cover the role specialty examinations such as Trust and Electronic Data Processing play in overall supervision; control of entry and expansion into the market (branching, mergers, acquisitions, subsidiaries); the differences between regulatory accounting and generally accepted accounting principles, including accruals, and provision for loan losses; critical rules and regulations on loans to insiders, duties of directors, dividend restrictions, and public disclosure, and the reliance examiners place on the work of outside chartered accountants. The section on "Fundamentals" should take two days.
3. Four and one-half days will be spent on Bank Analysis. The first objective is to teach CAMEL in depth. CAMEL is a bank rating system based on the quality of Capital, Assets, Management, Earnings, and Liquidity. The second objective will be to cover surveillance and monitoring, introduce Uniform Bank Performance Report (UBPR), and, through case-driven exercises, use the UBPR in a structured approach to bank-analysis. Using the materials in the UBPR exercise, along with portions of the examination report, students will assign a sample bank a CAMEL rating. Bank Analysis will stress the importance of both off-premise and on-premise supervisory activities.
4. Credit Analysis will stress loan portfolio quality as the major component of asset quality. This will cover examination of lending policies, types of loans, collateral, loan commitments, balance sheets and operating statements. Cash flow analysis, especially in commercial lending, will be stressed. Renegotiated loans and workouts and bankruptcy laws will also be discussed. The study of credit analysis will be case driven and will take six days.
5. The last section dealing with distressed banks, will cover how supervisors shift into high gear when problems develop, going from annual to more frequent examinations, holding discussions with management by senior Reserve Bank/agency officials, and using supervisory remedial actions. The supervisory thrust is toward remedies first, but when supervisory actions fail, the institutions must be sold or closed--through liquidation or purchase and assumption. Attendees will be exposed to the rehabilitation process applied in different countries. This final section will take two and one-half days.

6. Following is the tentative course outline:

<u>Topic</u>	<u>Time (Days)</u>
Fundamentals of Banking Regulation	<u>2</u>
Banking: A Pragmatic View	1/3
Structure of Supervision, Regulation and Examination	1/3
Applications, Mergers, Changes in Control	1/3
Competitive Issues	1/6
Right to Financial Privacy	1/6
CPA Audits, Internal Audit and Control	2/3
Bank Analysis	<u>4 1/2</u>
Bank Financial Analysis (the structured approach including extensive case work)	2 1/2
CAMEL Factors including Case Study	1 1/6
UBPR and Case Studies	1 1/2
Surveillance and Monitoring	1/3
Credit Analysis	<u>6</u>
Loan Policies	1/6
Types and Terms of Loans	1/6
Balance Sheets and Operating Statements	1/3
Analytical Ratios	1/6
Cash Flow (with case studies)	4
Types of Collateral	1/6
Problems in Lending	1/6
Loan Commitments	1/6
Renegotiated and Workout Loans	1/3
Bankruptcy	1/3
Restructuring of Failing Banks	<u>2 1/2</u>
Supervisory Remedial Actions (Memoranda of Understanding, Written Agreements, Cease and Desist Orders, Civil Money Penalties), Meetings with Management, More Frequent Examinations	1/2
To be Developed	2
<u>TOTAL</u>	<u>15 days</u>

(S-11j)

NOMINATION SHEET
(Please use one sheet for each candidate)

DATE:

TO: Mr. Aristóbulo de Juan, INDM, Room Eb28

FROM:

EXTENSION:

SUBJECT: Orientation Seminar for Bank Supervisors - Nomination
of Participants

This Division would like to nominate the following individual to attend the Orientation Seminar for Bank Supervisors to be held in Washington, D.C., June 1 to 19, 1987.

COUNTRY:

NAME:

POSITION:

AGENCY:

MAILING ADDRESS:
(Include telex and telephone number, if possible)

CURRENT RESPONSIBILITIES:

PREVIOUS EXPERIENCE:

PROFESSIONAL TRAINING:



Record Removal Notice

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