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718/6/6

IBRD/IDA: Derivation of FY81 Current Budget a/ by Expense Category
(FY81$ million)

Expense Category	Current FY81 budget Derivation								Memo Item:	
	Original Budget b/	China Supple.c/	Salary Adjust.d/	Amended Budget e/	Contin. Alloc.f/	Budget Trans.g/	Current Budget a/	Current Est. h/	Budget At Midyr.i/	Estimate At Midyr.j/
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	9)	(10)
Personal Services	268.2	2.1	6.2	276.5	0.7	0.8	278.0	274.3	277.3	274.5
Operational Travel	43.4	0.8	-	44.2	0.3	-0.2	44.3	45.6	44.6	46.4
Consultants	30.1	0.6	-	30.7	-0.1 k/	-1.1	29.5	29.3	30.2	29.2
Representation	1.1	-	-	1.1	-	-	1.1	1.1	1.1	1.1
Contractual Services	10.4	0.2	-	10.6	2.0	1.8	14.4	16.3	13.7	13.9
Communications	8.0	0.1	-	8.1	-	0.1	8.2	9.5	8.2	8.9
Benefit Travel	15.1	0.1	-	15.2	-	-	15.2	17.0	15.2	16.7
Other Overhead	31.1	0.2	-	31.3	0.1	0.1	31.5	32.1	32.1	32.3
Contingency	3.0	-	-	3.0	-3.0	-	-	-	0.2	0.2
Gross Total IBRD/IDA	410.4	4.1	6.2	420.7	-	1.5	422.2	425.2	422.6	423.2
Less: Reimbursements	-15.4	-	-	-15.4	-	-1.5 l/	-16.9	-16.3	-15.9	-15.3
IFC Service & Support Fee	-2.9	-	-	-2.9	-	-	-2.9	-2.9	-2.9	-2.9
NET TOTAL IBRD/IDA	392.1	4.1	6.2	402.4	-	-	402.4	406.0	403.8	405.0

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a/ "Current" Budget (see Table, Column 7)--refers to the total budget and its internal distribution among expense categories which has been established by March 1981. This budget is the reference base used in the FY82 Budget Memorandum of May 5, 1981 (Ref. Annex Table 7).

b/ Original Budget--Column 1 refers to the budget as initially provided in Annex Table 15, page 2 the FY81 Budget Memorandum of May 16, 1980, (R80-129).

c/ China Supplement--Column 2 reflects the cost distribution of the funds for the China program approved in September, 1980 (China--Supplement to the IBRD/IDA FY81 Administrative Expense Budget, R80-129/3 dated Aug. 26, 1980).

d/ Interim Salary Adjustment--Column 3 reflects the compensation package approved in November 1980 (Staff Compensation, R80- 315 dated October 30, 1980).

e/ Amended Budget--Column 4 reflects the total budget authorized by the Board and is the sum of Columns 1, 2 and 3.

f/ Contingency Allocations--Column 5 reflects the distribution of the FY81 contingency among categories of expenditure during the year.

g/ Budget Transfers--Column 6 reflects internal budget transfers among expense categories.

h/ See para 133 of FY82 Budget Memorandum.

i/ Budget as reported in Attachment 1 to FY81 Financial and Operating Programs and Administrative Budgets: Midyear Review January 27, 1981 which included $1.4 million for higher than budgeted price increase. This allowance for price increases has been exluded from other budget figures presented above.

j/ Estimated FY81 outcome as forecast at midyear.

k/ Net impact of recoveries to contingency and reallocation from contingency.

l/ Increases in reimbursements for work on behalf of IFAD and for courses taught by EDI. Corresponding budget increases have been included in other expense categories.

PAB
6/1/81

Record Removal Notice

File Title	**Barcode No.**
FY82 Budget - Correspondence (01)	1201402

Document Date	**Document Type**
May 14, 1981	Board Record

Correspondents / Participants
To: Mr. Willy Brandt
From: Goran Ohlin

Subject / Title
Salient Points - Informal Meeting of the Committee of the Whole - May 14, 1981 in the Board Room

Exception No(s).

☐ 1 ☐ 2 ☐ 3 ☐ 4 ☐ 5 ☐ 6 ☐ 7 ☐ 8 ☐ 9 ☐ 10 A-C ☐ 10 D ☐ Prerogative to Restrict

Reason for Removal
Pending review by relevant World Bank unit.

Additional Comments

The item(s) identified above has/have been removed in accordance with The World Bank Policy on Access to Information. This Policy can be found on the World Bank Access to Information website.

Withdrawn by	Date
Meredith Gramann	Nov 30, 2012

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WORLD BANK / INTERNATIONAL FINANCE CORPORATION

718 16/4

OFFICE MEMORANDUM

TO: Mr. Robert S. McNamara

DATE: May 13, 1981

FROM: Martijn J.W.M. Paijmans

SUBJECT: Information Requested on the FY82 Budget Paper (R81-113)

1. The attachment provides the information you requested on the uncommitted vacancies mentioned in paragraph 137 of the FY82 Budget Paper.

2. The impact on the Bank's work program of the 95 vacant staff positions has been abated because managers resorted to a higher increase than expected in the use of consultants, that is about 25 extra full staff years, to carry out their work programs. Thus, out of the 95 vacancies, 70 positions were not offset as of March 31 in respect of the FY81 work program as it evolved during the fiscal year. In fact, the evolution of the program during FY81 added 48 fresh positions in the course of FY81:

05/13

Released contingency positions	14
China	14 (filled through internal transfer thus creating vacancies elsewhere)
Energy (CPS)	11
Population and Health (CPS)	9
	48

Thus, the shortfall not attributable to specific additions to the work during FY81 program, or not offset by increased consultant use, amounts to 22 positions.

3. Regarding your query on the status of newly authorized positions for Energy and PHN, the status is as follows:

	Authorized Positions	No. of Positions filled or committed as of 3/31/81	No. of Positions Vacant
Energy	62 (of which 9 created during FY81)	58	4
PHN	50 (of which 11 created during FY81)	47	3

A number of the newly created positions in both these sectors have job specifications which are of a new variety and are, therefore, requiring more time and effort from our recruitment staff to find suitably qualified candidates. While this fact has affected the speed with which we fill these positions, we expect to make commitments for most of the 7 vacancies before FY81 is over.

Attachment

IBRD STAFFING SITUATION AT MARCH 31, 1981
(Based on PAB Authorized Budget Positions)

Department	FY81 Authorized Positions	On Board 3/31/81	Known Commit-ments	Uncommitted Vacancies	Vacant Positions
Executive and Regional Vice Presidents' Offices					
EXC	2	2	-	-	-
VPO	5	6	-1	-	-
EAN	7	7	-	-	-
WAN	7	9	-	-2	-
EMN	10	8	-	2	1 Economist, 1 Unspecified
LCN	9	9	-	-	-
AEN	7	7	-	-	-
ASN	7	8	-	-1	-
CPSVP	5	5	-	-	-
	59	61	-1	-1	
Country Programs Departments					
EA1	27	26	-	1	Economist
EA2	28	27	+2	-1	-
WA1	25	25	-1	1	Economist
WA2	30	30	-2	2	1 Sr. Economist, 1 Loan Officer
EM1	37	37	-1	1	Economist
EM2	37	35	+1	1	1 Division Chief
LC1	33	33	-2	2	1 Loan Officer, 1 Economist
LC2	41	38	+1	2	1 Division Chief, 1 Economist
AEA	53	53	+5	-5	-
ASA	49	49	-3	3	1 Loan Officer, 2 Economists
	360	353	-	7	
Field Staff					
EAF	38	33	+2	3	1 Res. Rep., 1 Educator, 1 Dep. Division Chf.
WAF	25	20	+3	2	1 Res. Rep., 1 Agric. Technical Specialist
EMF	8	6	-1	3	1 Director, 1 Res. Rep., 1 Unspecified
LCF	5	5	-	-	-
AEF	21	21	-2	2	1 Deputy Director, 1 Financial Analyst
ASF	31	29	+3	-1	-
	128	114	+5	9	
Offices of Regional Projects Directors					
EAP	5	4	+1	-	-
WAP	8	7	-	1	1 Assistant to the Director
EMP	7	7	-	-	-
LCP	6	6	-	-	-
AEP	7	6	-	1	1 Projects Officer
ASP	7	7	-	-	-
	40	37	+1	2	
Agriculture Sector					
EAP	48	50	-	-2	-
WAP	52	53	-2	1	1 Forestry Specialist
EMP	60	57	-1	4	2 Irrigation Engineers, 1 Agriculturist, 1 Financial Analyst
LCP	56	53	+1	2	2 Economists
AEP	59	54	+7	-2	-
ASP	68	65	-2	5	1 Deputy Division Chief, 1 Irrigation Engineer, 2 Economists, 1 Agricultural Credit Specialist
CPS	51	51	-3	3	1 Adviser, 1 Economist, 1 Rural Development Specialist
	394	383	-	11	
Education Sector					
EAP	15	13	+1	1	1 Architect
WAP	15	15	-	-	-
EMP	17	13	+1	3	1 Division Chief, 1 Deputy Division Chief, 1 Vocational Training Specialist
EMP-TASS	16	16	+1	-1	-
LCP	15	14	-	1	1 General Educator
AEP	14	13	-	1	1 General Educator
CPS	20	16	+1	3	1 Adviser, 1 Chief of Training Unit, 1 Training Specialist
	112	100	+4	8	

Department	FY81 Authorized Positions	On Board 3/31/81	Known Commit-ments	Uncommitted Vacancies	Vacant Positions
Transportation, Water and Telecommunications					
EAP	24	24	-	-	-
WAP	29	25	+2	2	1 Transport Economist, 1 Highway Engineer
EMP	25	26	-	-1	-
LCP	35	32	-	3	1 Sanitary Engineer, 2 Economists
AEP	22	23	-1	-	-
ASP	12	9	+1	2	1 Railway Engineer, 1 Economist
CPS	42	36	+1	5	1 Telecommunications Engineer, 1 Economist, 1 Sanitary Engineer, 1 Economic Adviser, 1 Financial Analyst
	189	175	+3	11	
Energy Sector					
EAP	15	12	+1	2	1 Sanitary Engineer, 1 Economist
WAP	16	16	+2	-2	-
EMP	30	27	+1	2	1 Power Engineer, 1 Financial Analyst
LCP	35	35	-	-	-
AEP	13	13	-	-	-
ASP	18	16	-	2	1 Power Engineer, 1 Sanitary Engineer
CPS	62	55	+3	4	1 Geophysicist, 1 Economist, 2 Financial Analysts
	189	174	+7	8	
Industry (IDF and IPD)					
EAP	13	12	+1	-	-
WAP	11	9	-1	3	1 Economist, 2 Unspecified
EMP	17	17	-	-	-
LCP	24	24	+1	-1	-
AEP	16	16	-	-	-
ASP	14	14	-	-	-
CPS - IDF	13	12	-	1	Unspecified
IPD	67	65	+1	1	Mining Engineer
	175	169	+2	4	
Urban Sector					
EMP	17	12	+1	4	4 Unspecified
LCP	18	18	-	-	-
AEP	18	16	-	2	1 Financial Analyst, 1 Unspecified
ASP	10	10	-	-	-
CPS	36	33	+1	2	1 Division Chief, 1 Unspecified
	99	89	+2	8	
Other Projects Staff					
PHN	50	45	+2	3	1 Economist, 1 Projects Officer, 1 Unspecified Technical Specialist
PAS	18	19	-1	-	-
CGIAR	5	5	-	-	-
	73	69	+1	3	
Financial Staff					
FISVP	4	3	-	1	1 Sr. Adviser
PBP	1	1	-	-	-
SRP	3	3	-	-	-
PAB	24	22	-1	3	1 Programming Officer, 1 PAB Officer, 1 Division Chief
FPA	18	17	-	1	1 Financial Analyst
CTR	74	72	-1	3	2 Section Chiefs, 1 Disbursements Officer
TRE	35	34	-	1	1 Division Chief
IAD	10	7	+3	-	-
Tokyo Office	4	3	-	1	1 Information Officer
	173	162	+1	10	
Operations Evaluation					
DGO	1	1	-	-	-
OED	26	24	-	2	2 Evaluations Officers
	27	25	-	2	

Department	FY81 Authorized Positions	On Board 3/31/81	Known Commit-ments	Uncommitted Vacancies	Vacant Positions
Development Policy Staff					
VPD	10	9	-	1	1 Economist
DED	48	40	+1	7	7 Economists
EPD	61	61	-1	1	1 Economist
PPR	18	20	-	-2	-
DRC	20	19	-1	2	1 Adviser, 1 Economist
	157	149	-1	9	
External Relations Staff					
VPE	3	3	-	-	-
IRD	15	15	-	-	-
IPA	25	25	-	-	-
EUR	11	10	-	1	1 Recruitment Officer
EDI	45	41	+2	2	1 Publications Officer, 1 Sr. Lecturer
	99	94	+2	3	
Legal Dept.	60	56	+3	1	1 Counsel
Secretary's Dept.	18	17	-	1	1 Special Assistant to the Secretary
Administration, Organization and Personnel Management					
AOPVP	5	5	-	-	-
ADM	97	92	+2	3	1 Translator, 1 Asst. Chief of Office Support Services, 1 Systems Analyst
PMD	45	45	-	-	-
COM	14	12	-	2	2 Systems Analysts
OPD	11	11	-1	1	1 Sr. Management Specialist
CAD	74	73	+2	-1	-
	246	238	+3	5	
Administrative Tribunal	1	1	-	-	-
YPP	55	62	-2	-5	-
Special Recruitment Program	10	10	+1	-1	-
Total IBRD	2664	2538	+31	95	

PMDRD/hh
May 12, 1981.

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718/6/3

January 30, 1981

Mr. McNamara:

Approach to FY82 Budget Formulation

As you asked last night, this note recapitulates the approach which, based on the guidance received from you in the December 22 Finance Committee meeting, P&B is following in the formulation of the FY82 work programs and budget.

The FY82 budget is being built in two steps:

- The resources required in FY82 to implement the current FY82-86 lending objectives are being assessed within an overall guideline which, as agreed with you, envisages that this budget should stay within 5% real budget growth.

- In addition we are also assessing the budget requirements of two additional work programs:

  - a China work program commensurate with IBRD/IDA lending of $9.4 billion over the period of FY82-86; and

  - an Energy work program which, as requested by you, would add additional projects to the currently programmed energy lending so as to bring total energy lending in FY82 and FY83 to 75% and 57% of the desirable energy lending program respectively.

The present status of budget formulation is as follows:

Draft guidelines governing Step One have been issued and those for the Operating Departments will be reviewed by Mr. Stern with the Operational Vice Presidents early next week;

The FY82 China budget is being prepared in close consultation with East Asia & Pacific Region and will be ready for Mr. Stern's review on February 9;

A project-specific supplementary energy program has been formulated in consultation with the Energy Department and the Regional Offices, and P&B's assessment of the work program and budget requirements will be ready for Mr. Stern's review on February 9.

K. Georg Gabriel

cc: Messrs. Qureshi and Stern

HV/KGG:di

AO

WORLD BANK / INTERNATIONAL FINANCE CORPORATION

718/6/2

OFFICE MEMORANDUM

TO: Mr. Robert S. McNamara

DATE: January 13, 1981

FROM: M. P. Benjenk

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NOV 30 2012

WBG ARCHIVES

SUBJECT: External Relations Organization Study

Further to our discussion of this study please find attached the additional information you requested. You will notice that in the organizational charts attached I am showing as "under discussion" the two technical Divisions (Technical Assistance, TAD, and Planning Advisory, PAD) in the International Relations Department. I have talked to Mr. Rohrbacher and conveyed your request that OPD make, very shortly, recommendations relating to the functions and the staffing levels involved. I have given my own suggestions as to those units, and I think that Ernie Stern will have to be consulted on this aspect before a conclusion is reached. DPS has also expressed interest in one of the divisions (PAD).

01/13

cc: Messrs. Rohrbacher, Lynn

Tables and Data Relating to the External
Relations Staff (excluding EDI).

I. List on one page all of the Organization Planning Department's recommendations affecting ERS personnel authorizations or expenditure authorizations.

II. Prepare two organization charts (one for the present organization and the other for the proposed organization) showing the organizational structure, the names of key people, and the numbers of professional and support staff by organizational unit.

III. Compare in parallel columns on a single page, by organizational element, the financial and personnel budgets for FY76, FY81, FY82 (per the budget guidelines), FY82 (as recommended by Mr. Benjenk).

Table I

Net Additional Personnel and Expenditure Authorizations*
External Relations Organization Study

Department	Personnel Expenditures	Discretionary Budget	Net Additions for FY82 Budget
Office of the Vice President, External Relations			
1 - Senior Policy Planning Adviser (O)**			
1 - Programming and Budgeting Officer (J/K)			
1 - Secretary			
Information and Public Affairs Department		IPA: Public Affairs - 55,000	
2 - Public Affairs Specialists (1 Europe, 1 Part II) (K/L)		Information Center/News- 20,000 Audiovisual - 100,000	
3 - Journalists (2 Information Center, 1 Bank Notes) (K/M)			
2 - Assistants (1 Speaker's/Visitors, 1 Press Releases) (F/I)			
3 - Secretaries			
Publications Department		Publications - 65,000	
1 - Director/Publisher (P)			
1 - Market Survey Adviser/Business Manager (M/N)			
1 - Budget Assistant (F/I)			
2 - Secretaries			
International Relations Department		IRD: Mainly travel - 20,000	
1 - Assistant (UN Coordination) (F/I)			
1 - Secretary (NY)			
European Office		-	
1 - Professional (Head, London Office - upgrade) (J/L)			
Net Additional Staffing: H/L - 10 A/L - 4 Sec. - 7			
	$1.1 million	$0.3 million	$1.4 million

* Minimum proposal; EDI not included.
** All grade levels nominal for planning purposes and subject to COM/SPP review.

Table IIA

EXTERNAL RELATIONS STAFF (Excluding EDI)

CURRENT STRUCTURE & STAFFING (Total: P. 54)
(NP. 89)

- Vice President External Relations — M. P. Benjenk — P. 3, NP.3
  - Sr. Adviser — D. R. Clarke
  - Asst. to the VPE — S. T. Voyadzis
  - Information & Public Affairs Department — Dir. J. E. Merriam; Dep. Dir. H. M. Koelle — P. 5, NP.5
    - Public Affairs Div./News Unit — A. Morris — P. 10, NP. 9
    - Audio/Visual Division — P. Sison — P. 4, NP.12
    - Editorial Division — P. Muncie — P. 4, NP.11
    - Professional & Technical Publications Unit — Sr. Ed. G. Winterbottom — P. 2, NP. 5
  - International Relations Department — Dir. S. Boskey — P. 3, NP. 3
    - UN Spec. Rep. New York — J. P. Grenfell; Dep. C. Boucher — P. 2, NP.1
    - UN Spec. Rep. Geneva — M. Burney — P. 1, NP. 1
    - Technical Assistance Division — Ch. V. Riley — P. 4, NP. 5
    - Planning Advisory Division — Ch. N. Raphaeli — P. 5, NP.4
  - European Office — Dir. R. Steckhan; Dep. Dir. Y. Franchet — P. 2, NP.2
    - External Relations & Information — M. Cherniavsky — P. 4, NP. 10
    - Financial Affairs — B. Snoy — P. 1, NP.1
    - Recruitment — N. Gorjestani — P. 2, NP.3
    - Administration — M. Roche-Rainhorn — P. 2, NP.14
  - Economic Development Institute — Dir. A. Mozoomdar; Asst. Dir. A. Stevenson

Total IPA = P. 25
NP. 42

Total IRD = P. 15 (excluding one special position).
NP. 14 (excluding one local staff)

Total EURO = P. 11
NP. 30

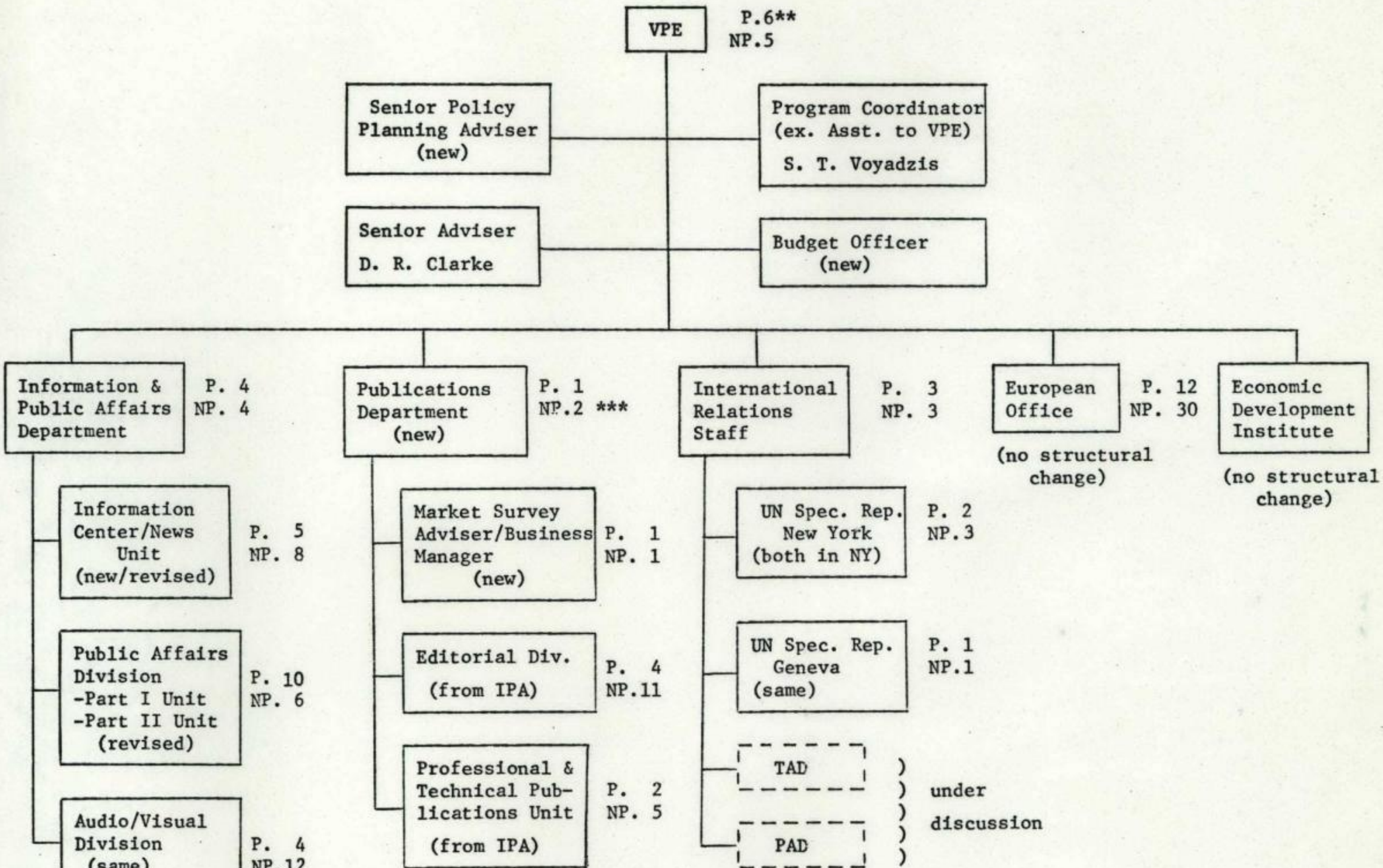
P. = Professional
NP. = Non-professional

January , 1981

Table IIB

EXTERNAL RELATIONS STAFF - (Excluding EDI)

OPD - Proposed Structure of Staffing* (Total P. 64)
(NP. 100)



Total IPA = P. 23
NP. 30

Total Publications = P. 8
NP.19

Total IRD = P. 15
NP. 16

P = Professional
NP = Non-professional

* Minimum proposal
** To include speech writer and his Assistant previously in IPA's front office
*** Including Budget Officer

January 9, 1981

Table III

External Relations Complex (Excluding EDI)
Personnel and Financial Statistics

Department	FY76 Actual Positions Prof.	FY76 Actual Positions Non-Prof.	FY76 Actual '81 $M	FY81 Budget Positions Prof.	FY81 Budget Positions Non-Prof.	FY81 Budget '81 $M	FY82 Guideline * Positions Prof.	FY82 Guideline * Positions Non-Prof.	FY82 Guideline * $81 $M	FY82 VPE Recom. Positions Prof.	FY82 VPE Recom. Positions Non-Prof.	FY82 VPE Recom. '81 $M
Vice President	1	2	0.2	3	3	0.9 a/	4	5	1.0	4	5	1.0
Information & Public Affairs	24	34	5.3	25	42	5.8	30	48	6.5	31 d/	49 e/	6.7
(of which Publications Dept)	n/a	n/a	n/a	(6)	(16)	(2.8)	(8)	(19)	(3.1)	(8)	(19)	(3.2)
International Relations	13	11	1.6	15b/	14b/	2.1	15b/	16b/	2.2	15	16	2.2
European Office	13	31	3.4	11	30	3.0	11	30	3.0	12 e/	30	3.0
Total	51	78	10.5	54	89	11.8	60	99	12.7 c/	62	100	12.9 f/

a/ In FY81, VPE's office includes $0.3m transferred mainly from IPA and administered by the Vice President.
b/ Excluding one special professional position and one local clerical staff.
c/ The P&B overview memorandum shows an increase of $1.1m for the ER complex of which roundly $0.2m relates to EDI.
d/ Additional professional position requested to further strengthen the Press and Information Centre, (one journalist).
e/ The additional positions requested are financed by internal base adjustmemts, (upgrading to professional of one assistant level staff in EURO and one clerical position for IPA).

f/ Includes funds for d/ above and additional funds for IPA publications department and IRD.

* Creates following new positions:

	Professional	Non-Professional
OVPE	1 (Sr. Policy Plan. Adv.)	{ 1 Budget Officer { 1 Secretary
IPA	1 Specialist, Public Affairs Division	1 Secretary
	1 Journalist, Info & News Center	{ 1 Assistant { 1 Secretary
	1 Editor, "New Bank Notes"	1 Secretary
Public. Dept	1 Publisher 1 Market Survey Adviser	{ 1 Secretary { 1 Budget Officer
IRD		{ 1 UN-Assistant { 1 Secretary
TOTAL	6	10

PAB
1/12/81

12 Nov 82

THE WORLD BANK

Office of the President

1. Budget for China loans of .6 + 1.0 in 82 & 83.

2. Budget for lending above the "approved" lending program:

'81 395 (100% Proposed increment)

'82 900 (.75) " ")

'83 1200 (57) " " ")

3. Total:

'81 395

'82 1500 (42 + 29 proj incr) above "approved" prog.

'83 2.2 (43 + 2 " ")

4. After budgeting for the above China, for ~~[illegible]~~ 12 contingency & staff, further movement toward the total proj increment of 3.6 in 82 & 5.2 in 83 will req. a supp.

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5. Do not start IDA VI, + GCI, cont studies until 5/15 w/o further discussion

6. Submit the energy sector work req'd through under the "approved" [illegible] program —

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WORLD BANK / INTERNATIONAL FINANCE CORPORATION

718/6/1

OFFICE MEMORANDUM

TO: Mr. Robert S. McNamara

DATE: December 19, 1980

FROM: Ernest Stern ES.

SUBJECT: FY82 Budget

I had an opportunity to review the FY82 Planning Assumptions and Budget Overview with PAB before it was submitted to you. I told PAB that, while the proposed budget was in my view extraordinarily tight, given the circumstances, I thought it would be possible to achieve the proposed operational program with the resources indicated.

However, you should also be aware of some of the main pressure points.

First, PAB assumes that because the resources made available for the last two years to strengthen the pipeline have not led to a significant change in bunching (although last year's performance was marginally better than the previous year and the first half of this year was substantially better than the first half of last year) the Regions are in a good position to deliver the lending program with a much leaner budget. While logically this may be a correct statement, in practice neither PAB nor I have been able to identify excessive use of manpower for unjustified activities. Therefore, an equally reasonable proposition is that the resources provided for pipeline build-up were in fact necessary to deliver the lending programs. Indeed, in some Regions there has been an improvement in the pipeline while others have not been able to achieve this due to a variety of country reasons. If the alternative hypothesis is correct, reducing the resources for the lending operation on the assumption that there is slack in the pipeline would be dangerous and could lead to a significant shortfall in the operational program.

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Second, I advised PAB that the provision for "other output" is not, in my view, adequate. Obviously we discussed details only in a very preliminary way at this stage and PAB has some views as to how organizational changes in CPS might lead to savings. However, their suggestions are debatable on substantive grounds, but even if they were accepted it is very doubtful that they would lead to significant savings in FY82. In this area we face increasing demands. These relate to energy, sector work, technical assistance and planning; to implementation of food strategies, to our role in the fisheries sector and to some major problems we have identified in the course of our portfolio reviews in the last two years. The latter involves evaluation in education and training components in a large number of our projects. Training was a subject of an OPD study after we had identified the problem but we have not been able to implement the OPD recommendations. We have a growing problem of inadequate capacity to properly design, implement and supervise the large amounts of training we fund. These incremental requirements cannot be accommodated simply by substitutions with on-going activity. The 85% reduction proposed in this category by PAB will mean significant changes in substantive capacity.

Third, as I mentioned to you in my memorandum on the FY81 budget, I am concerned by the treatment of the contingency fund. In the last two years serious errors in budgeting have led to exhaustion of the contingency fund for foreseeable expenditures. The amount shown in Table E.1 might be adequate if its use is limited to unforeseen requirements. It will not be adequate if the budgeting problems we have experienced in the last two years continue.

Fourth, I want to flag my concern with the approach signalled in Moeen's note to you. I, of course, agree that budgets must be adhered to and as you know I took strong action last year when one of the Regions overran its budget significantly. However, there is no doubt that Regional programming and budgeting procedures are not well developed and this continues despite discussions I have had on this with PAB. The Regions need PAB's help and while PAB has initiated such assistance thus far there is only significant progress in one Region. I have urged PAB to do more and to do it faster. It is not a question of tightness of the controls but the appropriateness of the management information systems. These comments apply I think even more strongly to some of the non-operating units where tasks-specific budgets are not utilized at all. We continue to face major problems of being unable to have advance commitments from DPS on manpower which makes our budget for economic and sector work very difficult.

On balance you should be aware that the present budget and the one forecast for FY82 will continue to put heavy pressures on staff. We are very close to having the views expressed by Mr. Kurth during the review of the OED report become general. To some extent, of course, there always is further scope for improving the management of our resources but there should also be no doubt that we already face significant budgetary pressures in many aspects of our operations.

EStern:dpw

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WORLD BANK / INTERNATIONAL FINANCE CORPORATION

December 17, 1980

Mr. McNamara,

I have carefully gone over this and the general guidelines recommended have my strong support. We would, of course, refine these in the course of detailed discussions with individual units. It is my overall impression that in several areas programming and budgeting is not sufficiently tight and the penalties for not adhering to estimated targets, even when these are recognized to be fully justified, are not perceived to be very great.

12/18

With the assistance of my colleagues I shall endeavour to make sure that these perceptions are changed. I have already asked for reports on how we are doing with the current performance of our budget so that we do not run into the kind of problems we did last year, and I intend to take firm steps to see that budgetary targets are monitored and respected. Some shock therapy in this connection may well be necessary this year if only to set an example.

The only point about which I am not clear in my mind is the issue raised in Georg's note - how to approach the issue of an expansion in the lending program for FY82 over and above our existing plans. A $3.0 million contingency as Georg suggests is one way of handling this matter. Another way would be to provide in due course for some of the expenditures explicitly. Since I am very hopeful that we will get Board approval for a significant increase for FY82 above our existing IBRD program, this matter deserves careful and separate attention.

MAQ

Moeen A. Qureshi

December 17, 1980

TO: Mr. Robert S. McNamara

(Through Mr. Moeen A. Qureshi) MAQ

As an important step toward the formulation of the FY82 Budget, the attached memorandum assesses the resources required in FY82 to implement the Bank's current lending objectives. In your review of our recommendations, we would like to draw your attention to the following:

- Relative to the needs identified to us by the various departments, the recommended 5% real growth will make for an exceedingly tight FY82 budget. This proposed budget will only meet the requirements if managers pursue forcefully the redeployment of resources in their current budget base. It will also require careful budget management and control in all units and at all levels of Bank management. Specifically, in those units where the combined FY80 and FY81 experience has identified significant weaknesses in the internal budget control systems, remedial actions will have to be insisted upon.

- The tilt in the allocation of incremental resources toward the support departments is necessary to strengthen selected support functions so that they can meet the requirements of the '80s. The incremental provision to the operating departments may appear lean, but we note that the unsuccessful efforts to achieve pipeline improvements which we have budgeted for more than three years have left these units with a strong budget base relative to the FY82 lending work program requirements.

- We are confronting problems in containing the costs of the WDR and would like to ask for your help in keeping these costs to the levels provided for in our recommendations for FY82.

- The FY82 budget scenario recommended by us requires slower growth in the Bank's research program than envisaged by the General Advisory Panels and other proponents of research. In our view, the constraints which we are asking all program managers to accept in order to keep the Bank's overall budget growth within defensible limits should also apply to this program. Accordingly, we are recommending 5% real growth only.

- A more general application of capital budgeting has been suggested by the Bank's external auditors. We shall be seeking your approval to follow through on this suggestion.

As agreed with you, our budget recommendations relate only to the resources required to implement the current IBRD/IDA lending objectives. They make only very limited provision for the implementation of an expanded lending program. Specifically, as regards China, 5% overall budget growth provides only for continuation of the activity levels funded in the FY81 China Budget supplement (3 projects to the Board in FY82, 3 FY83 projects at an advanced stage of processing at the end of FY82, 14 SY of ESW and about 2 SY of EDI activity). As regards Energy, 5% overall budget growth would allow us to firm up the energy base program (lending for hydro-carbon development is now programmed for FY81-85 at $4.2 billion and backed by a significant number of reserve projects). However, within a 5% budget growth, we would be able to make only a limited contribution to the development of an expanded energy project pipeline and would not be able to provide for the implementation of the program of energy policy and sector work which is needed to support the desirable energy lending program. As regards financial policy work, 5% overall budget growth would allow for some strengthening of the Treasurer's Department, but would not be sufficient to proceed with the major program of financial policy review and redesign of the Bank's borrowing and lending instruments that is likely to be required. ?

In light of the above, we would recommend that you consider the formulation of an FY82 budget which, in addition to the $4 million contingency proposed in the attachment, provides on top of the recommended 5% budget growth for a further $3 million contingency to enable the Bank to:

- launch the China program while the reprogramming of lending and budget resources is being implemented and

- make preparation to take the new initiatives outlined in the November 14 and December 17 Board papers.

With your guidance on the above budget issues, we will be devoting the major share of our time between now and April 1981 to the formulation of a budget which ensures implementation of the IFP while positioning the Bank to launch an expanded lending program. However, given the continued uncertainties over IDA6 and the GCI, we would consider it prudent to devote also some time to the formulation of contingency plans against the event that protracted delays in IDA6 and the GCI force the Bank Group into a "holding pattern." Of course, this will be done strictly within P&B.

Not until after 5/15

K. Georg Gabriel

Attachment

cc: Mr. Ernest Stern

WORLD BANK / INTERNATIONAL FINANCE CORPORATION

OFFICE MEMORANDUM

TO: Mr. Robert S. McNamara
(Through Mr. M. A. Qureshi) MAQ

DATE: December 17, 1980

FROM: K. Georg Gabriel

SUBJECT: FY82 Planning Assumptions, Work Program and Budget Overview

1. As an important step in the formulation of the FY82 budget guidelines, this memorandum assesses the resources required in FY82 to implement the current FY82-86 lending objectives of IBRD and IDA. As agreed with you, an assessment of the budgetary impact of pending new lending initiatives will be undertaken when the content and size of these initiatives have been clarified. Accordingly, this memorandum, following the approach established in the FY81 budget cycle,

- reviews the planning assumptions on which the FY82 work program is to be based (Section A);
- reviews the probable outcome of the FY81 program and budget; (Section B);
- reviews the work program objectives which in our perception the Bank seeks to accomplish in FY82 and provides an indicative assessment of the FY82 budget growth required to maintain the objectives (Section C);
- reviews the limiting considerations to budget growth discussed in the FY81 Budget Memorandum (Section D);
- provides our recommendations regarding the aggregate size of the FY82 budget as well as its allocation between major work programs (Section E); and
- identifies as budget issues those requirements which will remain unmet if budget growth is limited to the recommended level (Section E).

2. As in the FY81 budget process, the FY82 budget macro-frame proposed in this memorandum and summarized in the attached Table VIj would, subject to your approval, provide the basis for developing in January 1981 detailed budget allocations for the operational units and support departments. Based on these allocations the respective units will then formulate their FY82 work programs for review by PAB and for your approval.

A. Planning Assumptions

3. In the formulation of the FY82 work program and the FY82 budget, we propose to include the following assumptions:

Future Rates of Inflation

4. Based on the work of the Economic Projections Department, the Planning Assumptions Committee recommended in October that the assumptions about future rates of inflation shown in the attached Standard Table If be used in WDR IV and in the Bank's financial planning work.

5. Since October, new developments (the protracted Iran/Iraq war and its impact on crude oil stocks, world grain supply strains and the impending changes in US economic policy) have added considerable uncertainty to the forecasts on which these assumptions were based. This issue will be kept under review and if warranted the inflation assumptions will be reset before we finalize the presentation of the FY82-86 program to the Board.

IBRD and IDA Commitments

6. Starting with the level of IBRD lending currently programmed for FY81, we have projected the IBRD commitment levels for FY82-86 on the basis of 5% real annual growth using the revised deflators. IDA-6 commitment levels are as set out in the FY81 Budget Document. IDA-7 commitment levels have been set to maintain the FY83 level in real terms. The planned IBRD and IDA commitment levels in nominal and in FY81 dollars are shown below.

Table A.1: IBRD/IDA Lending Commitments FY80-86
(In Nominal and in FY81 Commitment Dollars)

	FY80 Actual	FY81 Program	FY82	FY83	FY84	FY85	FY86	Total FY82-86
IBRD								
Nominal $b	7.6	8.6	9.7	10.8	12.1	13.4	15.0	61.0
FY81 $b	8.2	8.6	9.0	9.5	10.0	10.5	11.0	50.0
IDA								
Nominal $b	3.8	3.6	4.1	4.7	5.0	5.3	5.5	24.6
FY81 $b	4.1	3.6	3.8	4.1	4.1	4.1	4.1	20.2
Total IBRD/IDA								
Nominal $b	11.5	12.2	13.8	15.5	17.1	18.7	20.5	85.6
FY81 $b	12.3	12.2	12.8	13.6	14.1	14.6	15.1	70.2
% Increase			4.9	6.3	3.7	3.5	3.4	4.3

Average Loan/Credit Amounts

7. The number of lending operations derived from recent regional and COPD reviews of the Bank's project-specific five-year lending program (Table IVa) reflect increases in the project numbers over those assumed in the FY81 Budget Memorandum, in part to launch an expanded energy lending program. The resulting loan and credit size averages for this program (Table A.2 below) about $45.5 million (in FY81$) in the FY82-86 period. This is about 3% lower than the average loan and credit sizes during the FY78-80 period. To maintain in the planning period FY82-86 the real average credit/loan size attained in the FY78-80 reference period used for costing the lending work program, the currently programmed number of lending operations would have to be modified as shown below. For FY82 work programming and budgeting, we recommend using the number of projects which maintains the FY78-80 average loan/credit size.

Table A.2: Number of Operations and Average Real Loan/Credit Amounts

	FY81 Program	FY82	FY83	FY84	FY85	FY86	Total FY82-86
(i) Total IBRD/IDA Commitments FY81 $ b	12.2	12.8	13.6	14.1	14.6	15.1	
(ii) Updated Table IVa No. of Operations	256	282	295	310	315	325	1,527
Average Loan/Credit Amount FY81$ m	47.7	45.4	46.1	45.5	46.3	46.5	
(iii) No. of Operations to Maintain FY78-80 Ave. Ln./Cr. Size	256	272	289	300	311	321	1,493
Average Loan/Credit Amt. FY81$ m	47.7	47.0	47.0	47.0	47.0	47.0	
(Note: No. of Operations in FY81 Budget Memo)	(256)	(278)	(292)	(293)	(305)	na	

B. The Likely FY81 Outcome of Work Programs and Budgets

8. In our memorandum "FY80 Retrospective Review of Work Programs and Budgets" of November 7, we called your attention to the concerns expressed by the operating units regarding the upward pressures on the FY81 costs of lending and supervision. Unsettled economic and political situations in borrowing countries and the introduction of structural adjustment lending in which we have limited experience are generally cited as contributing to increasing costs of the operating programs. There are growing indications that the supervision portfolio appears to be headed towards a rising incidence of implementation problems which may require added implementation assistance to our borrowers. These problems are attributed to the structural adjustments in the borrowing countries. Furthermore, with the year-end FY80 pipeline status providing a weak base from which to move towards the pipeline improvement targets set for FY81, it now appears certain that the number of projects passed appraisal at year-end will fall short of the programmed objective of 240 projects passed appraisal by year-end which would have yielded a pipeline factor of 86%. The general inability to strengthen the pipeline also casts doubt on the degree to which the fourth quarter bunching problem might be alleviated. In this context, we have also been alerted to an upward adjustment in both the volume of operational travel and its average cost due to an increasing number of staff having attained first class travel status in the 'long' regions.

C. FY82 Work Program Objectives and Budget Requirements

9. The work program and budget implications of implementing the current FY82-86 program are discussed in the succeeding paragraphs. The implementation plan is firstly defined as a set of objectives which need to be accomplished, which objectives are then translated into budgetary resources.

C.1. Operations

a. Lending Work Program

10. The number of operations and sectoral distribution used in this assessment of budgetary requirements derives from the project-specific regional lending programs for FY81-85 shown below.

Table C.1: Sector Distribution of Lending FY81-85 a/
(in %)

	FY81 Program	FY82	FY83	FY84	FY85	Memo: FY78-80
Agriculture & Rural Dev.	30	36	35	35	37	35
Education	7	5	6	6	6	7
Energy	5	6	6	6	5	2
IDF	10	8	6	7	10	10
Industry	7	6	6	5	6	4
Pop./Health/Nutrition	nil	2	2	4	4	1
Power	7	8	7	6	6	9
Telecommunications	2	3	1	2	1	2
Transportation	14	12	16	14	10	14
Urban	4	4	5	4	5	4
Water Supply & Sewerage	4	6	6	7	6	7
Technical Assistance	3	nil	-	1	-	2
Prog./Structural Adj. Loans b/	7	4	4	3	4	2
Tourism	-	-	-	-	-	1
Memo: Total No. of Projects (Table IVa)	256	282	295	310	315	-

a/ Based on Table IVa as of July, 1980 updated in October to absorb larger energy lending program particularly in oil and gas.
b/ Some structural adjustment loans are being carried as reserve projects and are not reflected in this distribution.

11. The budgetary requirements to complete the FY82 program and to proceed with the processing of the current FY83-86 program are estimated at about 805 staffyears, an increase of 3% over the FY81 program. 1/ The calculated increase assumes that it will be possible to keep lending costs to FY78-80 levels. Departures from these cost standards have been allowed, however, in lending for energy and structural adjustment. In

1/ This overall assessment includes resources for the processing of the start-up program of lending to China envisaged in the FY81 China budget supplement.

energy lending, the higher cost estimates employed in the FY81 budget have been factored in, together with a special provision for reserve projects to back the energy lending program as currently accepted by the Regions. For structural adjustment lending, an average of 160 staffweeks per operation, or 40% above the Bank's average lending costs, has been allowed in consultation with the Regional Offices. These provisions respond in part to issues brought to our attention by the Regions and COPDs in their submissions for the FY80 Retrospective Reviews. They recognize that through a combination of deliberate measures taken to contain costs and due to a favorable project mix, Bankwide lending costs in FY80 did not rise to the levels initially projected. If the cost-limiting initiatives already being undertaken continue to receive management encouragement and support, it should be possible to continue processing projects in the traditional sectors at the average cost levels experienced in the period FY78-80.

12. As regards pipeline development for which we provided considerable resources in the recent past, we consider only modest targets as feasible. In the FY80 and FY81 budgets, about 30 and 35 staffyears, respectively, were provided to pursue year-end pipeline improvements in terms of number of projects passed appraisal departure. In FY80 as in FY79, this objective proved elusive for reasons which appear beyond the direct and immediate control of staff. Because we anticipate little change in the conditions which seem to hinder the Bank's pipeline improvement efforts, the maximum reasonable expectation for FY82 pipeline improvement appears to be a 1% increase from 80% in FY80 to 81%. About 15 staffyears would have to be allocated for this purpose. This target would translate into about 239 projects passed appraisal departure at year-end FY82 or about the same number of projects programmed, but probably not achievable, in FY81. If such a limited pipeline improvement were to be pursued, this would bring the FY82 projected requirement for lending work to about 820 staffyears, an increase of 38 staffyears or 5%, over the FY81 program.

b. Country Economic and Sector Work Program (CESW)

13. As the table below shows, the FY82 CESW program proposed in the regional Indicative Statements of Budgetary Needs (ISs) would require an increase in CESW resources of 31 staffyears, or 12% more than the 255 staffyears provided in the FY81 budget. The principal objectives of CESW in FY82 will be:

(i) to sharpen the focus on key issues of the ongoing structural adjustments in the Bank's borrowing member countries in order to underpin the Bank's policy dialogue and to support an expansion of structural adjustment lending;

(ii) to provide for the updating and monitoring work needed for creditworthiness analyses and for reporting to consultative groups and consortia;

(iii) to maintain work on poverty, employment, income distribution, and basic needs issues;

(iv) to improve the timely preparation of Country Program Papers.

Table C.2: CESW Program FY79-82
(In Staffyears)

	Actual		Program	Projected	Requested
	FY79	FY80	FY81	FY81	FY82
Eastern Africa	32	28	35	34	39
Western Africa	32	38	34	34	39
EMENA	41	37	42	43	43
LAC	50	49	49	51	55
E. Asia & Pacific	38	47	49 a/	52	55
South Asia	34	36	35	34	37
CPS/COPDs	16	18	11	13	18 b/
Total	243	253	255	261	286

a/ East Asia & Pacific includes 14 staffyears for the China program (China Budget Supplement, September 1980).

b/ Excludes another 11 staffyears of effort proposed by the Energy Department to accelerate energy sector work mainly in support of the 'desirable' energy lending program.

c. Supervision Work Program

14. Our preliminary assessment of the requirements for the FY82 supervision work program yields a resource need of about 429 staffyears, 28 staffyears (or 7%) more than provided in the FY81 budget. This assessment is predicated on:

(i) the continuation of the supervision efforts with focus on the eight-year portfolio of 1897 projects (a 6% increase over the FY81 portfolio) at average costs in line with FY78-80 experience. A small provision of about two staffyears has been made to allow for 'old' projects requiring continued supervision following a substantial reappraisal.

(ii) preparation of approximately 140 PCRs, reflecting a substantial reduction from the level estimated in the FY81 Budget Memorandum (180 PCRs). OED considers this estimate to be on the low side. The number of projects likely to reach completion in FY82 and the associated PCR work program is still being reviewed with OED.

d. Other Operational Work

15. Requirements for regional and CPS other operational work - which includes general country work, technical assistance, policy advice, CPS functional review, etc. - have been reported to require about 239 staffyears in FY82, 28 staffyears or 13% above the FY81 program. The work program objectives to be served by these functions are:

(i) to continue policy development for operations on the energy and basic needs sectors;

(ii) to strengthen the Bank's supervision of project procurement;

(iii) to establish or expand three or four "facilitating" field offices in priority countries; and

(iv) to strengthen CPS advisory capacity in selected sectors.

Operations Summary

16. After factoring on normal growth in the management and administration functions in the Operating Departments, this preliminary estimate of budgetary requirements translates into an increase in FY82 for the operating programs of about 140 professional positions and about 80 mid-level/secretarial positions, a 8% increase in staffing, and a FY82 program cost of about $275 million, or about 8% increase over the FY81 program.

C.2: Other Departments and Specialized Units

a. Development Policy Staff

17. In FY82, policy work and economic projections work in DPS may require additional budgeted resources of about three staffyears. Also, WDR work will continue to be funded at the FY81 program level of $1.6 million. The budget to be provided for WDR assumes that reductions in computer systems development costs will set resources free to meet the budgetary requirements of the WDR publications and distribution program.

18. Implementation of the five-year research program considered by the Finance Committee in February 1980 in response to the recommendations of the General Research Advisory Panel (GRAP) would involve about $14.5 million in FY82, or $1.5 million (11.5%) more than the FY81 research program of $13.0 million. In addition, DPS proposes to continue the Bank's support of the Living Standards Measurement Study (LSMS) on the basis of a revised phasing which would require funding of about $0.5 million in FY82. The FY81 program provided $0.8 million for LSMS.

19. In total, Development Policy Staff, the WDR Core Budget, and the Research program (including LSMS) suggest a requirement of $27.9 million (in FY81$), or an increase of 8% over the FY81 program.

b. Operations Evaluation

20. In line with growth in mandated work programs, the resource requirements of the Operations Evaluation Department are expected to require an FY82 budget of $4.1 million, or $0.2 million (5%) above the FY81 level.

c. Financial Activities

21. The Financial complex - which includes the Office of the Senior VP-Finance, Internal Auditing, Treasurer's, Controller's, Programming and Budgeting, the Pension Fund Unit, the Financial Policy and Analysis Department and the Tokyo Office - is expected to require a real increase of about $2.4 million or about 9% in budgetary resources reflecting mainly:

(i) the organizational restructuring and strengthening of the Treasurer's Department to enable it to cope with a 17% increase in the Bank's borrowing program - from $6.6 billion to $7.7 billion under current planning assumptions. The restructuring which has been phased to extend over three years involves in FY82 a budget increase of about $1.2 million or a 22% increase for the Department.

(ii) continuation of volume growth in Controller's activities and continued efforts to improve the Bank's accounting systems;

(iii) enhancements sought by the Internal Auditing Department in their capability to audit EDP systems, key operating, financial, and administrative areas deserving investigation;

(iv) increased emphasis on financial policy and planning work; and

(v) PAB's ongoing efforts to improve the management of the Bank's operational data and to develop a cost-effective management information system capable of serving all levels of management.

d. Legal Activities

22. Volume of activity in the Legal Department is generally linked to increased volume of operational work. In addition, the Department expects increased need for specialized support to regional offices in co-financing activities, as well as increased support to the Bank's administrative functions in matters relating to the work of the Administrative Tribunal. These increases are expected to require a budget growth of about 7% or $0.5 million in FY81$.

e. External Relations

23. The External Relations complex -- which includes the Office of the VP-External Relations, the Information and Public Affairs Department, the International Relations Department, the European Office, and the Economic Development Institute (EDI) -- has undertaken a major study to review the general approach and focus of ER functions; the linkages of various activities within ER departments and with units outside the Vice-Presidency; and the overall planning, direction, and coordination taking place in the ER Complex. This study has identified the need for structural change in the External Relations complex to strengthen key functions, and for changes in important management processes as part of the development of an effective ER program. The impact of these changes on the FY82 budget in the External Relations Complex excluding EDI is estimated at about $1.6 million or an increase of about 8% over the FY81 program.

24. The management of External Relations considers this increase warranted for three reasons. First, external communications have become increasingly complex as the Bank's work diversifies, as world financial and economic conditions place added burdens on member countries, as new development policy issues arise and as discussions in international fora become more difficult because of the increasingly politicized environment. Second, it is necessary to redress a situation which for several years has been hampering audience coverage in Part I and Part II countries, in international and regional fora, academic, financial and professional groups. This situation has arisen over the years 1977-80 because of the increased number of publications, (professional and technical publications, pamphlets, Annual Report and others) which had to be financed under a tightly held Information and Public Affairs budget at the expense of other program objectives. From FY77 to FY80 resources for external relations activities other than publications increased in real terms by only 4% whereas the publications budget increased during the same period by 22%. Third, resources are required to prepare and monitor a Bankwide external relations plan and an internal work program, and to establish and operate a budgeting and monitoring system for External Relations which will enable the Vice Presidency to make the most efficient use of its available resources.

25. Within the External Relations complex, the Economic Development Institute projects for FY82 requirements which call for an estimated increment of $0.5 million. This increase would enable the Institute to pursue a modified training program focusing on overseas training courses at the national and regional levels.

26. In total the FY82 needs of the External Relations complex would result in an addition to the FY81 program of $2.1 million or an increase of about 10%.

g. Administration and Organization Planning Departments (AOP)

g.1. AOP Administrative Expense Budget

27. The principal areas of likely budget growth in the AOP complex reflect:

(i) AOP's desire to reverse the past pattern of providing staff services on a reactive basis only -- this is seen to require the establishment of a planning structure and capability in the administrative services department; resources to introduce qualitative improvements in the personnel services function, particularly as regards improved evaluation, selection and reassignment of managerial staff, at a time when this function has to cope with a more complex environment; and the need for improvements in the computing services available to Bank staff. These expansions are estimated to require an increment of $4.6 million over the FY81 program;

(ii) one-time costs associated with enhancements of the basic information and control systems in Administrative Services in line with the consultant's recommendation on the reorganization of the procurement, property management and building operations functions. The estimated incremental requirement to implement the organizational changes associated with these improvements is about $0.5 million over the FY81 program;

(iii) resources required for the continuation or commencement of special projects, notably, the Human Resources Data System ($0.3 million), the Classification Policy Review ($0.5 million), salary and benefit-related studies ($0.3 million), consultancy costs for building and facilities related studies ($1.4 million), enhancements in the data communications network and in office technology ($0.5 million) and updating of policy manuals in support of the work of the Administrative Tribunal ($0.2 million). The aggregate estimate of these special requirements call for a budget increment of $2.1 million over the FY81 program.

28. In total, the aggregate requirements submitted by the AOP Departments approximate $7.2 million, or about 16% over the FY81 program. AOP management, in the course of developing its detailed FY82 program submission, will be reviewing these departmental statements of budgetary requirements, will assess priorities and develop an integrated AOP program which, in the view of AOP management, will make a strong case for a significant increase in the AOP budget.

g.2 AOP Overhead Budget

29. Additionally, AOP has alerted us to the growing general concern that many of the Bank's administrative services have lagged over the years behind operational growth and now need substantial upgrading. To effect the desired catch-up, a significant temporary increase in resources is required. Specific items cited are building repair and maintenance, furniture replacement and general refurbishing, office equipment upgrading, and improvements in office space allocation. The estimated cost of these catch-up provisions would amount to about $11.4 million and would bring the average professional staffyear costs from $155.5 thousand in FY81 to $159.9 thousand, an increase of 3%.

30. Many of the AOP programs call for major capital investments. To spread their impact on administrative expenses in line with recent recommendations of the Bank's External Auditor, PAB is working with Controller's to develop capitalization policies and a capital budget approach which, subject to your clearance, would be used to prepare an FY82 capital budget for your review as part of PAB's detailed budget recommendations for FY82.

h. Boards

31. Implementation of recent decisions by CODAM on authorization for additional staffing and additional provision for representation will probably mean $0.4 million in incremental resources. This translates into a 3% increase in the FY82 budget for the Executive Directors and the Board of Governors.

C.3. Aggregate FY82 Budget Requirement

32. Overall, these perceived program needs, including proposed increases in the overhead budget, would require an administrative expense budget of about $452 million in FY81 dollars, an increase of about $49 million or 12% over the FY81 program. As regards staffing it would involve the addition of approximately 220 professionals and about 175 mid-level and secretarial positions. Assuming that prices will increase in FY82 by about 12%, this increase would translate into a nominal growth of about 26%, or a budget in FY82 dollars of about $506 million.

D. Limiting Considerations on the FY82 Budget

33. The foregoing indicative assessment suggests pressures for an FY82 budget increase which would be significantly above that projected in the Budget Perspectives presented in the FY81 Budget Memorandum. The Budget Perspective envisaged an average future rate of real budget growth of 4.3% broadly in line with currently programmed real growth of IBRD/IDA operations on the assumption that it would be feasible to maintain input-output relationships in operational and support

activities closely in line with recent experience; pursue improvements in productivity which offset the costs of improving the quality of Bank operations; and exercise a high degree of selectivity in the expansion of special projects and programs. It follows that FY82 budget growth significantly above currently programmed operational growth will give rise to searching questions as to which of the assumptions factored into the Budget Perspective are no longer valid. Following our review of the FY82 budgetary needs brought to our attention, we conclude that the needs of several of the Bank's support functions are such as to justify an overall FY82 budget growth in excess of the currently programmed operational growth. As a result of various studies, it has become clear that three of the Bank's five major support functions require budget increases which would temporarily displace historical input-output relationships. These resources are required to effect restructuring and strengthening in Treasurer's, External Relations and in the Administrative Services functions. In addition, substantial investments need to be made to improve the computing services available to the Bank for the management of its data resources. While some of these needs can be met by redeployment of resources already provided in the budget base, this is not likely to be sufficient. Rigid adherence to the Budget Perspective would have us run the risk of being poorly prepared to meet the challenges of the '80s. We consider it warranted, therefore, to recommend the deviation from the Budget Perspectives summarized below.

E. FY82 Budget Recommendation

34. Given the planning assumptions, the budget perspectives established in the FY81 Budget Memorandum and special circumstances which need to be factored into the FY82 budget considerations, an FY82 budget which in real terms would be 5% or about $20 million more than the FY81 budget appears reasonable. This budget would support a staffing increase of about 120 professional positions and 100 mid-level/secretarial positions. This real growth would translate into a FY82 budget of about $473 million, an increase in current dollars of about $71 million or 18%. The recommended budget shown on Table E.1 on page 15, which corresponds to a work program implementing the currently programmed FY82-86 lending of $86 billion, envisages:

- processing of a lending program which restores the Bank's average loan/credit size to the level achieved in FY78-80, the base period used for pricing the lending work program, recognizing that there are pressures that bear on regional management which tend to reduce project sizes e.g. increased cofinancing and changes in country and sector distribution. In dealing with the issues which are likely to be raised by our recommendation that steps be taken to counteract the currently programmed decline in the Bank's average loan and credit size, PAB will attempt to gain, Region by Region, a clearer understanding of the steps that could be taken to further increase the average size of the Bank's operations without sacrificing the quality and impact of the Bank's country assistance efforts.

- completion of the FY82 lending program at historical unit costs, with allowance for above-average input for energy and structural adjustment operations.

- maintenance of a year-end pipeline factor of 80% or no more than the FY80 experience, which effort translates into about 230 projects passed appraisal;

- supervision of the increasing number of projects in the portfolio assuming historical unit costs. With few exceptions supervision of "old projects" would have to be accommodated within this allowance;

- subject to further review by PAB with OED, completion of about 140 PCRs at an average cost of 10 staffweeks per report;

- a restrained growth of about 7% in economic and sector work which would focus the work program mainly on policy dialogue and assistance to member countries in their efforts to cope with various aspects of the structural adjustment process;

- very limited growth in other operational work on the assumption that increases in high-priority programs can be offset by cuts in lower priority activities;

- maintenance of total WDR costs at FY81 levels;

- significant modifications to the presently planned implementation of the five-year research program;

- carefully phased expansion in the general support functions -- financial, external relations and publications, and general administration departments -- to allow only for the most important structural changes, as follows:

  - a 5% increase in the Financial Staff to be allocated largely to an expansion of the Treasurer's Department to meet increasingly complex requirements will provide for only very modest increases in other Financial Staff functions.

  - in the External Relations, the recommended budget accommodates implementation of the most important planned changes. However, this would only be possible by restraining growth in the publications program and by tapping alternative funding sources for EDI to permit growth of 5%.

- in the AOP complex, the recommended 5% budget growth, while clearly not adequate to meet all high priority needs that will be identified by AOP management, does, relative to the recommended expansion of the operations programs, provide a margin for needed catch-up in selected areas. There also appears to be room for further redeployment of resources in the sizeable budget base.

- within the limits allowed, gradual introduction of systems and equipment enhancements on the basis of explicit multi-year plans; and

- significant selective base budget cuts in the discretionary as well as overhead budgets to set resources free for service improvements in the general administrative services of the Bank and to cope with the temporary leased space problem.

Table E.1: FY82 Budget Growth Alternatives
(in FY81$ m)

	FY81 Program a/	FY82 Budget Growth Alternatives: Unconstrained		Budget Perspectives		Recommended	
	$ m	$ m	% Incr.	$ m	% Incr.	$ m	% Incr.
Operations							
Lending	117.2	123.1	5		2	118.9	2
Supervision	61.2	65.5	7		8	65.5	7
Econ. & Sector Work	38.5	43.1	12		5	41.2	7
*Other Oper. Work	37.9	42.9	13		2	38.7	2
Subtotal	254.8	274.6	8	264.2	4	264.2	4
Others							
*Dev. Pol. Staff (inc. WDR)	25.9	27.9	8			26.6	3
OED	3.9	4.1	5			4.0	4
Financial	26.7	29.0	9	n.a.		27.9	5
Legal	6.7	7.2	7			7.0	4
Ext. Relations	21.1	23.2	10			22.2	5
(of which EDI)	(9.6)	(10.1)	(5)			(9.8)	(2)
Adm. & Org. Planning	45.7	52.9	16			47.8	5
Boards	12.1	12.5	3			12.5	3
Other Depts. & Special Programs	4.5	4.7	4			4.5	0
Subtotal	146.6	161.5	10	151.5	3	152.5	4
Contingency	1.0 b/	4.0	na	4.0	na	4.0	na
Subtotal before Overhead Increments	402.4	440.1	9.4	419.7	4.3	420.7	4.5
**Extra Overhead Increments	na	11.4	na	na	na	2.0	na
Total Bank	402.4	451.5	11.6	419.7	4.3	422.7	5.0
*Includes Research Work:							
Regions/CPS	3.4						
DPS (excl. LSMS & WDR)	6.1						
LSMS	0.8						
Ext. Research	3.5						
Total Bank Research	13.8	15.2	10	na	na	14.5	5
** Distributed Benefits and Overhead							
Benefits	103.5	115.6	12	107.6	4	108.2	5
Overhead	42.6	54.0	27	43.6	2	46.6	9
	146.1	169.6	16	151.2	4	154.7	6
(of which Office Rent)	(3.9)	(6.0)	(54)	na	na	(6.0)	(54)

a/ FY81 Approved Program:

Original Budget	$392.1
China Supplement	4.1
5% Salary Adjustment	6.2
	$402.4

b/ Unallocated remainder of the FY81 Contingency as of October 1980.

35. In keeping to the 5% budget growth, there are program objectives which will clearly be sacrificed:

- In lending, it will be necessary to plan systematically and manage work on the new sector operations in energy and structural adjustment so that costs are kept to levels proposed in ensuring acceptable outputs. Additionally, it will be necessary to modify our pipeline improvement objectives in FY82. Manpower will need to be carefully deployed in preappraisal work to prevent any deterioration in the current status of the pipeline.

- In supervision, the likely increase in the incidence of major implementation problems, adherence to past average costs and at the same time accommodation of "old projects" within the standard allocation for general project supervision will strain further the already stretched resources. Alternatives to achieving economies to scale have been nearly exhausted and any significant cost saving gains will take time to effect.

- In economic and sector work, the Regional proposals already reflect a scaling down of the programs so that these can be focussed sharply on key policy and structural adjustment issues. Adherence to the recommended budget growth of 7% would entail further postponement of work not directly associated with structural adjustment issues as well as a slower start-up in countries in which little or no economic and sector work is being done at present, but where country conditions are expected to improve soon. It would also involve a stretching out of highly useful work which is global or regional in scope but not immediately linked to approved country assistance strategies and plans.

- In Other Operational Work a careful examination of program priorities will be required to accommodate additional new initiatives in policy and advisory work. Further redeployment of effort will be necessary particularly in CPS.

- In DPS and CPS, it will be necessary to be reexamine priorities and balance growth in and phasing of the research program in light of other urgent demands for resources in other work.

- In the departments planning major organizational changes which require substantial budgetary resources, a phased implementation of the new organizational structures will be required.

- Even with the implementation of some form of capital budgeting, there will be proposed improvements which cannot be introduced in FY82 particularly in the areas of administrative services falling under the Bank's Overhead accounts; and data and information management. Again, a careful examination of the content of the budget base, of priorities, and of equipment and hardware selection will be needed.

- Generally, in the non-operating units, a systematic zero-based examination of activities and service standards will be required to accommodate the demands triggered by expansion in the operating programs.

Finally, we would emphasize that the growing tightness of the Bank's budget will make it necessary for all managers to review and strengthen the internal management systems on which they rely for budget management and control.

CONCLUSION

36. May we have your agreement to:

- the IBRD and IDA planning assumptions set out in Section A above as the basis for the formulation of the FY82 work program and budget;

- the formulation of an FY82 budget based on 5.0% real growth;

- the allocation of the FY82 budget increments between:

  (i) the Operating Departments;

  (ii) the Development Policy Staff; and

  (iii) each of the four principal support activities -- legal, financial, external relations, and general administration as recommended in Table E.1.

- the formulation of a capital budgeting policy.

37. As indicated in our November 7 memorandum, PAB will be submitting to you in due course the budgetary implications of an expanded lending program for energy, structural adjustment, and for China, when the dimensions of these initiatives become clearer. This indicative assessment will have to be priced on a Bankwide basis until country allocations, which are required for decentralized programming and budgeting of these efforts, have been firmly established.

Attachments

cc: Members of the President's Council
Program Coordinators
Mr. J.C.P. Richardson, CPS
Mrs. Laura Cleave, BPS

FY82 BUDGET ISSUES OVERVIEW MEMORANDUM

Table VIJ: IBRD/IDA: INPUT/OUTPUT DATA AND SELECTED MEASURES OF EFFICIENCY BY FISCAL YEAR

	FY68	FY69	FY70	FY71	FY72	FY73	FY74	FY75	FY76	FY77	FY78	FY79	FY80	Budget FY81	Recommended FY82
I. Total IBRD/IDA Administrative Budget															
$m	38.0	45.5	61.3	76.5	95.4	109.4	134.2	157.5	185.1	213.1	240.0	276.7a/	338.3	402.4h/	473.4
$81 m	116.7	132.0	171.6	198.9	229.0	229.7	255.0	267.8	296.2	319.7	312.0	332.0	368.9	402.4	422.7
% Increase $m	8.6%	19.7%	34.7%	24.8%	24.7%	14.6%	22.6%	17.4%	17.5%	15.1%	12.6%	15.3%	22.3%	18.9%	17.6%
% Increase $81 m	5.0%	13.1%	30.0%	15.9%	15.1%	-	11.1%	5.0%	10.6%	7.9%	-	6.4%	11.1%	9.1%	5.0%
II. No. of Staff at End FY b/															
Higher Level (HL)	763	957	1174	1352	1521	1657	1754	1883	2040	2182	2269	2352	2444	2660	2780
Secy., Clerical, Ass't. Level	858	926	1071	1249	1446	1567	1695	1820	1958	2020	2098	2185	2304	2532	2632
Total	1621	1883	2245	2601	2967	3224	3449	3703	3998	4202	4367	4537	4748	5192	5412
% Increase	5.5%	16.2%	19.2%	15.9%	14.1%	8.7%	7.0%	7.4%	7.6%	5.1%	3.9%	3.9%	4.6%	5.8%i/	4.2%
III. No. of HL Staffyears															
"Direct" HL Staffyears															
Lending							478	521	567	586	681	723	731	782	793
Supervision							161	210	258	310	314	369	391	401	429
Economic and Sector							190	202	203	229	233	243	253	258	276
Other d/							160	151	153	165	179	184	183	211	216
Total: Direct Staffyears							989	1085	1181	1290	1407	1519	1558	1652	1714
Admin & OH in Operating Depts.							405	434	461	498	518	568	594	591	615
Total Operating Paid HL Staffyears	392	506	652	769	862	967	1068	1162	1248	1394	1492	1565	1621	1724	1788
Total Support Paid HL Staffyears	349	398	457	507	589	634	656	675	712	741	736	755	790	864	905
Total Bank Paid HL Staffyears - Numbers	741	904	1109	1276	1451	1601	1724	1837	1960	2135	2228	2320	2411	2588	2693
- % Increase	5.4%	22.0%	22.7%	15.1%	13.7%	10.3%	7.7%	6.6%	6.7%	8.9%	4.4%	4.1%	3.9%	5.8%i/	4.1%
IV. Lending															
IBRD - Loans ($b)	0.8	1.4	1.6	1.9	2.0	2.1	3.2	4.3	5.0	5.8	6.1	7.0	7.6	8.6	9.7
No. Projects Approved	44	82	69	78	72	73	105	122	141	161	137	142	144	153	158
Avg. Amount ($m)	19.3	17.1	22.9	24.6	27.3	28.1	30.7	35.4	35.3	35.8	44.5	49.2	53.1	56.2	61.4
Avg. Amount ($81m)	86.9	67.9	79.7	75.0	72.6	65.5	63.2	64.8	56.8	50.5	56.5	57.1	57.3	56.2	57.1
IDA - Credits ($b)	0.1	0.4	0.6	0.6	1.0	1.4	1.1	1.6	1.7	1.3	2.3	3.0	3.8	3.6	4.1
No. Projects Approved	16	29	50	51	68	75	69	68	73	67	99	105	103	103	114
Avg. Amount ($m)	6.7	13.3	12.1	11.5	14.7	18.1	15.9	23.2	22.7	19.5	23.4	28.8	37.3	35.0	36.0
Avg. Amount ($81m)	30.2	52.8	42.1	35.1	39.1	42.2	32.8	42.5	36.5	27.5	29.7	33.4	37.3	35.0	33.5
Commitment Deflator d/	22.2	25.2	28.7	32.8	37.6	42.9	48.6	54.7	62.2	70.7	78.6	86.0	93.0	100.0	107.1
Total No. Projects Approved	60	111	119	129	140	148	174	190	214	228	236	247	247	256	272
Pipeline Increase (Equiv. Project)									NA	+4	+28	+30	+31	+32	+21
Total Equiv. Proj. Processed									226	229	257	277	278	288	293
End Year Pipeline:															
Equivalent Projects									268	272	300	330	361	362	383
Projects Passed Appraisal Dep.									184	161	195	195	202	242	230
% of Next Year's Program									81%	68%	79%	79%	80%	86%	80%
% Completion of Future FY's Lending Programs															
Year 1									62%	60%	62%	63%	74%	72%	72%
Year 2									22%	24%	29%	29%	37%	33%	33%
Year 3									12%	19%	14%	13%	15%	14%	14%
Year 4									6%	8%	7%	6%	9%	9%	9%
Avg. SW per Project Approved (Incl. Dropped Proj.)									125	126	133	127	132	139	138
V. Supervision/PCRs															
No. of Projects in 8-year Portfolio									1225	1342	1459	1577	1684	1771	1897
Avg. Supervision SW per Project									10.1	10.8	10.0	10.8	10.9	11.0	10.7
No. of PCRs completed									96	79	87	118	94	162	140
Avg. PCR SW per PCR Completed									11.4	14.5	13.7	13.2	10.4	10.0	10.0
VI. No. of Formal Economic Reports Completed															
Basic									6	5	7	4	1	2	na
Other									72	53	48	68	77	69	na
VII. No. of CPPs completed									46	42	33	32	29	36	na
VIII. No. of Formal Sector Reports Completed									47	58	64	80	78	68	na
IX. Other Direct Output - Operating Depts. SY															
Technical Assistance									19	15	14	17	20	28	
Aid Coordination									8	11	11	13	15	11	
Advisory									23	26	33	34	41	57	
Policy									23	25	41	45	43	42	na
Research									25	28	28	21	19	21	
Other									55	60	52	54	45	52	
Total									154	165	179	184	183	211	216
X. Program Costs as % of Total															
Lending						31	29	29	30	28	31	30	31	30	30
Supervision						11	10	12	14	15	15	16	16	16	16
Economic & Sector Work						10	12	11	11	11	11	10	10	10	10
Research						5	5	5	5	5	4	3	3	3	3
Operational Review and Policy Work						4	5	5	5	5	6	7	6	6	6
All Other						35	35	33	32	32	30	36	34	35	35
XI. HL Support SY as % of Total HL SY	48	46	44	41	41	40	38	37	36	35	33	33	33	33	34
XII. Expenses per HL SY (in FY80 $000) e/															
HL Salary f/			34.8	37.3	39.3	36.5	37.8	40.2	38.3	38.8	39.3	40.0	40.2	42.3	
Total Personal Services g/	100.4	89.5	87.6	85.9	91.1	90.9	94.8	96.5	98.2	97.6	98.1	99.4	101.9	104.3	
Operational Travel	16.5	15.3	17.2	17.7	17.7	17.3	17.2	16.4	16.5	16.8	16.6	15.9	17.2	17.1	
Overhead															
Communications	2.2	2.1	1.9	2.0	1.9	1.7	2.0	1.7	1.5	1.5	2.0	1.9	2.1	3.1	
Office Occupancy	9.6	8.4	10.6	10.5	9.7	8.9	9.0	8.2	7.2	7.0	7.3	7.2	7.3	6.9	
Benefit Travel	5.8	6.8	6.4	6.6	6.5	7.3	6.4	7.3	7.0	6.1	5.3	5.2	6.2	5.8	na
Other Overhead	5.1	5.3	5.6	6.1	5.3	5.5	4.8	4.4	4.9	5.1	5.2	5.5	5.9	5.2	
Total	22.7	22.6	24.5	25.2	23.4	23.4	22.2	21.6	20.6	19.7	19.8	19.8	21.5	21.0	
Computing	3.9	4.4	4.4	4.5	5.9	5.8	6.1	6.0	5.5	5.5	5.5	6.0	4.5	4.0	
All Operating Unit Expenses	142.7	126.8	134.7	138.6	141.2	140.2	141.7	136.6	137.6	133.1	136.1	135.6	138.5	144.3	
All Support Unit Expenses	158.6	150.3	147.6	152.1	160.1	160.4	171.2	164.5	163.9	165.4	164.8	169.8	176.7	168.1	
All Headquarters Unit Expenses		136.3	140.1	142.7	148.8	148.0	149.1	144.9	145.2	143.4	144.6	145.6	148.0	152.2	
All Field Unit Expenses	-	178.1	166.7	191.2	179.1	172.2	189.2	194.7	197.7	174.3	179.3	182.4	181.9	181.2	
Total Expenses	150.0	136.9	139.8	143.7	148.9	147.9	150.1	146.7	146.8	144.1	145.3	146.7	153.0	155.5	157.0

a/ Excludes the accrual for vacation pay ($16.8 million) charged to FY79 expenses.
b/ Staff on duty year-end through FY80. Excludes Reimbursable Technical Assistance staff FY76 onwards.
c/ Excludes Reimbursable Technical Assistance for all years and Venezuela Technical Assistance through FY78.
d/ FY81 is the base (100).
e/ Expenses have been inflated to FY81 dollars using bankwide price increases.
f/ Salaries have been inflated to FY81 dollars using the rate of the general salary increase to show the net effect of promotion, merit increases and turnover. The changes in HL salary per HL staffyear are treated as price changes and therefore do not contribute to changes in other unit costs in this section.
g/ Staff costs excluding benefit travel.
h/ Includes FY81 China budget supplement and interim salary adjustment.
i/ Increase over authorized positions in previous year.

12/17/80

If. Price Deflators Used in the World Bank's Work 1/

	GDP Deflators 2/		Trade Deflators 3/		Disbursement Deflators for IBRD/IDA and IFC 4/		Commitment Deflators for IBRD/IDA Lending 5/		Commitment Deflators for IFC Investments 6/	
	Index (1980=100)	Annual Change %	Index (1980=100)	Annual Change %	Index (1980=100)	Annual Change %	Index (1980=100)	Annual Change %	Index (1980=100)	Annual Change %
Historical										
1960	28.8	...	26.2	...	22.8	...	19.1	...	20.8	...
1961	29.3	1.8	26.3	0.5	23.1	1.3	19.4	1.4	20.9	0.6
1962	30.1	2.7	26.0	-1.1	23.1	0.0	19.7	1.3	21.1	1.1
1963	30.8	2.5	26.2	0.7	23.4	1.1	19.9	1.1	21.5	1.7
1964	31.6	2.5	26.6	1.7	23.7	1.3	20.1	1.1	22.0	2.6
1965	32.6	3.1	27.3	2.4	24.4	3.0	20.3	1.2	22.2	0.8
1966	33.8	3.7	27.9	2.1	25.1	2.9	20.8	2.3	22.0	-0.9
1967	34.7	2.8	28.3	1.6	26.2	4.2	21.8	5.0	21.8	-0.9
1968	35.5	2.4	26.5	-6.4	24.2	-7.5	23.9	9.8	22.7	4.1
1969	37.0	4.1	26.6	0.5	23.8	-1.8	27.1	13.3	25.2	11.0
1970	39.0	5.4	23.5	10.7	27.2	14.1	30.9	14.0	28.6	13.3
1971	41.7	7.1	31.9	8.2	30.7	13.0	35.3	14.3	32.5	13.7
1972	45.9	10.0	35.1	10.0	34.4	12.1	40.4	14.6	37.6	15.6
1973	52.2	13.6	41.8	19.3	40.0	16.4	46.1	14.1	43.3	15.1
1974	57.4	10.0	51.9	24.0	45.5	13.9	52.2	13.3	49.4	14.0
1975	64.5	12.4	59.4	14.4	55.0	20.8	58.8	12.7	55.1	11.5
1976	66.4	3.0	60.4	1.8	58.7	6.7	66.9	13.8	65.4	18.7
1977	72.1	8.6	65.6	8.6	64.3	9.5	76.0	13.6	72.1	10.3
1978	83.3	15.4	77.6	18.3	77.6	20.6	84.5	11.2	82.3	14.1
1979	91.5	9.9	88.9	14.5	88.9	14.5	92.4	9.4	91.6	11.3
Projected										
1980	100.0	9.3	100.0	12.5	100.0	12.5	100.0	8.2	100.0	9.2
1981	109.0	9.0	109.0	9.0	109.0	9.0	107.5	7.5	108.3	8.3
1982	118.3	8.5	118.3	8.5	118.3	8.5	115.1	7.1	116.7	7.8
1983	127.7	8.0	127.7	8.0	127.7	8.0	122.8	6.7	125.1	7.2
1984	137.3	7.5	137.3	7.5	137.3	7.5	130.4	6.2	133.4	6.6
1985	146.9	7.0	146.9	7.0	146.9	7.0	138.3	6.0	141.6	6.1
1986	155.7	6.0	155.7	6.0	155.7	6.0	146.6	6.0	150.1	6.0
1987	165.1	6.0	165.1	6.0	165.1	6.0	155.4	6.0	159.1	6.0
1988	175.0	6.0	175.0	6.0	175.0	6.0	164.7	6.0	168.6	6.0
1989	185.5	6.0	185.5	6.0	185.5	6.0	174.6	6.0	178.7	6.0
1990	196.6	6.0	196.6	6.0	196.6	6.0	185.1	6.0	189.5	6.0

1/ A comprehensive description was presented to the Executive Directors in a memorandum entitled "Technical Note on the Use of Price Deflators in the World Bank's Work" dated June 30, 1980.

2/ Used for the aggregate GDP, expressed in US dollars, of OECD North countries (which includes all OECD members except for Greece, Portugal, Spain and Turkey).

3/ A unit-value index of manufactured exports c.i.f. (categories 5-8 of the Standard International Trade Classification comprising: SITC 5 - chemicals; SITC 6 - basic manufactures; SITC 7 - machinery and transport/communications equipment; SITC 8 - miscellaneous manufactures) from developed market economies to developing countries.

4/ Derived from a unit value index of exports c.i.f. of machinery and equipment (SITC 7 goods) from developed market economies to developing countries.

5/ Assumes the following disbursement pattern:

	Years Following IBRD/IDA Commitment							
	-0-	1st	2nd	3rd	4th	5th	6th	Total
Portion of loan/credit disbursed as a percentage of total amount committed	2.5%	16.7%	24.7%	22.8%	16.8%	10.7%	5.8%	100%

6/ Assumes the following disbursement pattern:

	Years Following IFC Commitment				
	-0-	1st	2nd	3rd	Total
Portion of investment disbursed as a percentage of total investment commitment	13%	40%	30%	17%	100%

PAB
10/16/80