Folder Title:	Senior Management Council - Agendas and Minutes - Agendas and minutes 02
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Official Records Senior Management Council – Agendas & Minutes 1984

2

RECORD
Senior Management Council

Cancelled

December 28, 1984

SENIOR MANAGEMENT COUNCIL

Agenda for Friday, January 4, 1985 Meeting at **10:00 a.m.**

1. Management/Board Relations, Tim Thahane.
(Oral report and discussion).

2. The Future Role of the Bank: Status Report on the Discussion with Board, Joe Wood.
(Oral Report).

3. The November Monthly Financial Report, Hans Hittmair.
3.1 Report, November 1984.

No Lunch

WORLD BANK / INTERNATIONAL FINANCE

RECORD
Senior Management Council

OFFICE MEMORANDUM

DATE: November 19, 1984

TO: Senior Management Council (SMC)

FROM: Roy Southworth

EXT: 73585

SUBJECT: Schedule of Future SMC Meetings - 1985

Please mark the following dates on your calendar for tentative future SMC meetings:

January 4
February 1
March 1
March 29
May 3
June 28

In November please mark the **Wye Plantation Retreat from afternoon Thursday, November 14 through noon Saturday, November 16, 1985.**

Many thanks.

WORLD BANK / INTERNATIONAL FINANCE CORPORATION

OFFICE MEMORANDUM

RECORD
Senior Management Council

DATE: November 7, 1984

TO: Senior Management Council

FROM: V. Roy Southworth

EXT: 73585

SUBJECT: Retreat at Wye Plantation - November 15 to 17, 1984

Following Mr. Clausen's letter on the Senior Management Retreat at the Wye Plantation this note provides some additional information on the arrangements.

1. Driving time to the Wye Plantation is about 1 1/2 hours from the Bank Headquarters. If you arrive at the Plantation between 6:00 and 6:30 p.m. on Thursday you will have time to check in before the cocktails scheduled for 7:00 p.m. Directions to Wye are attached.

2. On arriving at the Plantation, please check-in at the Registration Desk at the Conference Center (follow the signs on the road) where you will be greeted by Aspen Institute hosts who will show you to your room.

3. Accommodation is in single rooms, each with private bath and private telephone. Room assignment list is attached. All rooms are within walking distance of the Conference Center.

4. The Retreat will start with cocktails on Thursday, November 15 at 7:00 p.m. in the Conference Center Lounge. Dinner will follow at 8:00 p.m. in the Center's dining room. After dinner drinks will be available in the Lounge.

5. On Friday, November 16, breakfast will be served from 8:00 a.m. in the dining room (buffet breakfast). The morning discussion session will start at 9:00 a.m. in the Center's Conference Room and will go until about 12:30 p.m. (with breaks for coffee). Lunch will be served at 1:00 p.m. (buffet lunch). The afternoon session will run from 2:30 p.m. until about 6:00 p.m. Cocktails will be served at 7:00 p.m. in the Lounge and dinner will follow at 8:00 p.m.

6. Saturday morning's schedule will be similar to Friday's. The Retreat will end after lunch.

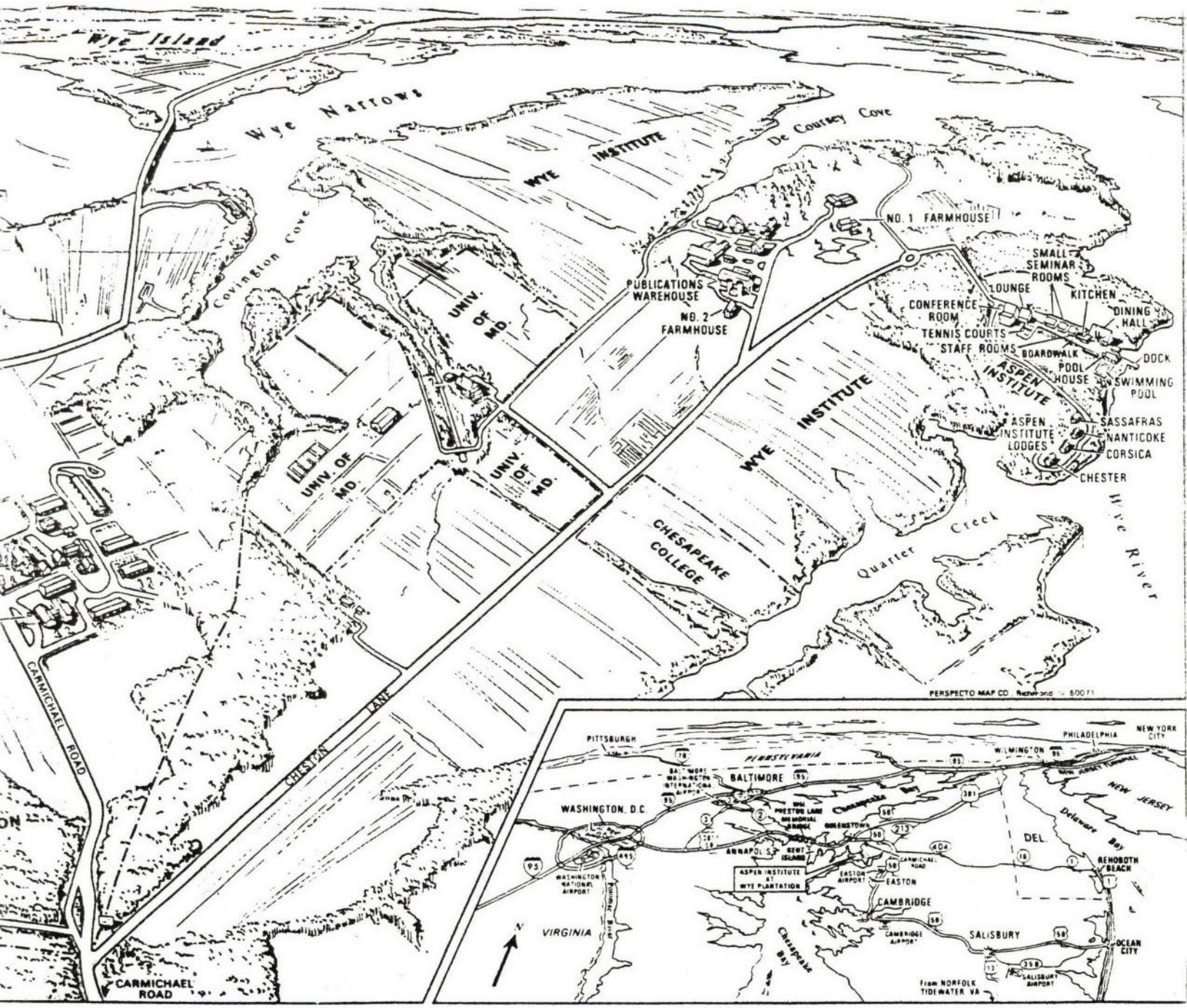
7. Informal dress is suggested during the day. For dinner coat and tie would be appropriate.

8. The telephone number at Wye Plantation (Conference Center) is: (301) 827-7400 or 827-7404 (Mesdames Sue Gick and Charlene Costello are coordinators).

Attachments: Directions
Room assignments

Directions

- Take **Route 50 East** from Washington.
- Cross the Chesapeake Bay Bridge, continue on Route 50.
- 3 miles beyond the intersection of Route 50 and Route 301, **turn right on Carmichael Road** which intersects Route 50 between the signs indicanting **mile 49 and mile 50.**
- Follow the signs indicating Aspen Institute and Wye Plantation. At the intersection of Carmichael and Cheston Road, about 3-1/2 miles from intersection with Route 50, **take a right on Cheston Lane** and Follow signs indicating Conference Center and Registration. **Distance from Route 50 to Conference Center is about 5 miles.**



THE WORLD BANK
Washington, D.C. 20433
U.S.A.

SENIOR MANAGEMENT COUNCIL
WYE PLANTATION RETREAT
November 15-17, 1984

ROOM ASSIGNMENTS

Wye Woods Center
(301) 827-7400 or 827-7404

SASSAFRAS LODGE	
A (827-6267)	Eugene H. Rotberg
B (827-6268)	Ibrahim F.I. Shihata
C (827-6269)	A. W. Clausen
D (827-6270)	Willi A. Wapenhans

CHESTER LODGE	
A (827-6271)	Martijn J.W.M. Paijmans
B (827-6272)	S. Shahid Husain
C (827-6273)	William S. Ryrie
D (827-6274)	Judhvir Parmar

NANTICOKE LODGE	
A (827-6275)	K. Georg Gabriel
B (827-6276)	David Hopper
C (827-6277)	Ernest Stern
D (827-6278)	Frank Vogl/V.Roy Southworth

CORSICA LODGE	
A (827-6262)	A. David Knox
B (827-6263)	Anne Krueger
C (827-6264)	Moeen Qureshi
D (827-6265)	Timothy T. Thahane

BOARDWALK ROOMS	
No. 1 (827-6437)	Wilfried P. Thalwitz
No. 2 (827-6435)	Teruyuki Ohuchi
No. 3 (827-6436)	Hans C. Hittmair
No. 4 (827-6442)	D. Joseph Wood
No. 5 (827-6441)	Jean-Loup Dherse
No. 6 (827-6956)	Shiv S. Kapur
No. 7 (827-6955)	Warren C. Baum
No. 8 (827-6954)	Edward V.K. Jaycox
No. 9 (827-6279)	Attila Karaosmanoglu

WORLD BANK / INTERNATIONAL FINANCE CORPORATION

OFFICE MEMORANDUM

RECORD
Senior Management Council

DATE: October 25, 1984

TO: Distribution

FROM: A. W. Clausen

EXT: 72001

SUBJECT: Development Committee Meeting of April 17-19, 1985

In light of the unusual nature and complexity of the preparations for the April 1985 Development Committee meeting, I have asked Anne Krueger to head all of the Bank's internal preparations for the meeting including the collaboration this will involve with the IMF and other organizations. She will supervise preparation of all necessary papers and the Bank's contribution to papers the IMF will be preparing.

To assist her in these tasks and to assure effective integration of the Secretariat function and the substantive work, a committee has been established, chaired by Shahid Javed Burki, IRD, and composed of representatives from FPA (David Bock), CPD (Luis de Azcarate), ERS (C. Michalopoulos), LEGVP (T.M.C. Asser), and IFC (R. Richardson).

The formulation of the agenda is the responsibility of the Chairman of the Development Committee in consultation with the Managing Director and myself. Mr. Burki will continue to be responsible for representing the Bank in discussions on these matters and for preparing the agenda paper for Board consideration.

Distribution: Mr. F. Fischer, Executive Secretary
Senior Management Council
Directors of External Relations
Operations Policy Staff
Economics and Research
Finance

THE WORLD BANK
Washington, D. C. 20433
U. S. A.

A. W. CLAUSEN
President

October 26, 1984

To: Members of the Senior Management Council

I will be travelling to Saudi Arabia, Kuwait, United Arab Emirates and Tunisia from today, October 26 to November 6. During my absence, Ernest Stern will be acting in my place.

Ron Clausen

RECORD (Secretaries)
Senior Management Council

LIST OF MEMBERS SENIOR MANAGEMENT COUNCIL (SMC)
INCLUDING MEMBERS OF THE MANAGING COMMITTEE

Baum, Warren C.	48001	K-1006	VPT		Ohuchi, Teruyuki	78801	F-1220	COF
Moreen Tolerton	48002				Jessie Harvie	78802		
CLAUSEN, A.W. (Tom)	**72001**	**B-1227**	**EXC**	*	**Paijmans, Martijn J.W.M.**	**76428**	**A-1236**	**PA**
Southworth, Roy	**73585**				Gillian Odam	76429		
Helen Higgins	72002				Parmar, Judhvir (Jud) (IFC)	60385	I-12-106	CAE
Myra Holsinger	72003				Betty Smith	60386		
Sonia Benavides	73586							
Dherse, Jean-Loup	72747	C-502	EIS	*	**Qureshi, Moeen A.**	**73665**	**B-1241**	**SVPFI**
Connie Fernandini	72748				Gillian Butler	73665		
Gabriel, K. Georg (IFC)	60383	I-12-169	CFP	*	**Ryrie, Sir William S. (Bill)**	**60381**	**I-12-100**	**CEX**
Olive Chin	60384				Mercedita Sebastian	60381		
Hittmair, Hans	61051	I-4-100	CIR		Rotberg, Eugene H. (Gene)	72213	E-427	TRE
Margaret Bowell	61051				Lynne Motley	72214		
Hopper, W. David	33000	H-5-177	ASN	*	**Shihata, Ibrahim F.I.**	**74945**	**B-723**	**LEG**
Virginia Menmuir-Smith	33005				Liberty Bohol	74946		
Husain, S. Shahid	72283	E-1023	OPS	*	**Stern, Ernest (Ernie)**	**72004**	**B-1227**	**SVPOP**
Brenda Enuton	72284				Diane Weatherford	72811		
Taycox, Edward V.K. (Kim)	74285	B-1210	EAN	*	**Thahane, Timothy T. (Tim)**	**72185**	**D-1130**	**SEC**
Nolita Pontanilla	74286				Heather Marshall	72185		
Kapur, Shiv S.	33035	H-7-021	DGO		Thalwitz, Wilfried P.	72063	A-613	WAN
Rosa Maria Duncan	33036				Patricia Gallagher	72064		
Karaosmanoglu, Attila	74503	A-613	AEN		Vogl, Frank (Acting)	72468	E-823	EXR
Sununta Prasarnphanich	74503				Susan Frampton	72467		
Knox, A. David	75901	A-907	LAC		Wapenhans, Willi A.	32676	H-12-071	EMN
Margot Vobe	75902				Nina Smith	32676		
Krueger, (Mrs) Anne O.	**69001**	**I-8-100**	**ERS**	*	Wood, Joseph D. (Joe)	72784	D-730	FPB
Muriel Lee	69002				Evelyn de Castro	72784		

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Copies for distribution: MC = 13 and SMC = 29

2. All documents for the MC should have an MC reference number. These numbers are assigned by the office of the MC member responsible for the paper.

SMC reference numbering is not required.

* **Also members of the Managing Committee.**

Office of the President **October 1, 1984**

RECORD
Senior Management Council

September 17, 1984

SENIOR MANAGEMENT COUNCIL

Agenda for Friday, October 5, 1984 Meeting at **10:00 a.m.**

1. Results of the Annual Meetings.
(Oral briefing), Moeen Qureshi, Ernest Stern.

2. * Monthly Financial Report for August, Hans Hittmair.
2.1

3. Implementation of the FY85 Lending Program.
(Oral Report) Ernest Stern.
3.1 Memo (Asanuma), September 14, 1984: Board Schedule through November 1984.

4. Tenth Annual Review of Project Performance Audits, Shiv Kapur.
4.1 Report No. 5248, August 30, 1984: Tenth Annual Review of Project Performance Audit Results (In Three Volumes).

5. Annual Report of the Ombudsman, Jim Hendry.
* 5.1

Lunch: We will be joining the "International Munch" in the E-Building Courtyard if the weather is nice or D-Cafeteria if not so nice, for the benefit of the Bank's United Way Campaign.

To be distributed later

SENIOR MANAGEMENT COUNCIL

CONFIDENTIAL
September 7, 1984

Minutes of May 25, 1984

Members Present: A. W. Clausen, J.L. Dherse, G. Gabriel, H. Hittmair, A. Karaosmanoglu, A. Krueger, D. Knox, E. Lerdau, M. Paijmans, M. Qureshi, G. Rotberg, I. Shihata, E. Stern, T. Thahane, M. Weiner, J. Wood.

Members Absent: W. Baum, M. Benjenk, R. Chaufournier, D. Hopper, S. Husain, T. Ohuchi, J. Parmar, W. Wapenhans, H. Wuttke.

1. Performance Planning and Review
(A Video presentation)

Mr. O'Hara said the videotape presentation was to be used by managers to introduce the PPR process to their staff. He said it was the first time that the Bank had used this type of technology and that it had a much broader application for staff training.

The Council welcomed the effort and felt that it did a good job of explaining the program and of putting it into the overall context of other Personnel initiatives. The presentation addressed many of the questions raised during the introductory phase of the program. However, it was noted that the presentation failed to clarify that the PPR program was a gradual process that did not take place simultaneously throughout the entire Bank. In response it was stated that the program timing was covered in the supporting materials and would be explained by managers in their introduction to the video presentation. The Council also recognized that the different cycles for implementing program in various parts of the Bank might create a problem in syncronizing the PPR with other major personnel initiatives. It was emphasized that managers would have to be careful in ensuring that such links were established. After further discussion the Council reiterated their strong support for the PPR process and agreed that Council members would alert their respective managers to the availability of the presentation.

2. Monthly Financial Report for April

Mr. Hittmair said most indicators were on target. Total borrowings at the end of April were at about $9.27 billion and by May 26 they had reach $9.5 billion or about 95% of the programmed volume of slightly more than $10 billion. Short-term borrowings, with about $1.25 billion, represented the short-fall from the programmed $1.5 billion. This short-fall was due to a lack of authorization from the U.S. for an increase of $250 million in discount notes.

Costs of medium- and long-term borrowing was 8.28% at the end of April while short-term costs averaged about 8.46%. Projected costs for the total borrowing program were expected at or slightly above the range of 8.35 to 8.40%. IBRD disbursements were on target and it was expected that the program of about $8.6 billion would be achieved. Non-project disbursements were not doing as well as project disbursements largely because of second tranches of SAL might not be drawn before the end of the year. On the other hand, disbursements under the special action program were on or above target.

IBRD overdues at the end of April were 13% higher than March figures even though the average dates of overdues had decreased. But by May 23 the total overdues of $150 million had been reduced to $83 million. Bolivia made some payments but still had considerable outstanding in the over 75-day category and as a result was still suspended. Tanzania also had small amounts in the over of 75-day category and had been warned. In a discussion of overdues the Council agreed that in the future they would be put in a historical framework and be presented as a percentage of outstanding debt. It was also agreed that the focus of the analyses would be on overdues of more than 30 days as overdues of less than this were often only due to technical difficulties in making payments.

IDA disbursements remained a problem. Disbursements in May would be in the range of $200 million. Programmed disbursements for the year were $2.9 billion but it was most likely that the final figures would be somewhat less than $2.5 billion. The reason for the shortfall seemed to be the general slowdown for projects in IDA countries.

Investments returns in April were 9.87%. The estimate for FY84 was still 9.75% with the outcome depending on whether the portfolio would be repositioned in face of expected interest rates changes. The higher than projected returns on the investment portfolio as well as a higher volume of lending and in the effects of transaction adjustments led to a revision of projected income from $550 million to $575 million. Depending on the return on liquid holdings for the remainder of the year that the figure could reach as high as $600 million.

3. IDA/SCI Prospects for Supplementary Funding

Mr. Qureshi said that efforts to secure supplementary funding were now getting underway again after the IDA and SCI resolutions had passed the Board. All donors with the exception of Germany and Japan were prepared to support supplementary funding without US participation. Mr. Qureshi said that so far management focus had been on Germany but that efforts were now also underway to persuade Japan to change its position.

Mr. Qureshi said the upcoming summit meeting of the industrial country leaders provided a good opportunity to raise the question of supplementary funding. Various ministers of finance and foreign affairs would be meeting in connection with the summit and Mr. Qureshi said that the Bank would ask some of the participants to assist in an effort to persuade Germany to change its position. While the Bank's immediate focus

would be on industrial countries, Mr. Qureshi said that after the summit he would be asking regional vice presidents to help orchestrate Part II input into the process.

4. Role of The Bank - A Discussion of Preliminary Findings

Mr. Wood said that the beginning of 1984, 12 task force were established which cut across organizational lines. Each group prepared draft papers on the various topics and had arranged review group meetings. Only one group working on the external environment had completed a draft of their report. The other groups were at various stages but overall substantial amounts of work remained. Mr. Wood said that so far two results had emerged from the process. First, despite the need for candor and self-criticism in the exercise, the Bank's institutional culture often made task force members overly cautious. Second, writing the papers was the least important part of the process. Much more important was the communications and exchange of ideas emerging from the group discussions. He said the discussions were candid, thoughtful and stimulating.

Following Mr. Wood's presentation, representatives of four of the groups summarized their initial findings. Mr. Michalopoulus said his group examined the international economic environment facing developing countries through the means of two scenarios: a central case and a low case. The central case reflected the views of Bank economists modified by what was known about external environment and it established a middle ground between the low and high case scenarios of the WDR. Both scenarios were used to examine how the environment would affect the overall growth prospects of developing countries, particularly through trade and capital flows. The implications of the scenarios were then explored for Bank lending and a number of related financial issues. The results indicated that the growth in medium- and long-term lending would diminish substantially in the 1980s compared to the 1970s. Differences in performance and prospects of the various countries would also intensify. Two imporant groups would be countries with a heavy external debt overhangs and the countries of Sub-Saharan Africa. The differentiation in countries prospects would require a differentiation in the Bank's strategy towards its member countries.

Mr. Chopra said the task force on Bank competitiveness looked at all aspects of competitiveness including non-price competition. The analysis showed that the dominant position of the Bank in providing long-term capital to developing countries in the early 1970s had been eroded. Part of the erosion was caused by the relative decline in the equity of the Bank which reduced its cost advantage. As a result while the Bank did not face too many difficulties at present there was the prospects that some borrowing countries might substitute other sources of funds for Bank loans. The implications of this analysis was that competition does indeed exist and would likely intensify in the future. The situation could be particularly acute for specific countries which greater cost consciousness in the delivery of non-financial services.

Mr. Shakow said his task force was examining the existing relations between the Bank and other bilateral and multilateral institutions in the field of development. The objective was to determine whether these relations needed to be restructured and what types of mechanisms were needed to undertake this restructuring. The task force was also exploring whether additional initiative should be taken in the event that low case scenario the global economy emerged.

Mr. Shakow indicated that some preliminary conclusions could be drawn. For instance, it was apparent that a new type of relationships was needed with the Fund that fostered closer policy coordination and included informal mechanisms for resolution of policy differences. Greater coordination in policies between bilateral agencies and the Bank and new approaches to technical assistance were also required. Finally, it was recognized that the Bank needed to play a much more significant role in the area of trade. This expanded role required much greater cooperation with GATT, including an official presence in the GATT's Trade and Development Committee, involving GATT in the work of the Development Committee, and strengthening staff contacts at the technical level.

Mr. Choksi said his task force was exploring the relative roles of the Bank and the Fund. Overall the task force concluded that cooperation at a number of different levels and for a number of different issues should be intensified. But the task force found less of a need for the types of formal links with the Fund as suggested in the work by the task force on the Bank and the multilateral system. Mr. Choksi said this conclusion in the note was based largely on internal discussions. There were only limited contacts with Fund staff. Further discussion with the Fund would come later after the Bank had clarified its position more fully.

In the Council's discussion there was some concern that the exercise was not yet resulting in the type of innovative and creative thinking that was needed to define the Bank's role. It was felt more was needed to encourage the task forces to break out the existing institutional culture in order to foster a sense of innovation. On the other hand, it was observed that the Bank had done quite a bit of innovation over the past few years and there appeared to be no real impediment to new ideas.

In other discussion, the idea that the Bank faced increased competition because of its high costs was challenged. It was also felt that the effects of a declining ratio of equity to outstanding debt were greatly overstated. Instead it was argued that the Bank remained extremely cost competitive compared with the commercial banking sector. What had an important effect on the Bank's competitive position was its insistence on strict policy conditionality. Those with access to alternative funding were often willing to accept higher rates to avoid the conditionality of the Bank. The Bank's real competitors were the bilateral agencies and the regional banks which had access to concessionary funding and who insisted on much less conditionality. This fact made aid coordination even more important. Furthermore, the time involved in securing Bank funding played a role in causing borrowers to seek funding elsewhere.

It was recognized that the Bank insistence on conditionality would possibly limit the scope of its operations. The Bank could not expect to play the role of full service bank for all of its members. Likewise, while cooperation with other agencies was important, the Bank could not expect to be all things to all the different agencies. Furthermore, the assumption that the Bank would naturally take a leadership role in devolving some of its functions to the regional banks was insensitive to the views of the regional banks and to their desire to remain independent. In short regional banks would not necessary welcome the Bank's leadership. In this context it was noted that the overall discussion on aid coordination had given the impression that a major task facing the Bank was how to get everyone else to fall into line with its particular view of the development process. It was observed that the Bank's management and Board members would have to recognize that the Bank did not control the aid process. Other people and institutions had different outlooks and mandates, and the Bank's thinking needed to reflect this reality.

VRSouthworth VRS

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September 12, 1984	Minutes

Correspondents / Participants

Subject / Title

Senior Management Council - Minutes of June 29, 1984.

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. This Policy can be found on the World Bank Access to Information website.

Withdrawn by	Date
Shiri Alon	15-Feb-17

8-22-84

MONTHLY FINANCIAL REPORTS

are not a "Reading" item.

They are RED TICKET ACTION ITEMS!

A

THE WORLD BANK
Washington, D. C. 20433
U. S. A.

A. W. CLAUSEN
President

August 6, 1984

To: Members of the Senior Management Council

I will be travelling to Mexico from today at noon August 6 to August 10. During my absence, Ernest Stern will be acting in my place.

Tom Clausen

THE WORLD BANK
Washington, D. C. 20433
U. S. A.

A. W. CLAUSEN
President

RECORD
Senior Management Council

August 15, 1984

To: Members of the Senior Management Council

I will be away from the office on August 16 and 17. During that time, Ernest Stern will be acting in my place.

Tom Clausen

THE WORLD BANK

Office of the President

RECORD
Senior Management Council

August 14, 1984

To: Senior Management Council (SMC)

SMC Meeting of August 31

Since a good many of you will be traveling at the end of August we will not have an SMC meeting on the 31st. The next meeting is now scheduled for October 5.

Roy

Roy Southworth

FORM N
(2-8

R E C O R D
Senior Management Council

ROUTING SLIP	Date August 6, 1984

OFFICE OF THE PRESIDENT

Name	Room No.
Senior Management Council	

	To Handle		Note and File
	Appropriate Disposition		Prepare Reply
	Approval		Per Our Conversation
	Information		Recommendation

Remarks

Here is the copy of the photograph that we took at the last SMC meeting on June 29 for presentation to retiree members. We thought you might also like a copy.

Roy Southworth

Roy Southworth

From

THE WORLD BANK
Washington, D. C. 20433
U. S. A.

A. W. CLAUSEN
President

RECORD
Senior Management Council

July 20, 1984

To: Members of the Senior Management Council

I will be travelling to California from this evening July 20 to July 29. During my absence, Ibrahim Shihata will be acting in my place.

WORLD BANK / INTERNATIONAL FINANCE CORPORATION

OFFICE MEMORANDUM

RECORD
Senior Management Council

DATE: July 10, 1984

TO: Senior Management Council (SMC)

FROM: Roy Southworth Roy

EXT: 73585

SUBJECT: SMC Meeting of August 3

A Board discussion on the Future Role of the Bank has just been scheduled for the morning of August 3. As a result we will not have an SMC meeting on August 3rd. The next meeting is now scheduled for August 31.

FORM NO. 89
(2-83)

THE WORLD BANK

ROUTING SLIP	Date July 10, 1984

OFFICE OF THE PRESIDENT

Name	Room No.
Senior Management Council Members	
Secretaries	

	To Handle		Note and File
	Appropriate Disposition		Prepare Reply
	Approval		Per Our Conversation
	Information		Recommendation

Remarks

Please replace.

Tks.

Sonia Benavides

From

MANAGING COMMITTEE (MC)

President and Chairman			
CLAUSEN, A.W. (Tom)	72001	E-1227	EXC
Southworth, Roy	73585		
Helen Higgins	72002		
Myra Holsinger	72003		
Sonia Benavides	73586		
Members			
Krueger, (Ms.) Anne O.	69001	I-8-100	ERS
Muriel Lee	69002		
Paijmans, Martijn J.W.M.	76428	A-1236	PAD
Gillian Odam	76429		
Qureshi, Moeen A.	73665	E-1241	SVPFI
Gillian Butler	73665		
Shihata, Ibrahim F.I.	74945	E-723	LEG
Liberty Bohol	74946		
Stern, Ernest (Ernie)	72004	E-1227	SVPOP
Diane Weatherford	72811		
Thahane, Timothy T. (Tim)	72185	D-1130	SEC
Heather Marshall	72185		
Vogl, Frank (Acting)	72468	E-823	VPE
Susan Framptom	72466		

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SMC reference numbering is not required.

July 2, 1984

Office of the President

RECORD
Senior Management Council

MANAGING COMMITTEE
and
SENIOR MANAGEMENT COUNCIL

LISTS OF MEMBERS

SENIOR MANAGEMENT COUNCIL (SMC)

Baum, Warren C.	48001	K-1006	VPT
Moreen Tolerton	48002		
Dherse, Jean-Loup	72747	C-502	EIS
Connie Fernandini	72748		
Gabriel, K. Georg	60383	I-12-169	CFP
Olive Chin	60383		
Hittmair, Hans	61051	I-4-100	CIR
Margaret Bowell	61051		
Hopper, W. David	33000	H-5-177	ASN
Virginia Menmuir	33005		
Husain, S. Shahid	72283	E-1023	OPS
Brenda Enuton	72284		
Jaycox, Edward V.K. (Kim)	74285	B-1210	EAN
Nolita Pontanilla	74286		
Kapur, Shiv S.	33035	H-7-021	DGO
Rosa Maria Duncan	33036		
Karaosmanoglu, Attila	74503	A-613	AEN
Sunanta Prasarnphanick			
Knox, A. David	75901	A-907	IAC
Margot Vobe	75902		
Chuchi, Teruyuki	78801	F-722	COF
Jessie Harvie	78801		
Parmar, Judhvir (Jud) IFC	60385	I-12-106	EXC
Betty Smith	60386		
Rotberg, Eugene H. (Gene)	72213	E-427	TRE
Lynne Motley	72213		
Thalwitz, Wilfried P.	72063	A-313	WAN
Patricia Gallagher	72064		
Wapenhans, Willi A.	32676	H-12-071	EMN
Nina Smith	72676		
Wood, Joseph D. (Joe)	72784	D-730	FPB
Evelyn de Castro	72784		
Wuttke, Hans A. (IFC)	60381	I-12-100	EXC
Mercedita Sebastian	60381		

THE WORLD BANK
Washington, D. C. 20433
U. S. A.

A. W. CLAUSEN
President

RECORD
Senior Management Council

July 3, 1984

To: Members of the Senior Management Council

I will be travelling to Rome, Kenya and Uganda from July 5 to July 13. During my absence, Ernest Stern will be acting in my place from July 5 to 9 and Moeen Qureshi from July 10 to 13.

THE WORLD BANK

Office of the President

July 2, 1984

Mr. Edward V.K. Jaycox

Kim:

Here is the schedule for the coming SMC meetings. I will be sending the agenda and papers for consideration about a week in advance. We also will be putting together the program for the Senior Management Retreat at Wye Plantation later in the summer and will be in touch on this sometime after the Annual Meetings.

Roy

V. Roy Southworth

Attachment

THE WORLD BANK

Office of the President

July 2, 1984

Mr. Shiv S. Kapur

Mr. Kapur:

Here is the schedule for the coming SMC meetings. I will be sending the agenda and papers for consideration about a week in advance. We also will be putting together the program for the Senior Management Retreat at Wye Plantation later in the summer and will be in touch on this sometime after the Annual Meetings.

Roy

V. Roy Southworth

Attachment

THE WORLD BANK

Office of the President

July 2, 1984

Mr. Wilfried Thalwitz

Wilfried:

Here is the schedule for the coming SMC meetings. I will be sending the agenda and papers for consideration about a week in advance. We also will be putting together the program for the Senior Management Retreat at Wye Plantation later in the summer and will be in touch on this sometime after the Annual Meetings.

Roy

Roy Southworth

Attachment

WORLD BANK / INTERNATIONAL FINANCE CORPORATION

OFFICE MEMORANDUM

RECORD
Senior Management Council

DATE: July 2, 1984

TO: Senior Management Council (SMC)

FROM: Roy Southworth

EXT: 73585

SUBJECT: Schedule of Future SMC Meetings and Wye Plantation Retreat

Please mark the following dates on your calendar for future SMC meetings:

August 3
August 31
October 5

In November please mark the **Wye Plantation Retreat from afternoon Thursday, November 15 through noon Saturday, November 17.**

Many thanks.

R E C O R D
Senior Management Council

MANAGING COMMITTEE
and
SENIOR MANAGEMENT COUNCIL

LISTS OF MEMBERS

MANAGING COMMITTEE (MC)

President and Chairman			
CLAUSEN, A.W. (Tom)	72001	E-1227	EXC
Southworth, Roy	73585		
Helen Higgins	72002		
Myra Holsinger	72003		
Sonia Benavides	73586		
Members			
Krueger, (Ms.) Anne O.	69001	I-8-100	ERS
Muriel Lee	69002		
Paijmans, Martijn J.W.M.	76428	A-1236	PAD
Gillian Odam	76429		
Qureshi, Moeen A.	73665	E-1241	SVPFI
Gillian Butler	73665		
Shihata, Ibrahim F.I.	74945	E-723	LEG
Liberty Bohol	74946		
Stern, Ernest (Ernie)	72004	E-1227	SVPOP
Diane Weatherford	72811		
Thahane, Timothy T. (Tim)	72185	D-1130	SEC
Heather Marshall	72185		
Vogl, Frank (Acting)	72468	E-823	VPE
Susan Framptom	72466		

NOTES: 1. Please send all documents for distribution to the MC and SMC to Roy Southworth's office for distribution.

Copies for distribution: MC = 11
SMC = 28

2. All documents for the MC should have an MC reference number. These numbers are assigned by the office of the MC member responsible for the paper.

SMC reference numbering is not required.

July 2, 1984

Office of the President

SENIOR MANAGEMENT COUNCIL (SMC)

Baum, Warren C.	48001	K-1006	VPT
Moreen Tolerton	48002		
Dherse, Jean-Loup	72747	C-502	EIS
Connie Fernandini	72748		
Gabriel, K. Georg	60383	I-12-169	CFP
Olive Chin	60383		
Hittmair, Hans	61051	I-4-100	CIR
Margaret Bowell	61051		
Hopper, W. David	33000	H-5-177	ASN
Virginia Menmuir	33005		
Husain, S. Shahid	72283	E-1023	OPS
Brenda Enuton	72284		
Jaycox, Edward V.K. (Kim)	74285	B-1210	EAN
Nolita Pontanilla	74286		
Kapur, Shiv S.	33035	H-7-021	OED
Rosa Maria Duncan	33036		
Karaosmanoglu, Attila	74503	A-613	ARN
Sunanta Prasarnphanick			
Knox, A. David	75901	A-907	LAC
Margot Vobe	75902		
Chuchi, Teruyuki	78801	F-722	COF
Jessie Harvie	78801		
Parmar, Judhvir (Jud) IFC	60385	I-12-106	EXC
Betty Smith	60386		
Rotberg, Eugene H. (Gene)	72213	E-427	TRE
Lynne Motley	72213		
Thalwitz, Wilfried P.	72063	A-313	WAN
Patricia Gallagher	72064		
Wapenhans, Willi A.	32676	H-12-071	EMN
Rosalind Van Heuven	72676		
Wood, Joseph D. (Joe)	72784	D-730	FPB
Evelyn de Castro	72784		
Wuttke, Hans A. (IFC)	60381	I-12-100	EXC
Mercedita Sebastian	60381		

June 22, 1984

SENIOR MANAGEMENT COUNCIL

Agenda for Friday, June 29, 1984 Meeting at **10:00 a.m.**

1. * Job Grading, Reg Clarke, Tony Williams, Dan Ritchie.
   1.1

2. Monthly Financial Report for May, Hans Hittmair.
   2.1 Report (Mehta), June 15, 1984.

3. MIGA - Status Report.
   (Oral Report) Ibrahim Shihata.

4. End of Fiscal Year: A Retrospective Review.
   (Oral Report) Messrs. Qureshi and Stern.

Lunch

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* Will be distributed later

Note: The IRMD Strategy paper is enclosed **for your information only.**

For our RECORD only

May 24, 1984

SENIOR MANAGEMENT COUNCIL

Agenda for Friday, May 25, 1984 Meeting at **10:00 a.m.**

1. Performance Planning and Review - A Video Presentation, Donald O'Hare, Matt Minahan, Tony Williams.

2. Monthly Financial Report for April, Hans Hittmair.
   2.1 Report (Gillette), May 15, 1984.

3. IDA/SCI, Prospects for Supplementary Findings, Moeen Qureshi. (Oral Presentation).

4. Role of the Bank - A Discussion of Preliminary Findings, Joe Wood.

   4.1 Alternative Scenarios for Trade and Capital Flows, Joe Wood, Costas Michalopoulos, Shinji Asanuma, Ian Scott.
   °Note (Michalopoulus through Wood) May 18, 1984: The Future Role of the Bank - The Global Economic Environment to 1995.
   °Note, May 23, 1984: Note on Discussion of Draft Report of Task Force No. 1: The Global Economic Environment to 1995.

   4.2 Prospective Competitiveness of the Bank as Source of Finance, Joe Wood, Ram Kumar Chopra, Shinji Asanuma, Ian Scott, Dale Weigel.
   °Paper (Bock through Wood) May 17, 1984: Competitiveness of the Bank.

   4.3 Place in the Bank in the Multilateral System, Joe Wood, Alex Shakow, Shinji Asanuma, Ian Scott.
   °Report (Burki) May 21, 1984: Report of the Task Force on the Role of the Bank in the Multilateral System.
   °Note, May 23, 1984: Note on Review of Future Role of the Bank, Task Force No. 3: The Role of the Bank in the Multilateral System.

   4.4 Bank's Future Operational Product, (Emphasis on Bank/Fund Relationship), Joe Wood, Armeane Choksi, Shinji Asanuma, Ian Scott.
   °Note (Choksi through Wood) May 18, 1984: The Relative Roles of the Bank and the Fund: Some Tentative Conclusions.

Lunch

THE WORLD BANK/INTERNATIONAL FINANCE CORPORATION

OFFICE MEMORANDUM

DATE: May 23, 1984

TO: Mr. Roy Southworth, EXC

FROM: Ian Scott, Chief, PBDIP

EXTENSION: 72557

SUBJECT: Notes on Review Meetings on Reports by "Future Role of the Bank" Task Forces Nos. 1 and 3

Mr. Wood has asked me to provide you with these notes as further documentation for the meeting of the Senior Management Council on May 25.

IS/mm

THE WORLD BANK/INTERNATIONAL FINANCE CORPORATION

OFFICE MEMORANDUM

DATE: May 24, 1984

TO: Mr. Roy Southworth, EXC

FROM: Ian Scott, Chief, PBDIP

EXTENSION: 72557

SUBJECT: Senior Management Council Meeting, May 25

With regard to Item 3 on the agenda, those attending would, in addition to Messrs. Wood, Michalopoulos (Item 3.1); Chopra (Item 3.2); Shakow (Item 3.3) and Choksi (Item 3.4), include Messrs. Asanuma and Scott (all items) and Weigel (Item 3.2).

cc: Mr. Wood

IS/mm

SENIOR MANAGEMENT COUNCIL

CONFIDENTIAL
May 23, 1984

Minutes of March 30, 1984

Members Present: A. W. Clausen, W. Baum, M. Benjenk, R. Chaufournier, G. Gabriel, H. Hittmair, D. Hopper, S. Husain, A. Karaosmanoglu, D. Knox, E. Lerdau, M. Paijmans, J. Parmar, M. Qureshi, G. Rotberg, I. Shihata, E. Stern, T. Thahane, M. Weiner, H. Wuttke.

Members Absent: J. L. Dherse, A. Krueger, T. Ohuchi, W. Wapenhans, J. Wood.

1. World Development Report Progress Report

Ms. Birdsall said the report had three major themes. First, the cost of rapid population growth was slow development and included faltering progress against high mortality and lost opportunity for improving people's lives. This cost was borne largely by the poor in developing countries. Second, appropiate policies to reduce mortality existed and the rationale for these policies was the gap between private and social gains for having children. Policies could be designed to close this gap by signaling families to have fewer children in their own interest. Finally, experience clearly demonstrated that appropriate policies made a difference. The report showed numerous examples of family planning programs which respected human rights and which were effective and affordable.

The Council welcomed the report as one of the strongest yet produced. In the dicussion it was observed that population efforts were often hindered by the fact that having many children often substituted for inadequate social security programs. This tendency was reinforced by poor education and health systems. On the other hand, some of the most pronounced fertility declines occurred in countries with virtually non-existent welfare systems. It was also noted that mortality declines in the 1950s in face of high fertility rates had led to a significant population bulge. However, projections suggested that further mortality declines would not nearly have the same effect. In fact improved health services targeted at reducing infant mortality would directly result in reduced fertility.

It was also observed that the paper took a middle of the road approach between "laissez faire" attitude towards population and "draconian" measures to control fertility. There was a suggestion that many in the report's audience would question the emphasis on small programs and on tinkering with signals and subsidies. In response it was noted that the types of investments call for in the report were inexpensive and yielded good results. Efforts to reduce fertility went also hand in hand with other efforts to foster economic development.

In further discussion the Council considered what the Bank's role on population should be and what follow-up work was required. It was noted that the Bank's work on population extended far beyond the small number of projects that it had financed in the field. The Bank has made an important contribution in its sector and policy dialogue to heightening the awareness for the need of population programs. Furthermore, projects in other sectors often complemented government efforts in the population field. The Bank also had developed good working relations with WHO and the UNFPA. Mr. Husain said OPS was currently preparing a series of strategy papers on population and health by regions. These papers would contribute to efforts to clarify the Bank's role in the population field in the future.

2. PPR

The paper covered lessons learned so far in implementing the program to the division chief level, outlined plans for the Bank-wide introduction of the program and provided the policy and legal framework for its implementation. Mr. Paijmans said the purpose of the SMC presentation was to begin the internal decision-making process required to get the program underway. The various vice presidential units would need to reach a decision on the cycle for implementing the program in their units. Managerial review groups would also have to be established. The objective was to have all staff write their objectives by June or July 1985 so that the 1986 salary review could be based on the PPR process.

In the discussion the experience in various vice presidential units with the first phase of the program was reviewed. In OPS, Mr. Husain had taken the FY84 institutional priorities and used them to develop unit specific objectives. The unit's work program was prepared based on the unit objectives and the process of developing individual objectives had been completed for all managers. In East Asia and Pacific the program had been successfully implemented down to the division chief levels. Mr. Karaosmanoglu said that by in large the division chiefs had found the process satisfactory. But he noted that there was some resistance at the staff level because of the time required to develop individual objectives. Mr. Chaufournier noted that at the beginning of the program some managers were skeptical but that through the introduction process they began to understand that it provided a valuable tool for self-management. He noted that implementation in EMENA had been completed down to the division chief level and that the results, while somewhat variable, were satisfactory overall.

In other discussion the concerns about the time required for the process were recognized but it was noted that the program would be easier to administer after staff became familiar with it. It was also recognized that many staff members had job responsibilities and functions which changed little from year-to-year. In these situations a yearly effort to write new individual objectives was unnecessary. But it was important that staff and supervisors met to confirm that the individual objectives remained valid. In this way the PPR program would provide a means to enhance communication and to clarify expectations. In closing, it was

emphasized that the forms and mechanisms being put in place would not insure the success of the program. It was the responsibility of individual managers to put in the effort required to make an effective managerial tool.

3. Monthly Financial Report for February 1984

Mr. Hittmair said most indicators were on target. Overdue service payments were substantially higher than in the past at about a $124 million at the end of February but since then about $70 million had been paid. For IBRD borrowings February saw the first issue of the variable interests rate notes. These were priced over Treasury instruments instead of eurodollar notes--a first for European markets. The ceiling of $750 million for the central bank facility was reached in February and medium- and long-term borrowing costs inclusive the swaps increased by a 13 basis point to an 8.18%. Without the swaps the costs would have been 9.08%. Overall, the costs were still in line with projections of about 8.10% for the fiscal year, even though nearly all swaps authority had been utilized.

IBRD disbursements for February were on target with another $750 to $800 million expected for March. On the other hand, IDA disbursements remained slow showing little improvement over February. Net income forecasts remained at $550 million but it was cautioned that there was some downside risks to the forecast. The expectations were that interest rates would increase by about 2 points in 1985. If the situation changed some losses might have to be realized to reposition the investment portfolio. The final outcome depended on movements in interest rates between now and July 1.

4. IDA - SCI

Mr. Qureshi said that it was an awkward time to report on the IDA/SCI issue. It had been hoped that by February 6 the resolution would have been approved. However, the India's concern about the resolutions surfaced and before they were resolved, the US Administration decided it needed more time to consult with Congress. Furthermore, bilateral issues between Japan and the US contributed to US reluctance to move. Mr. Qureshi said that there would be informal meetings with the Board to discuss the Bank's approach to the problem. He also indicated that discussions between management and the US Administration were ongoing in an effort to resolve the issue. He added that the resolution clearly required US support to pass. Furthermore, the current impasse made the upcoming Development Committee awkward. The hope had been to focus the Committee's attention on the question of supplementary funding. Many Committee members already had budgeted amounts in anticipation of a $12 billion IDA but that these amounts would not remain available for very long. Furthermore, Lome negotiations were upcoming and the longer efforts were delayed to get supplementary funding the more difficult it would be to secure significant amounts.

In a brief discussion it was noted that the Bank no longer played the preeminent role it once did. Member countries faced a number of other pressing issues, and the Bank had to take its place among competing priorities. It was also observed that the US position on the selected capital increase was not just a question of bilateral relations with Japan. Some in the US Administration felt that the $8.4 billion SCI was another indication that the Bank was growing too fast. Furthermore, it was possible that the Administration feared a Congressional backlash to the capital increase, particularly given that it was an election year.

5. Graduation

Mr. Stern reported on the present situation with respect to the graduation process. He said that seven country papers had been prepared after the Board decision of 1982. Subsequently, deteriorating economic conditions in Uruguay and Yugoslavia caused those papers to be withdrawn.

In a seminar on the remaining five papers several EDs argued that the GNP benchmark was arbitrary and that the graduation policy was inconsistent with the Articles of Agreement. They asked for a legal opinion in the hope of forcing a vote even though they realized they would lose. They would then take their case to the Board of Governors during the Annual Meetings. Mr. Stern said that efforts were underway to avert a vote on the legal resolution because it would be extremely devisive. The underlying issue was whether the Bank was justified by its Articles not to lend based on criteria such as GNP. The directors argued that the only criteria for not lending was the lack of reasonable access to other sources of financing at reasonable terms. They argued further that this criteria would have to be applied on a project-by-project basis. Mr. Stern said numerous compromises had been proposed to make the process less formal and to insure that it was implemented more as a guidelines to management. However, no progress had yet been made in reaching a compromise.

VRS

VRSouthworth

May 18, 1984

SENIOR MANAGEMENT COUNCIL

Agenda for Friday, May 25, 1984 Meeting at **10:00 a.m.**

1. Performance Planning and Review - A Video Presentation, Donald O'Hare, Matt Minahan, Tony Williams.

2. Monthly Financial Report for April, Hans Hittmair.
   2.1 Report (Gillette), May 15, 1984.

3. IDA/SCI, Prospects for Supplementary Findings, Moeen Qureshi. (Oral Presentation).

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   Note (Michalopoulus through Wood) May 18, 1984: The Future Role of the Bank - The Global Economic Environment to 1995.

   4.2 Prospective Competitiveness of the Bank as Source of Finance, Ram Kumar Chopra.
   Paper (Bock through Wood) May 17, 1984: Competitiveness of the Bank.

   * 4.3 Place in the Bank in the Multilateral System, Alex Shakow.

   4.4 Bank's Future Operational Product, (Emphasis on Bank/Fund Relationship), Armeane Choksi.
   Note (Choksi through Wood) May 18, 1984: The Relative Roles of the Bank and the Fund: Some Tentative Conclusions.

Lunch

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* To be distributed later

THE WORLD BANK
Washington, D. C. 20433
U. S. A.

A. W. CLAUSEN
President

RECORD
Senior Management Council

April 23, 1984

To: Members of the Senior Management Council

I will be travelling to Los Angeles, Australia and New Zealand from April 24 to May 5. During my absence, Moeen Qureshi will be acting in my place from April 24 to 28 and Ernest Stern from April 29 to May 5.

WORLD BANK / INTERNATIONAL FINANCE CORPORATION

OFFICE MEMORANDUM

RECORD
Senior Management Council

DATE: April 9, 1984

TO: Senior Management Council (SMC)

FROM: Roy Southworth RS

EXT: 73585

SUBJECT: Schedule of Future SMC Meetings and Wye Plantation Retreat

Please mark the following dates on your calendar for future SMC meetings:

May 25
June 29
August 3
August 31
October 5

In November please mark the **Wye Plantation Retreat from afternoon Thursday, November 15 through noon Saturday, November 17.**

Please note that there will not be an SMC meeting on April 27.

Many thanks.

FORM NO. 89
(2-83)

THE WORLD BANK

ROUTING SLIP

Date
April 9, 1984

OFFICE OF THE PRESIDENT

Name	Room No.
Senior Management Council	

	To Handle		Note and File
	Appropriate Disposition		Prepare Reply
	Approval		Per Our Conversation
	Information		Recommendation

Remarks

Re: Wye Plantation Retreat
November 17-19, 1983

This replaces earlier record minutes ·· stributed on March 21. It includes some anges suggested by Mr. Qureshi on the discussion of The Planning Process (pp. 2-3).

Roy Southworth VRS

From

Senior Management Council

CONFIDENTIAL
April 9, 1984

Summary of Discussion at Wye Plantation Retreat

November 17-19, 1983

Members Present: A. W. Clausen, M. Qureshi, E. Stern, N. Ardito-Barletta, W. Baum, M. Benjenk, R. Chaufournier, J-L. Dherse, G. Gabriel, H. Hittmair, D. Hopper, S. Husain, A. Karaosmanoglu, D. Knox, A. Krueger, T. Ohuchi, M. Paijmans, J. Parmar, E. Rotberg, I. Shihata, T. Thahane, W. Wapenhans, M. Weiner, J. Wood, H. Wuttke.

Also Present: R. Southworth.

Presentation: Dr. Warren Bennis, Joseph DeBell Professor of Management and Organization, University of Southern California.

Dr. Warren Bennis opened the retreat with a presentation on leadership. Dr. Bennis began his four-year study on the characteristics common to successful leaders because of his concern about stagnating productivity in the U.S. He also wanted to learn more about the factors affecting the success or failure of complex organizations. The study involved extensive, open-ended interviews with 90 leaders in business, government, sports and the arts.

The findings identified four common characteristics of leadership. First, was the management of attention. All leaders are able to convey a sense of outcome or vision. They are able to attract people to their cause and have a heightened concern with goals and objectives. Second, they are able to communicate the meaning of their vision to their followers. All leaders have this ability although they often communicate in different ways. Some could not be considered articulate, but they still can integrate fact, concept and experience and pull people together on crucial issues. Third is the ability to engender trust and an essential element of trust is predictability. People prefer to follow a leader who is consistent and predictable in his responses. The final characteristic is a positive sense of self-worth. All leaders know their strengths and nurture them. They recognize their skill and value and know how to fit these attributes to the needs of the organization. They also often trust instinct over analysis and are self-confident. They never think of failure, view mistakes as part of the learning process and react positively to negative feedback.

Dr. Bennis said these characteristics of leaders gave their staff "empowerment". They felt that they were doing something that was significant. Leaders instilled a sense of purpose, of competency, and of community. These all contributed to successful organizations.

The discussion following the presentation focussed on whether leadership skills could be taught. It was stressed that the four characteristics could be learned and the challenge for the Bank was to create an environment that nurtured these skills. The Bank's staff was intelligent, highly educated, and diverse in background and discipline. In such an environment collaboration and solid inter-relationships were difficult to sustain and loyalty to a discipline often superseded loyalty to the institution. A strong institutional perspective was required to overcome this attitude. Management needed to create this perspective by placing emphasis on the collegial approach and solid peer relationships. It would also be necessary to continue challenging staff. Leaders would only emerge if their capabilities were tested and stretched.

The Planning Process

Mr. Qureshi said that the planning process would need to involve three distinct but related steps: (a) an assessment of the current and prospective environment; (b) a definition of the Bank's role, given the environment; and (c) an assessment of the resources required for the Bank to perform its defined role.

The environment for the Bank had changed dramatically over the last decade. Up to the early 1970's, the industrialized countries had been growing steadily, they were strongly supportive of development assistance, and there was broad political consensus among both the developed and developing countries on expanding the role and operations of the Bank. Since the early 1970's, repeated oil crises, a protracted international recession, budgetary constraints in the industrialized countries and a degree of disillusionment and fatigue with aid had substantially eroded the previous political consensus.

On the part of both developing and developed countries, there was now much greater controversy with respect to the operational role of the Bank. The developing countries were questioning the Bank's increasing emphasis on conditionality, the policy on graduation, the lack of growth in Bank operations in real terms, and the Bank's inability to maintain net transfer of funds to developing countries. The Bank in turn was experiencing real difficulty in its lending program, and faced increasing portfolio constraints with respect to certain large borrowers. Some key Part I member countries, on the other hand, were increasingly questioning the need for the Bank to expand its lending. They saw the Bank as not sufficiently selective in its lending, and potentially competing with the private sector. Some Part I countries were also questioning the need to access short and variable sources of funding, and were beginning to resist demands for a growing amount of concessionary resources. These divergent points of view would have to be considered and resolved in the context of the discussions on the future role of the Bank.

On the lending side, the immediate issue is to consider how the Bank can define a useful and important role in the heavily indebted countries--this means reviewing our role in the middle income countries. From a larger time standpoint, however, Africa must loom increasingly larger in our future plans, and a more comprehensive and effective role for the Bank in that continent would have to be defined.

On the funding side, we must recognize that IDA will be a diminishing source and therefore need to develop more selective approaches to IDA lending, to consider hardening IDA terms for some recipients, and possibly build a closer link between lending to Africa and the need for IDA-type resources. As regards non-concessionary funding, we need to broaden Board support to accessing short-term and variable rate type funding if we are to avoid future resource constraints. Finally, Mr. Qureshi said that the issue of planning for human resources was an even more important one than that of the availability of financial resources and would need careful rethinking in the context of defining the future role of the Bank.

Mr. Wood described how the planning process would be organized in the Bank. He said planning would provide a basis for mobilizing external support and developing staff commitment. Planning would also help develop a longer-term perspective that would make the Bank more responsive and effective.

There were two aspects to the planning process. First, was the preparation for the discussions with the Board on the role of the Bank. The discussions would focus on the environment likely to face the Bank in the future, the role it would play and the resources necessary to fulfill this role. Mr. Wood emphasized the need for broad staff participation in the preparatory work for the discussions. It was envisioned that the discussions would lead to an agreement in principle with the Board on the size of the next GCI by the next Annual Meetings. Following the meetings final proposals for a GCI would be developed.

Second, was the longer-term institutional planning process. A small central staff would work closely with line managers to improve the understanding of planning that had already taken place. It would also help managers to plan by clarifying the underlying assumptions, facilitating communication between units, and establishing links between the planning process and work programming and budgeting. He envisioned that eventually the first half of the year would be devoted to unit-specific plans. After reviews by the Managing Committee these plans be used as a basis for preparing work programs.

The discussion largely focussed on two topics--the issues the planning process must address and how the process itself would be organized. One major issue would be how to maximize the Bank's policy leverage in face of limitations on resource flows and declining net transfers. It was recognized that this issue was particularly relevant in middle income countries where the Bank was in danger of pricing itself out of the market.

It was argued that past assumptions and perceptions would have to be clarified before this issue could be addressed. There was particularly a need to look at how the Bank was viewed by its clients, what its influence had been, and how effective its conditionality had been. Misconceptions about the Bank's past operations, if carried forward, could lead to mistakes in the future. It was observed that the Bank exercised little policy leverage prior to the first oil crisis even though there were ample opportunities to impose stricter conditionality. More recently the Bank had been able to exert more influence because while net resource transfers had grown smaller, they were now relatively more important. Still the Bank's influence in middle income countries had never been too significant and attempts to impose strict conditonality on all clients would likely exclude it from operating in many middle income countries.

It was also noted that the Bank's clientele had become increasingly differentiated. There would be a need for different programs, different criteria for conditionality and different staffing patterns to meet the future needs of a diverse clientele. It was also observed that a basic incompatibility existed between country-specific lending targets and strict conditionality. In emphasizing increased policy leverage the Bank would need to put less weight on maintaining the level of resource transfers.

A related concern was the Bank's internal limitations on lending. The question was how could the Bank reward good performance. The constraints were not so much on available funds--rather they were imposed by internal limitations such as risk assessments, exposure limits, and portfolio shares. These limitations constrained the Bank's capability to expand its lending significantly to its major borrowers. Furthermore, constrained IDA resources would limit resource flow to low income countries unless alternative sources of funds or different terms and conditions for Bank lending could be developed.

On the policy dialogue, it was observed that the Bank's message was sometimes arrogantly delivered and was often perceived as having a western bias. Such perceptions could damage the Bank's ability to engage in a productive dialogue amd the Bank would need to develop a cooperative and flexible relationship with its borrowers based on a carefully conceived country program.

The discussion turned next to the question of how to organize the planning process in order to avoid it turning into a sterile make-work exercise. The question of how to achieve a consensus in the planning process would also need to be addressed. It was observed that the institutional planning capabilities would be built up over the next few years. In essence, the process would be a decentralized bottom-up, staff-intensive effort involving the various units throughout the Bank. It was noted that the planning unit would be doing further work on organizing the process to ensure that adequate mechanisms for staff input and consensus seeking were developed.

Country Focus

Mr. Stern introduced the topic by identifying some of the issues facing management in moving from a task oriented focus to a country focus. First, was the question of how to make resource allocations on a country basis when the organizational structure of the Bank was still partially based on functional divisions. The second issue was developing a sense of accountability by country rather than by function, given a budget and monitoring process that still focussed on the project. The third issue was how to sharpen the policy focus by country and sector.

Following Mr. Stern's presentation, Mr. Knox, Mr. Hopper and Mr. Chaufournier summarized their regions' experiences in trying to develop a greater country focus. Mr. Knox said that efforts in the West African region were directed at giving more emphasis to the macro-economic framework in each country. The effort was directed at developing with each country a shared perception of what the objectives of the Bank's program should be.

Mr. Knox explained that the country program papers were not an appropriate vehicle to achieve this goal, particularly in the West African region where there were many countries with small lending programs. CPPs were expensive in terms of staff time--up to 20 man weeks--and there were not enough staff to produce them on a regular basis for each country in the region. To form a better country focus, country briefs were being introduced. The briefs outlined the problems facing each country and the steps the governments were taking to address these problems. They also analyzed what the Bank's role should be in lending as well as in economic and sector work. The briefs would be utilized by country working parties in developing individual country strategies.

Mr. Knox said that only a few country briefs had been produced so far but that the concept seems to be working. They were much cheaper to produce at about 8-10 man weeks and seemed to provide an adequate basis for the work by the country working parties. Mr. Knox said that another eleven briefs would be prepared by the end of the fiscal year which would provide a much better idea of how well the concept was working.

Mr. Knox explained that efforts were also underway to give the programs divisions more time to devote to country strategy. It had been concluded that the programs divisions were doing too many mechanical operations and some of these functions were transferred to the projects divisions. This transfer of functions not only freed up time but it demonstrated that the regional management was serious about implementing an increased focus on country strategy. Turning to the future, Mr. Knox said that the increased emphasis on country focus would lead to difficult personnel and budget questions. The staff would have to change considerably if it were to acquire the skills required for country strategy. These changes would involve retraining, redeployment and in some cases release. Furthermore, procedures for allocating staff resources would have to be revised. In addition efforts to budget on the basis of a country focus would cut across traditional functional divisions not only within a given region but outside as well.

Mr. Knox said that these issues boiled down to a basic question of the freedom country managers would have to determine the level of financial and staff resources devoted to their programs. While some central oversight would be needed in the allocation exercise, country managers and their staff would need room to exercise their judgments. Furthermore, in West Africa the efforts to develop a country focus were complicated by uncertainty in the programs. He said mechanisms including management information systems for moving resources quickly between countries were needed.

Mr. Chaufournier said that integrating institutional objectives with country objectives was a central issue in developing a country focus. He said that efforts to sharpen the country focus had been underway since the major reorganization of 1972. However, there had been little progress over the years and he felt that staff attitudes would need to change before the efforts to introduce a country focus would be successful. Better communications across functional lines and safeguards to ensure continuity in policy advice were also needed.

To facilitate changes in staff attitudes, improve lateral communications and provide continuity in policy advice, Mr. Chaufournier said efforts in his region had focussed on country teams. Membership of the teams cut across hierarchical and functional lines. They operated in a loose, non-bureaucratic framework to develop an informal means of communications in which a country strategy could evolve. Work of the country teams was supplemented by special teams that looked at specific issues.

Mr. Hopper said that the South Asia region was characterized by a small number of countries with common heritage, language and history. Each of these countries had an aid group that met annually for discussions based on economic memoranda prepared by the Bank. After an unsatisfactory experience with the economic memoranda for one these meetings, Mr. Hopper put his staff together at the Wye Plantation to devise more innovative approaches to the annual exercise. He said the staff responded with innovative approaches, particularly to conditionality. The effort also helped to loosen what Mr. Hopper referred to as the membranes between the various divisions and departments in his region.

He said an issue in developing a better country focus was the question of appropriate staff mix. He noted that much of the sector work was determined not by the needs of a country but by the interests, background and training of the staff responsible for producing the reports. He also said that a post hoc review of budgetary allocations revealed that budgets were not allocated between countries as anticipated. He said this pointed to the need for country-based budgeting and monitoring. In addition he felt there should be more emphasis on macro as opposed to micro policy dialogue. In particular, feedback mechanisms were needed that reconciled the results of country mission dialogues with the overall country strategy.

In the Council's ensuing discussion, two issues were raised. First was the problems created by superimposing a country focus on an organizational structure partially based on functional divisions. It was questioned whether the project/program dichotomy in the present organizational structure was still valid in face of the current efforts to produce

a sharpened country focus. The problems of resource allocation, budgeting, monitoring, accountability and staff mix could all be traced to the inherent limitations in the dichotomy between projects and programs. It was recognized, however, that the current structure also had considerable merit. It led to a dialogue on the Bank's activities that was based on different perspectives and conducted by those accountable to different managerial chains. The "creative tension" that resulted from this dialogue fostered a more thorough and thoughtful analysis of proposed programs and resulted in a better quality product. Finally, the structure gave Bank managers flexibility to move Bank resources between countries as circumstances dictated.

Overall it was recognized that there was little more that could be done with the operational structure of the Bank to improve the policy focus. But it was realized that the country focus could be improved through efforts to change work processes. That would make the current structure less rigid and more cooperative. In West Africa these efforts were directed at making the project and programs divisions more closely "co-terminus." Whereas in the past the projects divisions often covered three or more countries, reorganizational efforts were directed at reducing that number to two or three. The efforts at developing working parties and country teams in the various regions were also directed at making the current structure more flexible.

The second issue that arose in the discussion was the type of staff required to carry out country policy dialogues. It was recognzied that the Bank had hired many technical specialists who, while good in their particular speciality, might not be the most appropriate people for engaging in delicate and often complicated negotiations on country strategy. There was also an age problem particularly with the economists who perhaps were best equipped technically to handle the policy dialogue. Many of the Bank's economists were still quite young, and in many countries where age is respected their ability to engage in a productive dialogue was severely limited. However, it was noted that staffing requirements were country-specific and there could be no universal set of guidelines for developing the appropriate staff mix. In this context it was observed that managerial flexibility in developing an appropriate staff mix could be enhanced if there were a better mixture of full and part-time staff resources. Replacing permanent technical specialists with high-level consultants would increase flexiblity and assist in adapting the Bank's product to the changing needs of its clients.

Strategies for Handling the Bank's Human Resources

Mr. Paijmans briefed the Council members on the Bank's strategy for improving the management of human resources. He said the underlying objective was to help managers manage their resources more effectively. He emphasized that the role of Personnel and Administration complex was to offer line managers support, advice, and feedback to help them manage the institutional changes required to make the Bank more effective in the coming years. He said the human resource work program over the next 12-18 months would focus on the programs associated with the performance planning

and review process. These programs included job grading, revised reward policy, performance and planning review program, separation and demotion, career development, and staff rules.

Overall, reshaping of the human resource policy would take considerable time and full managerial support. Mr. Paijmans said it was impossible to foresee all the implementation issues and that the Bank had no choice but to proceed on the basis of imperfect knowledge. Good communications was important for the implementation process with specialized management skills that would require some training.

On career development, Mr. Paijmans said that last year's staff attitude survey uncovered considerable concern about the future. The level of concern indicated stresses that were beyond those associated with normal work pressure. He said the this year's attitude survey would focus heavily on career development in order to give management a better perspective of the problem. PMD's realignment which was currently being implemented would also help address career development issues more effectively. It would eliminate excessive layers of supervision and more closely associate personnel officers with the vice presidencies they served.

Mr. Paijmans said a fundamental question was whether staffing patterns were currently being developed to meet the Bank needs in the future. He said the Personnel Department could only be responsive to needs identified elsewhere and it was the responsibility of line managers to develop an institutional perspective in its staff development work. This perspective would help determine what types of skills should be set and whether the mix of staff skills should be altered. More generally, Mr. Paijmans emphasized that all of personnel initiatives could not be redesigned alone by a central complex. He reiterated that the function of the Personnel and Administration staff was to offer support to the line managers and it was the responsibility of the line managers to help identify the types of service required.

In closing his presentation, Mr. Paijmans said a major lesson emerging from the efforts to date was that managers, particularly at the division chief level, often displayed a lack of commitment to the personnel initiatives. He said that staff could not be expected to embrace the new programs if their managers were not committed to them. He emphasized that there must be a full commitment and involvement of all managers at all levels. Initiatives must be planned for and included in work programs--they would not succeed if they were handled just as residual activities.

The discussion following Mr. Paijmans presentation focused primarily on the apparent failure of managers to embrace the human resource initiatives. It was felt that this problem largely stemmed from the simple fact that line managers were overloaded with numerous responsibilities. The personnel initiatives on top of operational initiatives such as country focus and the demands imposed by a more complex operating environment were creating a serious problem. When managers looked at each initiative

individually they recognized their value to the institution. But they were overwhelmed by the proliferation of new initiatives which often were poorly explained and introduced with inadequate attention to sequencing. The resulting overload led to stress and an unwillingness among the managers to embrace the initiatives. It also created a situation where the line managers themselves would make decisions on which initiatives they would give priority. It was argued that this was the responsibility of senior management. They and not the line managers would have to determine institutional priorities and to sequence the introduction of initiatives in lines with those priorities.

As the discussion proceeded a concensus emerged that a review was needed of all the initiatives currently underway and planned with a view to establishing institutional priorities. On the basis of the priorities, implementation schedules could be developed that recognized the absortive capacity of the line managers responsible for implementing the initiatives. As a first step, it was agreed that a calendar or matrix of current initiatives would be developed. The purpose of this exercise would be to identify where and when implementation bottlenecks would be encouraged. This analysis would be used as a bases for future Senior Management Council discussion on institutional priorities.

In the discussion of priorities and the sequencing of initiatives it was recognized that any institutional change generated emotional and psychological stress. While some initiatives required long periods of consultation to ensure that everyone had a complete understanding of the objectives and goals of the exercise, others often benefited from quick implementation in order to minimize institutional disruptions. This was particularly relevant in the case of the job grading program. The Council agreed that the program would be controversial and disruptive no matter how long consultations were carried out. In fact, there was a feeling that prolonging the consultation would only breed more opposition to the program. It was felt that the staff should be honestly told that many were presently overgraded and that situation could go on no longer. The consultations would then need to proceed recognizing that they were likely to be quite difficult. In summary the Council recognized the overriding need to establish institutional priorities and to sequence the implementation of new initiatives on the basis of these priorities. But they also recognized the need to reconcile these priorities with a need to implement initiatives in a way so as to minimize the pain and disruption that accompanies major institutional changes.

Closing Remarks

In closing Mr. Clausen said that the retreat had been extremely productive. The tenor of the discussions was refreshing and he saw encouraging signs that Senior Management was beginning to develop an institutional perspective. He said that no one should leave satisfied that questions raised in the discussions had been answered. But a start had been made and he looked forward to addressing some of the issues raised in the discussion over the coming year.

VRSouthworth VRo
April 9, 1984

SENIOR MANAGEMENT COUNCIL

March 22, 1984

Agenda for Friday, March 30, 1984 Meeting at **10:00 a.m.**

1. WDR -- Progress Report, Nancy Birdsall (oral presentation).

2. * Performance Planning and Review, G. S. Kaji, R. A. Calkins.
   2.1 Report (Paijmans) Performance Planning and Review (PPR), March 9, 1984.

3. * Monthly Financial Report, H. Hittmair.
   3.1 Monthly Financial Report February 1984.

4. IDA - SCI Situation, Moeen Qureshi (oral presentation).

5. Graduation, Ernest Stern (oral presentation).

6. Lunch (Mr. Clausen's Dining Room).

* Already distributed

SENIOR MANAGEMENT COUNCIL

CONFIDENTIAL
March 22, 1984

Minutes of February 3, 1984

Members Present: A. W. Clausen, M. Qureshi, E. Stern, M. Paijmans, J. L. Dherse, A. Karaosmanouglu, T. Ohuchi, E. Rotberg, I. Shihata, M. Weiner, J. Wood, H. Wuttke, D. Knox, S. Husain, G. Gabriel, H. Hittmair, R. Chaufournier, J. Parmar.

Members Absent: M. Benjenk, A. Krueger, T. Thahane, D. Hopper, N. Ardito-Barletta, W. Baum, W. Wapenhans.

1. Basic Personnel Data

Mr. Paijmans said the primary purpose of the basic personnel data book was to provide senior management with reference materials on the Bank's human resources. The book which would be updated annually included a profile of the Bank staff, a picture of FY83 personnel events and a skill profile for the West Africa Region. Much of the data was organized by units thereby helping managers to identify and correct unit specific problems. Data presented on a Bank-wide basis would be utilize in PMD's ongoing efforts to improve human resource management.

Mr. Dyck pointed out that underlying the data was a great deal of management of human resources by line managers. Programs in management training, succession planning, and career reassignments were beginning to have an impact in various parts of the Bank. For example, reassignment panels in the operational complex were beginning to evolve into what Mr. Dyck called "human resource development panels". While they only handled about 20% of total reassignments, they were beginning to assess staffing needs, to develop qualification standards for various positions and to identify training needs. They were also beginning to look beyond the immediate reassignment needs to a medium-term (18-20 months) time horizon.

In closing the presentation Mr. Paijmans pointed to two issues requiring Senior Management Council attention. First, Mr. Paijmans said that senior management would have to continue providing strong positive signals on the recruitment of qualified Part II nationals and women to senior positions. The proportion of higher level Part II staff decreased in FY83 compared with FY82. Growth figures for higher level women remained strong although there was still a problem in the managerial ranks. Second, the age profiles of the Bank's technical specialists had changed significantly with nearly 25% reaching retirement age in the next five years.

This situation provided both a problem and an opportunity. The problem was that the type of specialists the Bank had traditionally recruited was getting harder to find. The opportunity lay in flexibility the openings gave management in determining whether the Bank's needs could be best met through career recruitment or by consultants.

The Council recognized the need to place continued emphasis on the recruitment of Part II nationals and women for higher level positions. It was emphasized that senior managers were responsible for exercising control over recruitment efforts in their units. Information on staff chosen for unit specific vacancies and the shortlist of candidates by nationality and sex would soon be available to help in monitoring the recruitment effort. On the age profile for technical staff the opportunity for increased flexibility was acknowledged. However it was noted that the problem of concentration of staff at senior levels would persist and it was observed that an effective manpower planning capacity would need to be developed. It was felt that the role of the Bank exercise would help to clarify future manpower requirements.

There was also discussion on the recruitment panels. It was observed that the candidates before the reassignment panels were often perceived not to be very high caliber, possibly contributing to the low percentage of reassignments made through the panels. In response it was pointed out that all the candidates appearing on the panel did not fall in this category. In fact there were quite a broad cut of people representing a great deal of variability in qualifications and performance. Nevertheless, it was noted that the reassignments panels were not responsible for solving manager's staffing problems. The Bank now had some staff members who were informally recognized as being inadequate performers but who's official records and salary history failed to reflect this fact. This situation arose because managers often did not take the responsibility to assess their staff members honestly. As a consequence inadequate staff with impecable formal records were being placed on the panel because they could not be transferred through other means. Managers also contributed to the poor perception of candidates on the reassignment panels by trying to keep good staff members through internal transfers. It was emphasized that promotion should be used to diversify career path and that internal transfers should not be encouraged.

2. IFC Five-Year Program

The Council was briefed on the IFC's revised five-year Program proposal which would soon be circulated to the Board. The Board would be asked to approve the program and to present a formal proposal for a $750 million capital increase to the Board of Governors in support of the program. The program was revised from an earlier version to reduce the overall growth in investments slightly and to incorporate new initiatives in corporate restructuring assistance. Additional emphasis was also given to IFC activities in Sub-Saharan Africa, and the financial market sector.

the expected productivity increases. It was cautioned that Board's expectations would be formed on the basis of proposed commitment levels presented in the paper. These expectations would carry into the future while the qualifications raised in the paper would soon be forgotten. There was also a question about how the Board would react to the paper's discussion of the Corporation's performance over the past five years. The discussion made no reference to the financial results of the program and it was noted that this may be questioned in the Board. In response, it was observed that some coverage of the results appeared in the annexes. The results were also discussed in the oral briefings with the Board during the portfolio review.

Other discussions focused on proposed borrowing from sources other than the Bank, the proposed program for restructuring, and IFC investment in government owned enterprise. On the later point it was observed that the policy was that IFC never lent to wholly owned government enterprises except where a commitment existed to transfer ownership to the private sector and where IFC could play a role in facilitating this transfer. It was recognized that there might be other exceptional reasons for IFC involvement with wholly owned government enterprises but such involvement would have to be fully justified.

3. Financial Report

The financial report for December contained the usual mix of good and bad. Borrowings were on target and the cost for December was somewhat lower than in November. Overall the costs for the first six months reflected the favorable cost associated with the swap operations. However, the swap authority was practically used up and the cost over the next six months would likely be higher as a result. Around $640 million in commitments were recorded for the central bank facility at the rate of about 10.21%. Disbursements for IBRD for December were over $1.1 billion, $440 million of which were SAL disbursements. For the first time in FY84 the pace of disbursements was slightly above target. On the other hand, disbursements for IDA continued to be slow with only $1 billion disbursement in the first half of FY84. If there were not substantial improvements in the second half of the year the shortfall for FY84 could be quite large. Overdue service payments continued to be high in December at $72.1 million.

4. Review of Special Action Program

Mr. Stern presented a paper that reviewed the special action program which had been in effect for one year. The program's principal elements were to expand lending going to high priority operations that supported structural adjustment policy changes, production for export, and maintenance of crucial infrastructure. The program also emphasized accelerated disbursements under existing and new commitments to support early completion of high priority projects and expanded advisory work in the design and implementation of appropriate policies. At the midway point of the two-year program the increase in IBRD net disbursements was estimated at $2 billion for FY83-85.

The review suggested that the program had succeeded in introduding considerable flexibility to project administration. One hundred and forty four projects representing $30 billion in investments were modified under the special action program . Modifications led to accelerated disbursements and an increased emphasis on rehabilitation of existing infrastructure. The degree of conditionality was also increased. The program was heavily concentrated in Latin America with some work also being done in Africa. The impact was particuarly large in Mexico, Brazil and Ghana, where not only resource transfers was quicker but the policy dialogue was improved. These results demonstrated that the Bank can have a major impact when it is responsive to the needs of its member. Nevertheless while the program had positive short-term benefits it was recognized that it had created some risks for the longer term. Much of the pipeline in specific countries had been pulled forward and rebuilding it would require commitment level at or above country specific exposure limits. It was also recognized that while the program had been successful in speeding disbursements to middle income IBRD borrowers it had much less of an impact on IDA borrowers.

The review paper would be discussed in a Board seminar in mid-February. It was recognized that the very flexibility that made the program successful would be a case of concern for the Board.

5. Selective Capital Increase

Mr. Wood reported that the US was now prepared to go along with $8.4 billion Selective Capital Increase. The SCI proposal was designed to solve the ranking issue for the five largest donors. Japan, in return for an increase share of IDA-7, would move into the second position with Germany, taking third and France sharing the fourth spot with Great Britain. There was a potential problem with India who had concerns about the erosion of their voting power under the Selective Captal Increase. As a result it was possible that India would exercise its pre-emptive right thereby threathening the entire agreement which was based on the requirement that all shareholders waive their pre-emptive right. Mr. Wood said that efforts were underway to persuade India to waive their pre-emptive rights.

VRSouthworth VRS
March 22, 1984

Senior Management Council

CONFIDENTIAL
March 21, 1984

Summary of Discussion at Wye Plantation Retreat

November 17-19, 1983

Members Present: A. W. Clausen, M. Qureshi, E. Stern, N. Ardito-Barletta, W. Baum, M. Benjenk, R. Chaufournier, J-L. Dherse, G. Gabriel, H. Hittmair, D. Hopper, S. Husain, A. Karaosmanoglu, D. Knox, A. Krueger, T. Ohuchi, M. Paijmans, J. Parmar, E. Rotberg, I. Shihata, T. Thahane, W. Wapenhans, M. Weiner, J. Wood, H. Wuttke.

Also Present: R. Southworth.

Presentation: Dr. Warren Bennis, Joseph DeBell Professor of Management and Organization, University of Southern California.

Dr. Warren Bennis opened the retreat with a presentation on leadership. Dr. Bennis began his four-year study on the characteristics common to successful leaders because of his concern about stagnating productivity in the U.S. He also wanted to learn more about the factors affecting the success or failure of complex organizations. The study involved extensive, open-ended interviews with 90 leaders in business, government, sports and the arts.

The findings identified four common characteristics of leadership. First, was the management of attention. All leaders are able to convey a sense of outcome or vision. They are able to attract people to their cause and have a heightened concern with goals and objectives. Second, they are able to communicate the meaning of their vision to their followers. All leaders have this ability although they often communicate in different ways. Some could not be considered articulate, but they still can integrate fact, concept and experience and pull people together on crucial issues. Third is the ability to engender trust and an essential element of trust is predictability. People prefer to follow a leader who is consistent and predictable in his responses. The final characteristic is a positive sense of self-worth. All leaders know their strengths and nurture them. They recognize their skill and value and know how to fit these attributes to the needs of the organization. They also often trust instinct over analysis and are self-confident. They never think of failure, view mistakes as part of the learning process and react positively to negative feedback.

Dr. Bennis said these characteristics of leaders gave their staff "empowerment". They felt that they were doing something that was significant. Leaders instilled a sense of purpose, of competency, and of community. These all contributed to successful organizations.

The discussion following the presentation focussed on whether leadership skills could be taught. It was stressed that the four characteristics could be learned and the challenge for the Bank was to create an environment that nurtured these skills. The Bank's staff was intelligent, highly educated, and diverse in background and discipline. In such an environment collaboration and solid inter-relationships were difficult to sustain and loyalty to a discipline often superseded loyalty to the institution. A strong institutional perspective was required to overcome this attitude. Management needed to create this perspective by placing emphasis on the collegial approach and solid peer relationships. It would also be necessary to continue challenging staff. Leaders would only emerge if their capabilities were tested and stretched.

The Planning Process

Mr. Wood described how the planning process would be organized in the Bank. He said planning would provide a basis for mobilizing external support and developing staff commitment. Planning would also help develop a longer-term perspective that would make the Bank more responsive and effective.

There were two aspects to the planning process. First, was the preparation for the discussions with the Board on the role of the Bank. The discussions would focus on the environment likely to face the Bank in the future, the role it would play and the resources necessary to fulfill this role. Mr. Wood emphasized the need for broad staff participation in the preparatory work for the discussions. It was envisioned that the discussions would lead to an agreement in principle with the Board on the size of the next GCI by the next Annual Meetings. Following the meetings final proposals for a GCI would be developed.

Second, was the longer-term institutional planning process. A small central staff would work closely with line managers to improve the understanding of planning that had already taken place. It would also help managers to plan by clarifying the underlying assumptions, facilitating communication between units, and establishing links between the planning process and work programming and budgeting. He envisioned that eventually the first half of the year would be devoted to unit-specific plans. After reviews by the Managing Committee these plans be used as a basis for preparing work programs.

The discussion largely focussed on two topics--the issues the planning process must address and how the process itself would be organized. One major issue would be how to maximize the Bank's policy leverage in face of limitations on resource flows and declining net transfers. It was recognized that this issue was particularly relevant in middle income countries where the Bank was in danger of pricing itself out of the market.

It was argued that past assumptions and perceptions would have to be clarified before this issue could be addressed. There was particularly a need to look at how the Bank was viewed by its clients, what its influence had been, and how effective its conditionality had been. Misconceptions about the Bank's past operations, if carried forward, could lead to mistakes in the future. It was observed that the Bank exercised little policy leverage prior to the first oil crisis even though there were ample opportunities to impose stricter conditionality. More recently the Bank had been able to exert more influence because while net resource transfers had grown smaller, they were now relatively more important. Still the Bank's influence in middle income countries had never been too significant and attempts to impose strict conditonality on all clients would likely exclude it from operating in many middle income countries.

It was also noted that the Bank's clientele had become increasingly differentiated. There would be a need for different programs, different criteria for conditionality and different staffing patterns to meet the future needs of a diverse clientele. It was also observed that a basic incompatibility existed between country-specific lending targets and strict conditionality. In emphasizing increased policy leverage the Bank would need to put less weight on maintaining the level of resource transfers.

A related concern was the Bank's internal limitations on lending. The question was how could the Bank reward good performance. The constraints were not so much on available funds--rather they were imposed by internal limitations such as risk assessments, exposure limits, and portfolio shares. These limitations constrained the Bank's capability to expand its lending significantly to its major borrowers. Furthermore, constrained IDA resources would limit resource flow to low income countries unless alternative sources of funds or different terms and conditions for Bank lending could be developed.

On the policy dialogue, it was observed that the Bank's message was sometimes arrogantly delivered and was often perceived as having a western bias. Such perceptions could damage the Bank's ability to engage in a productive dialogue amd the Bank would need to develop a cooperative and flexible relationship with its borrowers based on a carefully conceived country program.

The discussion turned next to the question of how to organize the planning process in order to avoid it turning into a sterile make-work exercise. The question of how to achieve a consensus in the planning process would also need to be addressed. It was observed that the institutional planning capabilities would be built up over the next few years. In essence, the process would be a decentralized bottom-up, staff-intensive effort involving the various units throughout the Bank. It was noted that the planning unit would be doing further work on organizing the process to ensure that adequate mechanisms for staff input and consensus seeking were developed.

Country Focus

Mr. Stern introduced the topic by identifying some of the issues facing management in moving from a task oriented focus to a country focus. First, was the question of how to make resource allocations on a country basis when the organizational structure of the Bank was still partially based on functional divisions. The second issue was developing a sense of accountability by country rather than by function, given a budget and monitoring process that still focussed on the project. The third issue was how to sharpen the policy focus by country and sector.

Following Mr. Stern's presentation, Mr. Knox, Mr. Hopper and Mr. Chaufournier summarized their regions' experiences in trying to develop a greater country focus. Mr. Knox said that efforts in the West African region were directed at giving more emphasis to the macro-economic framework in each country. The effort was directed at developing with each country a shared perception of what the objectives of the Bank's program should be.

Mr. Knox explained that the country program papers were not an appropriate vehicle to achieve this goal, particularly in the West African region where there were many countries with small lending programs. CPPs were expensive in terms of staff time--up to 20 man weeks--and there were not enough staff to produce them on a regular basis for each country in the region. To form a better country focus, country briefs were being introduced. The briefs outlined the problems facing each country and the steps the governments were taking to address these problems. They also analyzed what the Bank's role should be in lending as well as in economic and sector work. The briefs would be utilized by country working parties in developing individual country strategies.

Mr. Knox said that only a few country briefs had been produced so far but that the concept seems to be working. They were much cheaper to produce at about 8-10 man weeks and seemed to provide an adequate basis for the work by the country working parties. Mr. Knox said that another eleven briefs would be prepared by the end of the fiscal year which would provide a much better idea of how well the concept was working.

Mr. Knox explained that efforts were also underway to give the programs divisions more time to devote to country strategy. It had been concluded that the programs divisions were doing too many mechanical operations and some of these functions were transferred to the projects divisions. This transfer of functions not only freed up time but it demonstrated that the regional management was serious about implementing an increased focus on country strategy. Turning to the future, Mr. Knox said that the increased emphasis on country focus would lead to difficult personnel and budget questions. The staff would have to change considerably if it were to acquire the skills required for country strategy. These changes would involve retraining, redeployment and in some cases release. Furthermore, procedures for allocating staff resources would have to be revised. In addition efforts to budget on the basis of a country focus would cut across traditional functional divisions not only within a given region but outside as well.

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Mr. Chaufournier said that integrating institutional objectives with country objectives was a central issue in developing a country focus. He said that efforts to sharpen the country focus had been underway since the major reorganization of 1972. However, there had been little progress over the years and he felt that staff attitudes would need to change before the efforts to introduce a country focus would be successful. Better communications across functional lines and safeguards to ensure continuity in policy advice were also needed.

To facilitate changes in staff attitudes, improve lateral communications and provide continuity in policy advice, Mr. Chaufournier said efforts in his region had focussed on country teams. Membership of the teams cut across hierarchical and functional lines. They operated in a loose, non-bureaucratic framework to develop an informal means of communications in which a country strategy could evolve. Work of the country teams was supplemented by special teams that looked at specific issues.

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He said an issue in developing a better country focus was the question of appropriate staff mix. He noted that much of the sector work was determined not by the needs of a country but by the interests, background and training of the staff responsible for producing the reports. He also said that a post hoc review of budgetary allocations revealed that budgets were not allocated between countries as anticipated. He said this pointed to the need for country-based budgeting and monitoring. In addition he felt there should be more emphasis on macro as opposed to micro policy dialogue. In particular, feedback mechanisms were needed that reconciled the results of country mission dialogues with the overall country strategy.

In the Council's ensuing discussion, two issues were raised. First was the problems created by superimposing a country focus on an organizational structure partially based on functional divisions. It was questioned whether the project/program dichotomy in the present organizational structure was still valid in face of the current efforts to produce

a sharpened country focus. The problems of resource allocation, budgeting, monitoring, accountability and staff mix could all be traced to the inherent limitations in the dichotomy between projects and programs. It was recognized, however, that the current structure also had considerable merit. It led to a dialogue on the Bank's activities that was based on different perspectives and conducted by those accountable to different managerial chains. The "creative tension" that resulted from this dialogue fostered a more thorough and thoughtful analysis of proposed programs and resulted in a better quality product. Finally, the structure gave Bank managers flexibility to move Bank resources between countries as circumstances dictated.

Overall it was recognized that there was little more that could be done with the operational structure of the Bank to improve the policy focus. But it was realized that the country focus could be improved through efforts to change work processes. That would make the current structure less rigid and more cooperative. In West Africa these efforts were directed at making the project and programs divisions more closely "co-terminus." Whereas in the past the projects divisions often covered three or more countries, reorganizational efforts were directed at reducing that number to two or three. The efforts at developing working parties and country teams in the various regions were also directed at making the current structure more flexible.

The second issue that arose in the discussion was the type of staff required to carry out country policy dialogues. It was recognzied that the Bank had hired many technical specialists who, while good in their particular speciality, might not be the most appropriate people for engaging in delicate and often complicated negotiations on country strategy. There was also an age problem particularly with the economists who perhaps were best equipped technically to handle the policy dialogue. Many of the Bank's economists were still quite young, and in many countries where age is respected their ability to engage in a productive dialogue was severely limited. However, it was noted that staffing requirements were country-specific and there could be no universal set of guidelines for developing the appropriate staff mix. In this context it was observed that managerial flexibility in developing an appropriate staff mix could be enhanced if there were a better mixture of full and part-time staff resources. Replacing permanent technical specialists with high-level consultants would increase flexiblity and assist in adapting the Bank's product to the changing needs of its clients.

Strategies for Handling the Bank's Human Resources

Mr. Paijmans briefed the Council members on the Bank's strategy for improving the management of human resources. He said the underlying objective was to help managers manage their resources more effectively. He emphasized that the role of Personnel and Administration complex was to offer line managers support, advice, and feedback to help them manage the institutional changes required to make the Bank more effective in the coming years. He said the human resource work program over the next 12-18 months would focus on the programs associated with the performance planning

and review process. These programs included job grading, revised reward policy, performance and planning review program, separation and demotion, career development, and staff rules.

Overall, reshaping of the human resource policy would take considerable time and full managerial support. Mr. Paijmans said it was impossible to foresee all the implementation issues and that the Bank had no choice but to proceed on the basis of imperfect knowledge. Good communications was important for the implementation process with specialized management skills that would require some training.

On career development, Mr. Paijmans said that last year's staff attitude survey uncovered considerable concern about the future. The level of concern indicated stresses that were beyond those associated with normal work pressure. He said the this year's attitude survey would focus heavily on career development in order to give management a better perspective of the problem. PMD's realignment which was currently being implemented would also help address career development issues more effectively. It would eliminate excessive layers of supervision and more closely associate personnel officers with the vice presidencies they served.

Mr. Paijmans said a fundamental question was whether staffing patterns were currently being developed to meet the Bank needs in the future. He said the Personnel Department could only be responsive to needs identified elsewhere and it was the responsibility of line managers to develop an institutional perspective in its staff development work. This perspective would help determine what types of skills should be set and whether the mix of staff skills should be altered. More generally, Mr. Paijmans emphasized that all of personnel initiatives could not be redesigned alone by a central complex. He reiterated that the function of the Personnel and Administration staff was to offer support to the line managers and it was the responsibility of the line managers to help identify the types of service required.

In closing his presentation, Mr. Paijmans said a major lesson emerging from the efforts to date was that managers, particularly at the division chief level, often displayed a lack of commitment to the personnel initiatives. He said that staff could not be expected to embrace the new programs if their managers were not committed to them. He emphasized that there must be a full commitment and involvement of all managers at all levels. Initiatives must be planned for and included in work programs--they would not succeed if they were handled just as residual activities.

The discussion following Mr. Paijmans presentation focused primarily on the apparent failure of managers to embrace the human resource initiatives. It was felt that this problem largely stemmed from the simple fact that line managers were overloaded with numerous responsibilities. The personnel initiatives on top of operational initiatives such as country focus and the demands imposed by a more complex operating environment were creating a serious problem. When managers looked at each initiative

individually they recognized their value to the institution. But they were overwhelmed by the proliferation of new initiatives which often were poorly explained and introduced with inadequate attention to sequencing. The resulting overload led to stress and an unwillingness among the managers to embrace the initiatives. It also created a situation where the line managers themselves would make decisions on which initiatives they would give priority. It was argued that this was the responsibility of senior management. They and not the line managers would have to determine institutional priorities and to sequence the introduction of initiatives in lines with those priorities.

As the discussion proceeded a concensus emerged that a review was needed of all the initiatives currently underway and planned with a view to establishing institutional priorities. On the basis of the priorities, implementation schedules could be developed that recognized the absortive capacity of the line managers responsible for implementing the initiatives. As a first step, it was agreed that a calendar or matrix of current initiatives would be developed. The purpose of this exercise would be to identify where and when implementation bottlenecks would be encouraged. This analysis would be used as a bases for future Senior Management Council discussion on institutional priorities.

In the discussion of priorities and the sequencing of initiatives it was recognized that any institutional change generated emotional and psychological stress. While some initiatives required long periods of consultation to ensure that everyone had a complete understanding of the objectives and goals of the exercise, others often benefited from quick implementation in order to minimize institutional disruptions. This was particularly relevant in the case of the job grading program. The Council agreed that the program would be controversial and disruptive no matter how long consultations were carried out. In fact, there was a feeling that prolonging the consultation would only breed more opposition to the program. It was felt that the staff should be honestly told that many were presently overgraded and that situation could go on no longer. The consultations would then need to proceed recognizing that they were likely to be quite difficult. In summary the Council recognized the overriding need to establish institutional priorities and to sequence the implementation of new initiatives on the basis of these priorities. But they also recognized the need to reconcile these priorities with a need to implement initiatives in a way so as to minimize the pain and disruption that accompanies major institutional changes.

Closing Remarks

In closing Mr. Clausen said that the retreat had been extremely productive. The tenor of the discussions was refreshing and he saw encouraging signs that Senior Management was beginning to develop an institutional perspective. He said that no one should leave satisfied that questions raised in the discussions had been answered. But a start had been made and he looked forward to addressing some of the issues raised in the discussion over the coming year.

VRSouthworth VRS
March 21, 1984

SENIOR MANAGEMENT COUNCIL

CONFIDENTIAL
March 21, 1984

Minutes of January 6, 1984

Members Present: A. W. Clausen, M. Benjenk, M. Paijmans, A. Krueger, J. L. Dherse, A. Karaosmanouglu, T. Ohuchi, J. Wood, E. H. Rotberg, W. D. Hopper, I. Shihata. M. L. Weiner, H. A. Wuttke, S. S. Husain, K. G. Gabriel, W. C. Baum, W. D. Knox, H. Hittmair, J. Parmar, N. Ardito-Barletta.

Members Absent: M. Qureshi, E. Stern, T. Thahane R. Chaufournier, W. Wapenhans.

1. IDA Briefing

Mr. Benjenk and Mr. Clausen briefed the Council on the status of the IDA-7 negotiations. Just prior to the December Deputies' meeting the US announced that it would only support a $9 billion replenishment. At the meeting the other 32 donors supported a $12 billion figure, essentially isolating the US. The meeting closed without a resolution of the IDA size question and another meeting was scheduled for January 12-13 to address this issue. During the period before the meeting attempts would focus on securing an increased the US contribution. It was recognized however, that the Administration would likely not alter its decision, at least in the short run. So other means of funding the shortfall were being explored.

One option would be to set up a special fund to which donors could contribute on a pro rata basis to help cover the gap between the $9.0 and $12.0 billion figures. The special funds would be administered under IDA's usual rules except only countries contributing to the fund would be eligible to participate. Provisions would also be made for future participation by the US. If the US did participate, the special fund contribution of all donors would be blended into the normal IDA pool. The second alternative would be to have a special fund similar to the current arrangements for 1984. Under these arrangements the contribution will not be to IDA but to a trust fund administered by IDA. Mr. Benjenk said it was important to have some type of special fund to secure amounts close to the $12 billion figure. He added however, that a fund was also necessary to provide a mechanism for a later US contribution in the event the US Congress appropriated more money than was originally requested by the Administration.

Discussions on the special fund option had been going on with the major donors since the Deputies meeting in December. Key elements in the negotiations were the ranking question for Japan and the position of Germany. In Europe, all the donors, except Germany indicated a willingness to contribute provided the others did too. Unfortunately, the Germans were apparently unwilling to contribute more than their pro rata share of a $9 billion IDA. Mr. Clausen said that he had sent a cable to Chancellor Kohl urging him to consider participating in the special fund. He added that efforts would continue before the upcoming Deputies meeting to reach agreement on some type of special funding. Efforts to secure a change in the US position would also continue.

2. The Bank's Future Operational Product

Mr. Husain presented a paper on the Bank's future operational product which would help form the basis for the discussions on the future role of the Bank with the Board. The paper defined the Bank's operational product as a set of relations with developing member countries designed to support their development activities. These relations had become increasingly complex in response to changing economic circumstances and changing perceptions about the development process. While lending remained the centerpiece of Bank activities, the elements associated with lending, such as technical assistance, economic analysis, and advice on economic policy and development strategy had all become more complex and immersed the Bank more deeply in policy concerns. The paper argued that the simple dichotomy between project and non-project lending was no longer relevant. Instead there was a broad spectrum of activities combining physical, institutional, policy and technical assistance objectives to address specific development needs.

The rapidly increasing diversity among developing countries would affect the Bank's program which would have to be varied to match specific capacities and needs. The paper outlined different approaches to country assistance strategies for broad groups of countries. The middle income countries, particularly in Latin American and East Asia, were at one extreme. They possessed a good human resource base and well-established private and public institutions. The private sector was the source of most growth and the countries depended heavily on private capital flows. Economies were sufficiently integrated to ensure that investment and savings decisions could be influenced by macro policy tool. Bank activities in these countries ideally would focus on improving economic management and policies at the macro level rather than at the micro level. Policy based lending such as sector oriented loans and structural adjustment loans would be the major instruments.

At the other extreme were the countries of Sub-Saharan Africa which were characterized by a poor human resource base and rapid population growth. Institutions were weak and the economies were highly fragmented with small and poorly developed private sectors. Because of this fragmentation, responses to macro policy changes were uncertain. The Bank's activities at all levels in these countries would need to be much more intensive than in the middle income countries. They would span a full

range from the project to the macro level and would require a high amount of staff resources per dollar lent. Technical assistance and investment in human resources would be a major part of the Bank's program. The project would remain the major tool for the transfer of financial resources as the countries had limited capacity for project preparation and appraisal required under the sector lending approaches. The policy dialogue would also be substantially different. The capacity of institutions for studies and analysis was limited and the results of policy dialogue could likely be modest and slow in coming.

In its discussion the Council focused on three issues. First was a need to change perceptions in the Board about the nature of the Bank's operations. Discussions on the future role of the Bank would need to focus on broadening and deepening the Board's understanding of the entire range of activities undertaken in member countries. It was pointed out that no new products would be introduced in the Board discussions. Instead the shift in the balance of tools to be used by the Bank would be emphasized.

The Council recognized that traditional project financing was appealing because it produced tangible and quantifiable results. On the other hand, policy oriented assistance yielded benefits that were not easily measured. Thus efforts would be required to develop more effective means of monitoring and evaluating Bank activities in order to demonstrate the impact the policy dialogue and economic work. The Board's perceptions about the cost of the increased emphasis on policy and economic work would also need to be changed. The shift in Bank activities, particularly in West Africa, would involve more staff intensive efforts and standard input output coefficients would no longer be applicable.

In addition, it was suggested that Bank activities be differentiated by economic cycles for the Board discussion. The current cycle required flexible responses such as the special action program to maintain capital flows to high debt developing countries. At another stage on the cycle other responses would be needed and it was suggested that a capacity for cyclical analysis would be required in the planning process. Finally, it was felt that the discussions with the Board would have to establish a firm conceptual link between policy objectives, and project conditionality.

The second issue concerned the Bank's relationship with the Fund and with its clients. Concerning the fund, the Council recognized that crucial overlaps existed and that close collaboration was required at all levels. In most instances, collaboration at the working level had improved substantially in recent years and was now quite good. A suggestion was made that the Fund be invited to participate in the Bank's planning exercise. There was agreement, however, that including the Fund in the current exercise would make it too cumbersome and formalistic. Nevertheless informal consultations between the two staff had been occurring and would continue.

Concerning the Bank's relationship with its borrowers it was noted that the emphasis on macro policy dialogue would make conditionality much more difficult to impose. The conditionality requirements flowing from a macro dialogue would likely have much larger impact and be more

controversial than project or sector specific conditionality. It was observed that the Bank had largely escaped the strains currently affecting relations between the Fund and some of its members. But Bank's emphasis on a macro dialogue could similarly affect the Bank's relationship with its borrowers. It could also create difficulties in obtaining the data necessary to carry out an effective dialogue.

The third issue concerned the Bank's ability to shift its product mix. It was recognized that the Bank would have to assess as realitistically as possible what it could deliver. For instance the emphasis on the policy dialogue assumed that the Bank knew what to tell its borrowers. A better understanding was needed on how to best implement policy reforms to achieve the desired economic transitions. There were also important staffing, administrative and budgetary questions that would need to be addressed in assessing the Bank's capacity to deliver its new products.

In other discussion the Council considered a schedule for further preparatory staff work. The objective would be to complete discussions on the role of the Bank by next year's Annual Meetings. After the meetings, work programs would be developed and proposals for a general capital increase completed by the beginning of calendar 1985. It was recognized, the scheduling for the preparatory staff work was ambitious. It was explained however, that the dates indicated in the schedule were for first draft that would be used to get the discussions underway.

4. Monthly Financial Report for November

Mr. Rotberg said the report for November showed most indicators to be on target. For IBRD disbursements the December results pushed the total above projected level. The December figures, at $1.1 billion disbursed, were the highest ever and it was the first time that disbursements exceeded 50 percent of target during the first half of fiscal year. In contrast disbursements for IDA continued to be slow. End-November estimates of the shortfall were $300 million below the FY84 target of $3.2 million. The report suggested that a drop in disbursements with India was the primary cause. However these figures were questioned by Council members and it was agreed that they would be reviewed.

Net income at $217 million for November was on target despite a shortfall of $30 million due to the appreciation of the dollar. The shortfall was made up by better than expected returns on the investment portfolio. Mr. Rotberg said that $550 million target was still possible. However he cautioned that if the dollar continued to appreciate and borrowing costs rose significantly in second half of the fiscal year it will be difficult to achieve.

IBRD overdues took a significant turn for the worse in December. Overdues of over 60-day rose from $11.7 million in November to $30.9 million in December. In addition to Bolivia and Nicaragua, five more countries including Argentina, Ivory Coast, Sierra Leone, Liberia, and Tanzania would soon have to be put on notice of suspension.

5. Other Business

Budget discussions with the Board. Mr. Wood briefly summarized the discussions with the Board on the budget policy paper and on the budget guidelines. On the budget guidelines some EDs felt that there was not enough information on how the budget allocation had been derived. Some Part I directors also indicated their disappointment that the budget projections no longer showed a decrease in projected growth to the 2% level. Others expressed the feeling that the guidelines were presented in such a way that everything seemed to be additional, i.e., in terms of the growth rate over previous years. Thus the Executive Directors saw no evidence of hard choices being made by managers to fit within the budget guidelines.

Following the Board discussions the guidelines were issued to Bank managers with a request that they indicate where sacrifice would be required to stay within guidelines. Mr. Wood said the Executive Directors would be provided two different budget scenarios, the first would show what program would have to be eliminated to achieve a projected 2 percent growth rate in the budget. The other scenario would demonstrate, at the request of several ED's, the implications for the budget of there being no decision on a general capital increase.

Special Interest Association. Mr. Clausen reported that a number of individuals had recently expressed interest in organizing an advocacy group that would promote the interests of the Bank. In view of the difficulty in securing funding there was a clear need to build public support for the institution. The effort was in the planning stage and two concepts were being considered. The first would be a membership body supported by a small staff. The second approach would be to form a group of business leaders to serve as an executive advisory body similar to IFC advisory group. Mr. Clausen said that it would have to be organized as a free standing group so that it could lobby effectively with Congress. He viewed the group as a tool for building broad support for the institution. In a brief discussion there was some concern about the legal implications of such an advisory group. Mr. Shihata said that he would check into the legal ramifications of establishing the group.

VRSouthworth
March 21, 1984

THE WORLD BANK
Washington, D. C. 20433
U. S. A.

A. W. CLAUSEN
President

RECORD
Senior Management Council

March 8, 1984

To: Members of the Senior Management Council

I will be travelling to Bellagio, Italy, Sudan, Madagascar and Mauritius from March 12 to 27. During my absence, Moeen Qureshi will be acting in my place from March 12 to 13 and Ernest Stern from March 14 to 27.

RECORD For Members' Sec.
Senior Management Council +MC

MANAGING COMMITTEE
and
SENIOR MANAGEMENT COUNCIL

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February 21, 1984

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SENIOR MANAGEMENT COUNCIL

February 1, 1984

Agenda for Friday, February 3, 1984 Meeting at 10:00 a.m.

1. * Basic Personnel Data, G. Kaji, H. Groen.
   1.1 Memo (Paijmans) December 15, 1983 PAD/SMC83-5: Basic Personnel Data

2. * **IFC Five Year Plan, H. Wuttke, K. G. Gabriel.**
   2.1 Report IFC Five Year Program FY85-89, Main Volume February 3, 1984.

3. * Monthly Financial Report, H. Hittmair.
   3.1 Monthly Financial Report December 1983 FIS/MC84-3.

4. * Review of Special Action Program, S. S. Husain.
   4.1 Memo (Stern) Bank's Special Assistance Program - Status Report January 30, 1984 OPS/MC84-3.

5. Selective Capital Increase.
   Oral report by Moeen Qureshi

6. Lunch (E-Building)

* Already distributed

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