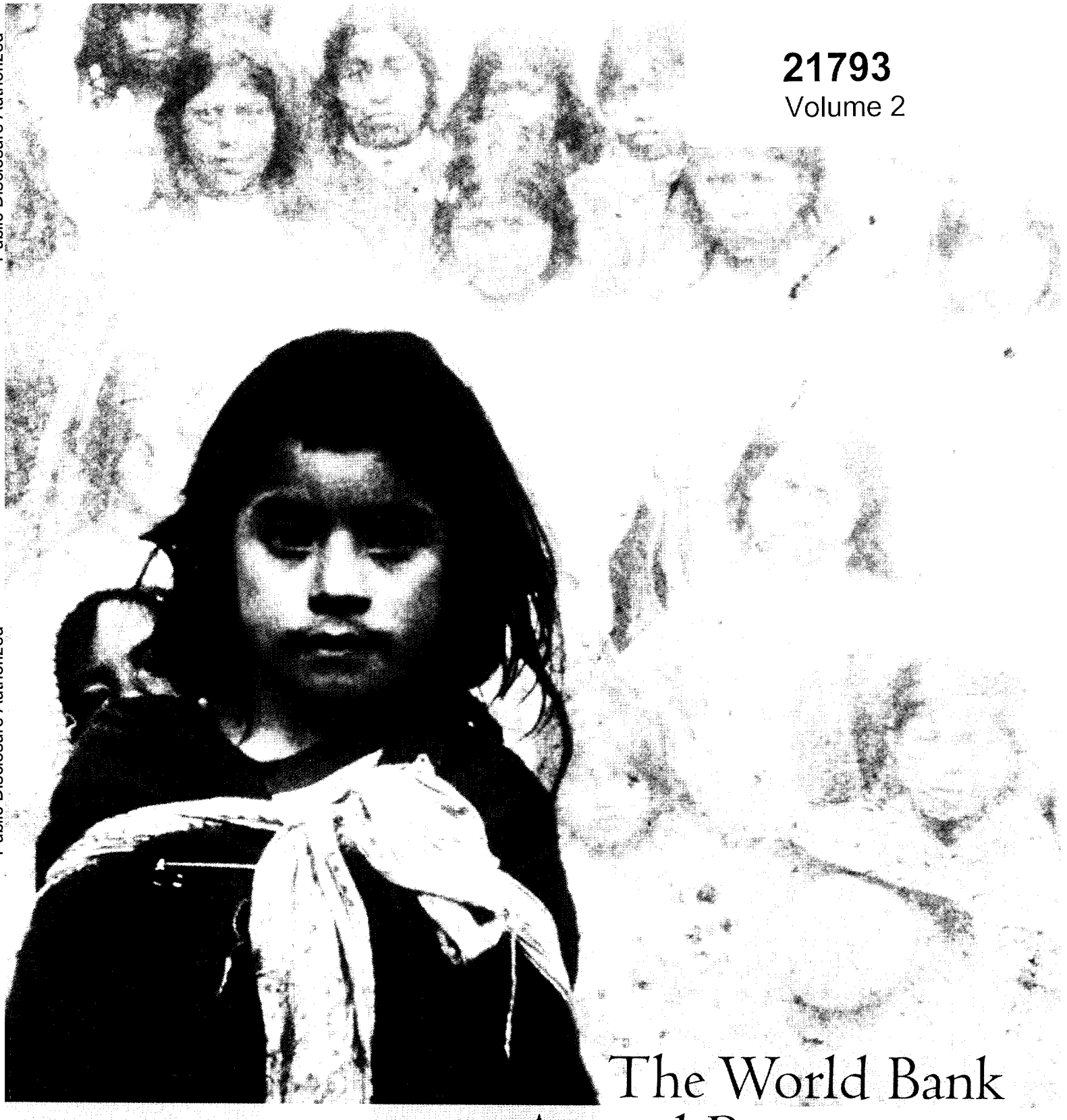

# The World Bank Annual Report 2000

FINANCIAL STATEMENTS AND APPENDIXES
TO THE ANNUAL REPORT

# The World Bank Annual Report 2000

## Financial Statements and Appendixes to the Annual Report

The World Bank
Washington, D.C.

**Note**
The World Bank's *Annual Review and Summary Financial Information* is published as a separate volume and is available on the Internet at www.worldbank.org/annrep/2000.


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# Contents

# Letter of Transmittal

This Annual Report, which covers the period July 1, 1999, to June 30, 2000, has been prepared by the Executive Directors of both the International Bank for Reconstruction and Development (IBRD) and the International Development Association (IDA) in accordance with the respective by-laws of the two institutions. James D. Wolfensohn, President of the IBRD and IDA and Chairman of the Boards of Executive Directors, has submitted this Report, together with accompanying administrative budgets and audited financial statements, to the Board of Governors.

Annual Reports for the International Finance Corporation (IFC), the Multilateral Investment Guarantee Agency (MIGA), and the International Centre for Settlement of Investment Disputes (ICSID) are published separately.

| **Executive Directors** | **Alternates** |
|---|---|
| Khalid M. Al-Saad | Mohamed Kamel Amr |
| Yahya Alyahya | Abdulrahman Almofadhi |
| Ruth Bachmayer | Luc Hubloue |
| Andrei Bugrov | Eugene Miagkov |
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| Stephen Pickford | Myles Wickstead |
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| B. P. Singh | Syed Ahmed |
| Pieter Stek | Tamara Solyanyk |
| Bassary Toure | Paulo F. Gomes |
| Zhu Xian | Chen Huan |

As of June 30, 2000

# International Bank for Reconstruction and Development

# Management's Discussion and Analysis
# June 30, 2000

## Box 1: Selected Financial Data

| | 2000 | 1999 | 1998 | 1997 | 1996 |
|---|---|---|---|---|---|
| **For the Year** *(U.S. $ millions)* | | | | | |
| Loan Income (comprised of) | 8,153 | 7,649 | 6,881 | 7,235 | 7,922 |
| Interest | 8,041 | 7,535 | 6,775 | 7,122 | 7,804 |
| Commitment Charges | 112 | 114 | 106 | 113 | 118 |
| Provision for Loan Losses | 166 | (246) | (251) | (63) | (42) |
| Investment Income | 1,589 | 1,684 | 1,233 | 834 | 720 |
| Borrowing Expenses | (7,128) | (6,846) | (6,144) | (5,952) | (6,570) |
| Net Noninterest Expense | (789) | (723) | (476) | (769) | (843) |
| Net Income | 1,991 | 1,518 | 1,243 | 1,285 | 1,187 |
| **Performance Ratios** *(%)* | | | | | |
| Net Return on Average Earning Assets[a] | 1.34 | 1.05 | 0.96 | 1.02 | 0.89 |
| Gross Return on: | | | | | |
| Average Earning Assets[a] | 6.53 | 6.47 | 6.29 | 6.41 | 6.50 |
| Average Outstanding Loans[a] | 6.71 | 6.58 | 6.43 | 6.62 | 6.78 |
| Average Cash and Investments | 5.74 | 6.00 | 5.63 | 5.02 | 4.47 |
| Cost of Average Borrowings (after swaps) | 5.92 | 5.92 | 6.01 | 6.06 | 6.31 |
| Interest Coverage Ratio | 1.28 | 1.22 | 1.20 | 1.22 | 1.18 |
| Return on Equity | 7.73 | 6.16 | 5.29 | 5.21 | 4.61 |
| Equity Capital-to-Loans Ratio[b] | 21.23 | 20.65 | 21.44 | 22.06 | 21.80 |
| **Total at Year-end** *(U.S. $ millions)* | | | | | |
| Total Assets | 227,810 | 230,445 | 204,808 | 161,786 | 151,837 |
| Cash and Liquid Investments[c] | 24,331 | 30,122 | 24,837 | 18,250 | 15,990 |
| Loans Outstanding | 120,104 | 117,228 | 106,576 | 105,805 | 110,246 |
| Accumulated Provision for Loan Losses | (3,400) | (3,560) | (3,240) | (3,210) | (3,340) |
| Borrowings Outstanding[d] | 110,379 | 115,739 | 103,477 | 96,679 | 96,719 |
| Total Equity | 29,289 | 28,021 | 26,514 | 27,228 | 28,300 |

*a. Includes income from commitment charges.*
*b. See Section 5: Funding Resources, Equity for additional discussion.*
*c. Includes investments designated as held-to-maturity for fiscal years 1996-98.*
*d. Outstanding borrowings, before swaps, net of premium/discount.*

Throughout Management's Discussion and Analysis, terms in **boldface** type are defined in the Glossary of Terms on page 25.

**The Management's Discussion and Analysis may contain forward looking statements. Such statements are based on current expectations which are subject to risks and uncertainties. Consequently, actual results could differ materially from those currently anticipated.**

## 1. FINANCIAL OVERVIEW

The International Bank for Reconstruction and Development (IBRD) is an international organization established in 1945 and is owned by its member countries. IBRD's main goal is reducing poverty by promoting sustainable economic development. It pursues this goal primarily by providing loans, guarantees and related technical assistance for projects and programs in its developing member countries. IBRD's ability to intermediate funds from international capital markets for lending to its developing member countries is an important element in achieving its development goals. IBRD's objective is not to maximize profit, but to earn adequate net income to ensure its financial strength and to sustain its development activities. **Box 1** presents selected financial data for the last five fiscal years.

The financial strength of IBRD is based on the support it receives from its shareholders and on its array of financial policies and practices. Shareholder support for IBRD is reflected in the capital backing it has received from its members and in the record of its borrowing members in meeting their debt-service obligations to it. IBRD's financial policies and practices have led it to build reserves, to diversify its funding sources, to hold a large portfolio of liquid investments, and to limit a variety of risks, including credit, market and liquidity risks.

IBRD's principal assets are its loans to member countries. The majority of IBRD's outstanding loans are priced on a cost pass-through basis, in which the cost of funding the loans, plus a lending spread, is passed through to the borrower.

To raise funds, IBRD issues debt securities in a variety of currencies to both institutional and retail investors. These borrowings, together with IBRD's equity, are used to fund its lending and investment activities, as well as general operations.

IBRD holds its assets and liabilities primarily in U.S. dollars, euro (and its national currency units), and Japanese yen. IBRD mitigates its exposure to exchange rate risks by matching the currencies of its assets with those of its liabilities and reserves; however, the reported levels of its assets, liabilities and income in the financial statements are affected by exchange rate movements of major currencies compared to IBRD's reporting currency, the U.S. dollar. This financial statement reporting effect does not impact IBRD's **risk bearing capacity**.

FY 1998 and FY 1999 were marked by unprecedented growth in the loan portfolio as IBRD responded to the financial crisis that had begun in East and Southeast Asia and spread to other parts of the developing world. While the global financial crisis led to an increase in lending activity in FY 1998 and FY 1999, the number of loans and the volume of lending commitments fell sharply in FY 2000, returning to pre-crisis levels. This decline was due partly to the recovery from financial crises and country specific circumstances. Many of the borrowers directly affected by the financial crisis have stabilized, in part because of the quick and flexible response of the international community. Lower commitments also reflected a general trend in demand from borrowers for smaller average lending operations.

In the context of assessing changes in IBRD's operating environment, it is management's practice to recommend each year the allocation of net income to augment reserves, waivers of loan charges to eligible borrowers, and grants from net income to support developmental activities.

As part of this annual review, in July 1998, IBRD's Executive Directors took several actions to augment its financial capacity. These measures included increasing the contractual charges on **new loans**, and reducing the interest waiver for FY 1999 from 25 basis points to 5 basis points on **old loans**. These pricing changes effectively brought the net spread for FY 1999 to 45 basis points on **old loans** and to 50 basis points on **new loans**. Also, a front-end fee of 100 basis points, payable for each such loan at the time it becomes effective, was introduced. In July 1999, the Executive Directors allocated $955 million of FY 1999 income to reserves and maintained the FY 1999 loan pricing strategy and interest waivers for FY 2000.

FY 2000 net income was $1,991 million, $473 million higher than the preceding year. An FY 2000 reduction in the loan loss provision contributed $412 million to this increase. Income was further bolstered by the impact of interest rate resets on loans. These increases to net income were partially offset by the absence in FY 2000 of a one time gain of $237 million, resulting from the liquidation in FY 1999 of the held-to-maturity portfolio.

On August 1, 2000, the Executive Directors approved the allocation of $1,280 million of FY 2000 net income to reserves, and recommended to IBRD's Board of Governors the transfer of $635 million from unallocated net income to other development purposes, and that the remainder be retained as surplus. For FY 2001, an increase to 15 basis points in the interest waiver was approved for **old loans** so that the net lending spread will be 35 basis points. For **new loans**, the interest waiver of 25 basis points was maintained. FY 2001 waivers of commitment charges were also maintained at the FY 2000 level.

IBRD continues to evaluate alternative strategies to enhance its **risk-bearing capacity** to ensure that it can respond to borrowers as needed, while preserving its financial strength.

## 2. DEVELOPMENT ACTIVITIES

IBRD offers loans, related hedging products, and guarantees to its borrowing member countries to help meet their development needs. It also provides tech-

nical assistance and other services to support poverty reduction in these countries.

## Loans

From its establishment through June 30, 2000, IBRD had approved loans, net of cancellations, totaling $309,839 million to borrowers in 129 countries. The loans held by IBRD, including loans approved but not yet effective, at June 30, 2000, totaled $164,858 million, of which $120,104 million was outstanding and $44,754 million was undisbursed. Cumulative loan repayments at June 30, 2000, based on U.S. dollar equivalents at the time of receipt, were $141,265 million.

The amount of loans outstanding at June 30, 2000 was $2,876 million higher than that at June 30,1999. The increase is primarily attributable to net disbursements of $2,750 million.

During FY 2000, commitments of new loans to member countries were $10,919 million, down from $22,182 million in FY 1999. In FY 1998 and FY 1999, IBRD's commitments had reached unprecedented levels. FY 2000 commitments have declined from these levels, most notably in adjustment lending. Three types of factors have contributed to this decrease in lending commitments:

- *Cyclical Factors*: Emerging market economies have stabilized after the global financial crisis;
- *Long-term Factors:* There is a continuing trend toward smaller average project size;
- *Country-specific Factors:* A number of country-specific factors such as political transitions, conflicts, and country performance.

Compared to the preceding fiscal year, the relative regional composition of commitments in FY 2000 shifted away from East Asia and slightly more towards Eastern Europe, Central Asia and Latin America.

Under IBRD's Articles of Agreement (the Articles), as applied, the total amount outstanding of direct loans made by IBRD, participation in loans and callable guarantees may not exceed the **statutory lending limit**. At June 30, 2000, outstanding loans and callable guarantees (net of the accumulated loan loss provision) totaled $117,181 million, equal to 57% of the **statutory lending limit**.

IBRD's lending operations have conformed generally to five principles derived from its Articles. These principles, taken together, seek to ensure that IBRD loans are made to member countries for financially and economically sound purposes to which those countries have assigned high priority, and that funds lent are utilized as intended. The five principles are described in **Box 2**. Within the scope permitted by the Articles, application of these principles must be developed and adjusted in light of experience and changing conditions.

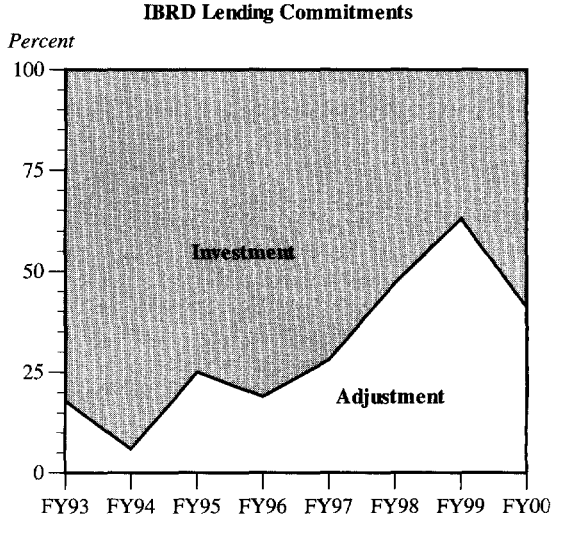
The process of identifying and appraising a project and approving and disbursing a loan often extends over several years. However, on numerous occasions IBRD has shortened the preparation and approval cycle in response to emergency situations such as natural disasters in Turkey and Central America, as well as the financial crisis in Asia.

Generally, the appraisal of projects is carried out by IBRD's operational staff (engineers, financial analysts, economists and other sector and country specialists). With certain exceptions, each loan must be approved by IBRD's Executive Directors (See Box 3, *Adaptable Program Loans* and *Learning and Innovation Loans*). Loan disbursements are subject to the fulfillment of conditions set out in the loan agreement. During project implementation, IBRD staff with experience in the sector or the country involved periodically visit project sites to review progress, monitor compliance with IBRD policies and assist in resolving any problems that may arise. After completion, projects are evaluated by an independent unit and the findings reported directly to the Executive Directors to determine the extent to which the project's major objectives were met. Similar appraisal, approval, supervision and evaluation procedures apply in the case of IBRD adjustment and other non-project loans.

### *Lending Instruments*

IBRD lending generally falls into one of two categories: investment or adjustment lending. Historically, most IBRD loans have been for investment projects or programs. **Figure 1** presents IBRD lending by category for the last eight fiscal years, as a percentage of total loans approved.

**Figure 1:**



**Box 2: Lending Operations Principles**

(i) IBRD makes loans to governments, governmental authorities or private enterprises in the territories of member countries. A loan that is not made directly to the member in whose territories the project is located must be guaranteed as to principal, interest and other charges by the member or its central bank or a comparable agency of the member acceptable to IBRD. A guarantee by the member itself has been obtained in all such cases to date.

(ii) IBRD's loans are designed to promote the use of resources for productive purposes in its member countries. Projects financed by IBRD loans are required to meet IBRD's standards for technical, economic, financial, institutional and environmental soundness.

(iii) In making loans, IBRD must act prudently and pay due regard to the prospects of repayment. Decisions to make loans are based upon, among other things, studies by IBRD of a member country's economic structure, including assessments of its resources and ability to generate sufficient foreign exchange to meet debt-service obligations.

(iv) IBRD must be satisfied that in the prevailing market conditions (taking into account the member's overall external financing requirements), the borrower would be unable to obtain financing under conditions which, in the opinion of IBRD, are reasonable for the borrower. IBRD is intended to promote private investment, not to compete with it.

(v) The use of loan proceeds is supervised. IBRD makes arrangements to ensure that funds loaned are used only for authorized purposes and, where relevant, with due attention to considerations of cost-effectiveness. This policy is enforced primarily by requiring borrowers (a) to submit documentation establishing, to IBRD's satisfaction, that the expenditures financed with the proceeds of loans are made in conformity with the applicable lending agreements and (b) to maximize competition in the procurement of goods and services by using, wherever possible, international competitive bidding or, when it is not appropriate, other procedures that ensure maximum economy and efficiency.

Current operating guidelines state that adjustment lending, excluding debt and debt-service reduction loans, will normally not exceed 25% of total IBRD lending. This guideline was established with the understanding that it was likely to be exceeded if world economic conditions worsened. This guideline is not a rigid limit but rather a trigger for a reevaluation of such lending. As a result of several large adjustment loans made by IBRD during FY 1999, 63% of IBRD's lending in that year consisted of such loans (47% for FY 1998). In FY 2000, this proportion decreased to 41% as fewer adjustment loans were necessary. The lower commitments for adjustment lending reflect the general improvement in global financial circumstances compared to the two prior fiscal years. The Executive Directors are aware that, in light of recent financial circumstances in the world, the guideline has been exceeded in recent years, and may possibly be exceeded again in subsequent years.

**Investment Lending**

IBRD has several lending instruments that support investment activities, either discrete projects or programs of investment. Investment lending committed for FY 2000 totaled $6,493 million ( $8,245 million—FY 1999; $11,151 million—FY 1998). **Box 3** presents a description of each investment lending instrument and a breakdown of IBRD's investment lending approved in FY 2000 and in each of the two preceding fiscal years.

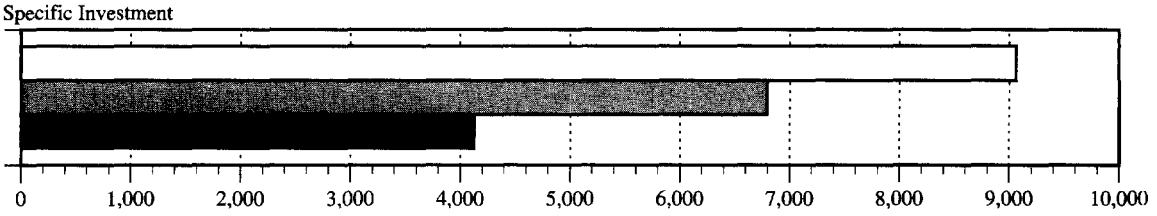
**Adjustment Lending**

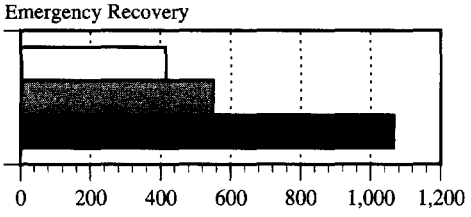
IBRD also makes adjustment loans designed to support the introduction of basic changes in economic, financial and other policies of key importance for the economic development of member countries. Disbursements on these loans are conditioned on certain performance objectives. Adjustment lending committed for FY 2000 totaled $4,426 million ( $13,937 million—FY 1999; $9,935 million—FY 1998.) **Box 4** provides a description of each adjustment lending instrument and the details of IBRD's adjustment lending approved in FY 2000 and each of the two preceding fiscal years.

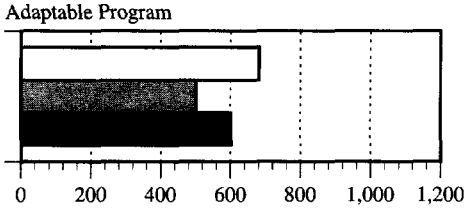
**Enclave Lending**

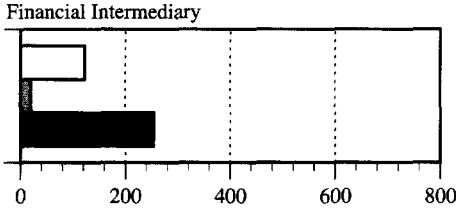
On rare occasions, IBRD will lend for a large, foreign exchange generating project in a member country usually eligible only for loans from the International Development Association (IDA). In these circumstances appropriate risk mitigation measures are incorporated (including off-shore escrow accounts and debt-service reserves acceptable to IBRD) to ensure that the risks to IBRD are minimized. At June 30, 2000, IBRD had $170 million in outstanding loans for enclave projects. In FY 2000, IBRD approved enclave loans totalling $93 million.

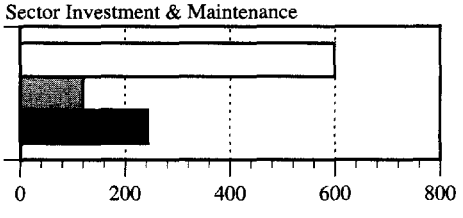
## Box 3: Investment Lending (in millions of U.S. dollars)

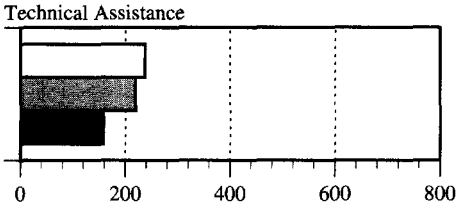


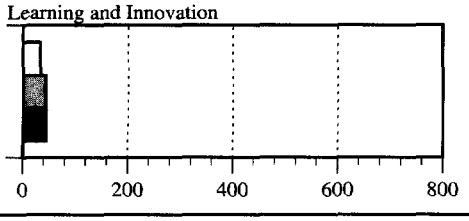



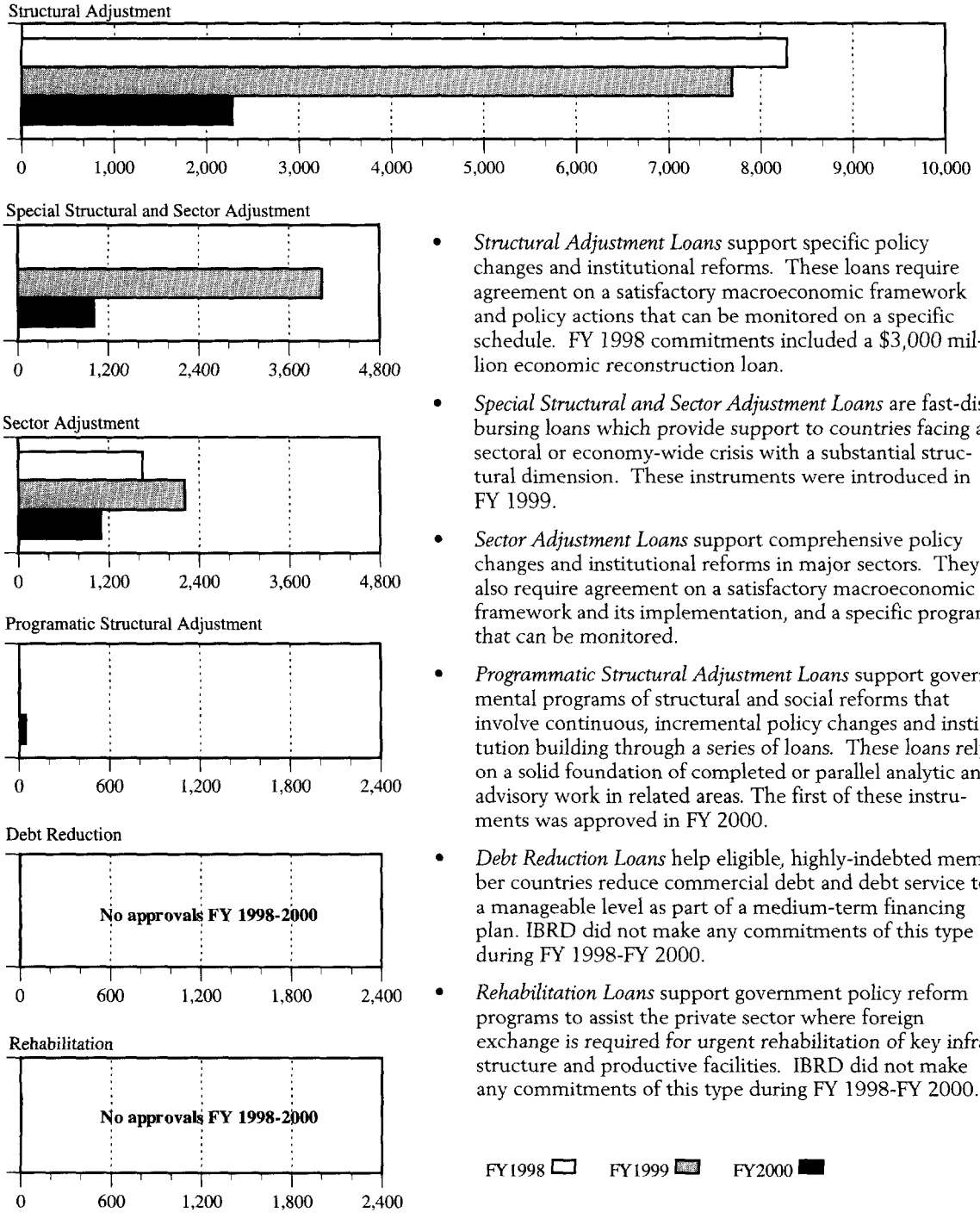




- *Specific Investment Loans* fund the creation, rehabilitation and maintenance of economic, social and institutional infrastructure.
- *Emergency Recovery Loans* restore assets and productivity immediately after a major emergency (such as war, civil disturbance, or natural disaster) that seriously disrupts a member country's economy.
- *Adaptable Program Loans* provide phased support for long-term development programs through a series of operations. Succeeding operations are committed on the basis of satisfactory performance on agreed milestones, indicators, periodic reviews, and the evaluation of implementation progress and emerging needs. Authority for approval of subsequent adaptable program loans under programs approved by the Executive Directors is with IBRD's management, subject to oversight and review by the Executive Directors.
- *Financial Intermediary Loans* provide long-term resources to local financial institutions, helping to develop sound financial sector policies and institutions, promoting the operational efficiency of those institutions, and improving the terms of credit available to enterprises and households.
- *Sector Investment and Maintenance Loans* aim to bring sector expenditures, policies and performance in line with a country's development priorities.
- *Technical Assistance Loans* are used to build institutional capacity in the borrowing country. They are used to build capacity in entities concerned with promoting economic and social development, as well as public sector reform.
- *Learning and Innovation Loans* support small, pilot-type investment and capacity-building projects that, if successful, could lead to larger projects that would mainstream the learning and results of the loan. These loans do not exceed $5 million and are normally implemented over two to three years. Approvals of specific individual loans are at the management level rather than at the Executive Director level.

FY1998 FY1999 FY2000

## Box 4: Adjustment Lending (in millions of U.S. dollars)




- *Structural Adjustment Loans* support specific policy changes and institutional reforms. These loans require agreement on a satisfactory macroeconomic framework and policy actions that can be monitored on a specific schedule. FY 1998 commitments included a $3,000 million economic reconstruction loan.
- *Special Structural and Sector Adjustment Loans* are fast-disbursing loans which provide support to countries facing a sectoral or economy-wide crisis with a substantial structural dimension. These instruments were introduced in FY 1999.
- *Sector Adjustment Loans* support comprehensive policy changes and institutional reforms in major sectors. They also require agreement on a satisfactory macroeconomic framework and its implementation, and a specific program that can be monitored.
- *Programmatic Structural Adjustment Loans* support governmental programs of structural and social reforms that involve continuous, incremental policy changes and institution building through a series of loans. These loans rely on a solid foundation of completed or parallel analytic and advisory work in related areas. The first of these instruments was approved in FY 2000.
- *Debt Reduction Loans* help eligible, highly-indebted member countries reduce commercial debt and debt service to a manageable level as part of a medium-term financing plan. IBRD did not make any commitments of this type during FY 1998-FY 2000.
- *Rehabilitation Loans* support government policy reform programs to assist the private sector where foreign exchange is required for urgent rehabilitation of key infrastructure and productive facilities. IBRD did not make any commitments of this type during FY 1998-FY 2000.

### *Financial Terms of Loans*

In recent years, IBRD has offered new loans with three types of financial terms: multicurrency pool loans, variable-spread single currency loans, and fixed-rate single currency loans. Beginning September 1, 1999, IBRD also made available a new **LIBOR**-based fixed spread loan product and, effective December 1, 1999, the offer of fixed-rate single currency loans was terminated. This choice of financial terms is intended to provide borrowers with the flexibility to select terms that are both compatible with their debt management strategy and suited to their debt-servicing capability. Most multicurrency pool loans and variable spread single currency loans mature over a period that ranges from fifteen to twenty years and carry a three- to five-year grace period for principal. While fixed-spread loans offer more flexible repayment terms, this flexibility is subject to limits aimed at maintaining a similar average loan maturity across all loan products for a given borrower.

For most products, IBRD charges a lending rate composed of its average cost of borrowings plus a spread. Until July 31, 1998, that spread was 50 basis points. However, during the first quarter of fiscal year 1999, the lending spread was increased to 75 basis points for **new loans**. Also, a front-end fee of 100 basis points, payable for each such loan at the time it becomes effective, was introduced. In addition, most loans carry a commitment charge of 75 basis points on undisbursed amounts. However, the fixed-spread loans carry a commitment charge of 85 basis points for the first four years and 75 basis points thereafter.

Waivers of a portion of interest owed by all eligible borrowers are determined annually and have been in effect for each of the previous nine fiscal years. Waivers of a portion of the commitment charge owed on the undisbursed portion of loans are also determined annually and have been in effect for each of the last eleven fiscal years. For interest periods beginning during FY 2000, the interest waiver was 5 basis points for **old loans** and 25 basis points for **new loans**. The commitment charge waiver for FY 2000 was 50 basis points on all loans. Interest waivers for FY 2001 are 25 basis points for **new loans** and 15 basis points for **old loans**. Commitment charge waivers for FY 2001 remain at 50 basis points. Further details are provided in the Notes to Financial Statements-Note C.

#### Multicurrency Pool Loans

The currency composition of multicurrency pool loans is determined on the basis of a pool, which provides a currency composition that is the same for all loans in the pool. Pursuant to a policy established by the Executive Directors and subject to their periodic review, at least 90% of the U.S. dollar equivalent value of the pool is in a fixed ratio of one U.S. dollar to 125 Japanese yen to one euro.

The lending rate on these cost pass-through loans is variable, adjusted every six months to reflect the previous semester's average cost of outstanding borrowings allocated to fund these loans, weighted by the average currency composition of the pool. IBRD adds its lending spread to that average cost.

#### Multicurrency Pool Loan Conversion Options

In FY 1997, in response to borrower demand for broader currency choice, the Executive Directors approved the offer of currency choice for all IBRD multicurrency pool loans for which the invitation to negotiate was issued before September 1, 1996. The purpose of this invitation was to provide borrowers the flexibility to amend the terms of their existing multicurrency pool loans to reflect their choice of the offered currencies by converting multicurrency pool loans to single currency loan terms or single currency pool terms. Those options expired on July 1, 1998. Single currency pool terms are not available for new commitments.

#### Single Currency Loans

For new commitments, borrowers may select **LIBOR**-based, variable spread single currency terms. Fixed-rate single currency loan terms were available for loans if the invitation to negotiate was issued before December 1, 1999.

*Variable-Spread Single Currency Loans*

IBRD currently offers variable-spread single currency loans in U.S. dollars, Japanese yen, euro, pounds sterling and Swiss francs, and will consider borrower requests for loans in other currencies. Variable-spread single currency loans carry a lending rate that is reset semi-annually. The lending rate consists of a base rate, which is **LIBOR** for the applicable currency plus a spread. The spread consists of: (a) IBRD's weighted average cost margin for funding for the preceding semester allocated to these loans relative to **LIBOR**; and (b) IBRD's lending spread. These variable rate loans are designed to pass IBRD's funding spread to **LIBOR** through to its borrowers. This spread is set every six months, in January and July. At June 30, 2000, the proportion of outstanding variable-spread single currency loans denominated in U.S. dollars was 96.1% (92.3% at June 30, 1999).

*Non-standard Single Currency Loans*

In response to the global financial crises, IBRD approved and disbursed several large loans totaling $7,000 million on non-standard single currency loan terms during FY 1998 and FY 1999. These loans carry a six-month U.S. dollar **LIBOR** interest rate plus a fixed spread ranging from 75 to 100 basis points and a front-end fee. None of these loans is eligible for waivers of interest or commitment charges.

Subsequent to the disbursement of these loans, during FY 1999 IBRD introduced a new type of loan tailored

to be part of a broad financial support package for borrowing countries. These special structural and sector adjustment loans also carry non-standard single currency loan terms. As of June 30, 2000, IBRD had approved a total of $5,051 million of special structural or sector adjustment loans. At June 30, 2000, $4,051 million of this amount had been disbursed. Their terms include a six-month U.S. dollar **LIBOR** interest rate plus a minimum fixed spread, currently set at 400 basis points, which may vary for new loans over time depending on IBRD's overall risk-bearing capacity and market conditions. These loans have a five year maturity with a three-year grace period on principal, and a front-end fee of one percent of the principal amount payable on effectiveness. Special structural and adjustment loans are not eligible for waivers of interest or commitment charges.

*Fixed-rate Single Currency Loans*

As of December 1, 1999, fixed-rate single currency loans were no longer available for new commitments. Fixed-rate single currency loans carry lending rates that are set on specified semi-annual rate fixing dates for amounts disbursed during the preceding six months. The lending rate consists of a base rate, which reflects market interest rates for the applicable currency on the rate-fixing date for the equivalent loan maturity, plus a spread. The spread consists of: (a) IBRD's funding cost margin relative to the base rate for these loans; (b) a risk premium to compensate IBRD for market risks it incurs in funding these loans; and (c) IBRD's lending spread.

**Fixed-Spread Loans**

During the first quarter of FY 2000, IBRD introduced the fixed-spread loan, designed in response to the borrowers' desire for more flexible financial products. Fixed-spread loans can be tailored to meet the needs of individual projects and programs and support borrowers' debt management strategies. Fixed-spread loans are currently offered in U.S. dollars, Japanese yen and euro. Requests for other currencies will also be considered.

These fixed-spread loans carry an interest rate of **LIBOR**, plus a spread that is fixed at loan signing for the life of the loan. At June 30, 2000, the fixed spread was 55 basis points for U.S. dollar and euro denominated loans and 45 basis points for Japanese yen. The fixed spread consists of (a) IBRD's projected funding cost margin relative to U.S. dollar **LIBOR**, with a basis swap adjustment for non-U.S. dollar loans; (b) a market risk premium of 5 basis points; and (c) IBRD's standard lending spread. The fixed-spread offered will be evaluated from time to time and may be reset when market changes warrant. Fixed-spread loans carry IBRD's standard loan charges for new commitments, including a 100 basis point front-end fee on the loan amount and a 75 basis point commitment fee on undisbursed loan amounts. In addition, these loans carry a commitment charge risk premium of 10 basis points on undisbursed loan amounts for the first four years of the loan's life. This premium, along with the market risk premium in the interest spread, compensates IBRD for funding and refinancing risk.

Borrowers selecting this product may change the currency or interest rate basis over the life of the loan and have more flexibility in selecting loan maturities. Effective February 1, 2000, a borrower may choose to include the following conversion features in the loan contract:

- option to change the currency at market rates of all or a part of the undisbursed or disbursed loan amounts (for a fee);
- option to fix the interest rate at market rates on all or a part of the disbursed amounts (without charge) for rate fixings for up to the full maturity of the loan, and for amounts up to the outstanding loan amount;
- option to unfix or re-fix the interest rate at market rates on all or part of disbursed loan amounts (for a fee);
- option to cap or collar the floating interest rate on all or a part of disbursed loan amounts (for a fee).

Transaction fees range from 12.5 to 25 basis points of the notional transaction amount. Repayment terms are more flexible than for prior products, subject to certain constraints on the average repayment maturity and final maturity on a country basis. Within these constraints, borrowers have flexibility to configure grace periods and maturity profiles in a manner consistent with the purpose of the loan. Repayment profiles may be level repayment of principal, an annuity type schedule, a bullet repayment or a customized schedule. Repayment profiles cannot be changed after a loan is signed. **Table 1** presents a breakdown of IBRD's loan portfolio by loan product.

**Table 1:**

*In millions of U.S. dollars*

| Loan Product | FY 2000 Principal Balance | FY 2000 As a % of Total Loans | FY 1999 Principal Balance | FY 1999 As a % of Total Loans | FY 1998 Principal Balance | FY 1998 As a % of Total Loans |
|---|---|---|---|---|---|---|
| Adjustable-rate Multicurrency Pool Loans | | | | | | |
| Outstanding | $ 35,542 | 30 | $ 37,203 | 32 | $ 56,274 | 53 |
| Undisbursed | 4,567 | 10 | 6,344 | 12 | 8,765 | 17 |
| Single Currency Pool Loans | | | | | | |
| Outstanding | 35,422 | 29 | 40,693 | 35 | 25,658 | 24 |
| Undisbursed | 241 | 1 | 374 | * | 131 | * |
| Variable-Spread Single Currency Loans[a] | | | | | | |
| Outstanding | 33,078 | 28 | 25,462 | 22 | 15,018 | 14 |
| Undisbursed | 29,486 | 66 | 33,862 | 66 | 29,801 | 58 |
| Fixed-Rate Single Currency Loans | | | | | | |
| Outstanding[b] | 13,636 | 11 | 11,238 | 9 | 5,683 | 5 |
| Undisbursed | 8,273 | 18 | 10,787 | 21 | 12,356 | 24 |
| Fixed-Spread Loans | | | | | | |
| Outstanding | 968 | 1 | | | | |
| Undisbursed | 2,187 | 5 | | | | |
| Other Loans | | | | | | |
| Outstanding | 1,458 | 1 | 2,631 | 2 | 3,943 | 4 |
| Undisbursed | — | — | 5 | * | 12 | * |
| Total ** | | | | | | |
| Outstanding loans | $120,104 | 100 | $117,228 | 100 | $106,576 | 100 |
| Undisbursed loans | $ 44,754 | 100 | $ 51,372 | 100 | $ 51,065 | 100 |

a. *Of which single currency loans with non-standard terms represent $10,801 million outstanding ($9,035 million—June 30, 1999 and $5,000 million—June 30, 1998). At June 30, 2000, $1,000 million was undisbursed.*

b. *Includes fixed-rate single currency loans for which the rate had not yet been fixed at fiscal year-end.*

* *Indicates amounts less than 0.5%.*

** *May differ from the sum of individual figures due to rounding.*

For more information, see the Notes to Financial Statements-Note C.

## Hedging Products

Along with the approval of the introduction of the fixed-spread loan product, IBRD also approved the offer of new hedging products for its borrowers to respond to their needs for access to better risk management tools. These products assist borrowers in hedging their risks on individual loans made to them by IBRD. These hedging products include interest rate and currency swaps, and interest rate caps and collars. On a case-by-case basis, commodity-linked swaps may also be considered.

Each request from a borrower for execution of a hedging product must include an explanation of its suitability for risk management purposes. IBRD will serve as a financial intermediary, passing through the market cost of the instrument to the borrower, and will charge an administrative fee which varies from 12.5 to 37.5 basis points of the notional principal involved. These instruments may be executed either under a master derivatives agreement which substantially conforms to industry standards, or in individually negotiated transactions. IBRD is in the process of making these instruments available.

## Guarantees

IBRD offers guarantees on loans from private investors for projects in countries eligible to borrow from IBRD. In exceptional cases, IBRD may offer enclave guarantees for loans for foreign-exchange generating projects in a member country usually eligible only for credits from IDA. IBRD guarantees are flexible instruments that provide the credit enhancement required to mobilize private sector financing for individual projects through targeted and limited support, thus enhancing IBRD's developmental impact by catalyzing private sector participation. On a pilot basis, guarantees are being made available to support agreed-upon policies and reforms in certain member countries. IBRD applies the same country creditworthiness and project evaluation criteria to guarantees as it applies to loans. Projects in any member country that is eligible for IBRD lending are also eligible for IBRD guarantees.

IBRD guarantees can be customized to suit varying country and project circumstances. They can be targeted to mitigate specific risks, generally risks relating to political, regulatory and government performance, which the private sector is not normally in a position to absorb or manage. Three basic types of guarantees are offered:

- *Partial risk guarantees* cover debt-service defaults on a loan that may result from nonperformance of government obligations. These are defined in the contracts negotiated between the government or a government-sponsored entity and the private company responsible for implementing the project. The IBRD guarantee is limited to backing the government's obligations; the obligations of the private company contained in the project agreements are not covered and thus the private lenders assume the risk of nonperformance by the private company.
- *Partial credit guarantees* are used for public sector projects when there is a need to extend loan maturities and guarantee specified interest or principal payments on loan to the government or its instrumentalities. This approach may be most appropriate when the lenders are not willing to accept the sovereign risk of the host government for a term long enough to meet the needs of the project. By guaranteeing later maturities, such partial credit guarantees help induce the market to extend the term to the maximum risk it can bear.
- *Policy-based guarantees* are partial credit guarantees that cover a portion of debt-service on a borrowing by an eligible member country from private foreign creditors in support of agreed structural, institutional and social policies and reforms. These guarantees are an extension of partial credit guarantees for projects. The guaranteed portion of the debt-service could consist of a combination of interest and principal payments, but the actual structure is determined on a case-by-case basis. Eligibility for IBRD adjustment lending is a necessary condition for eligibility for this type of instrument. The terms of this instrument are the same as project-based partial credit guarantees. Maturity and level of fees will be standard if the guarantee is made in situations comparable to those under which a structural adjustment loan would be made; however, if the guarantee is made in connection with a special structural adjustment loan, then it will be at special structural adjustment loan equivalent terms. This guarantee product was launched in FY 1999. Initially, IBRD is proceeding with a pilot program of up to $2,000 million. Once the $2,000 million level is reached, the Executive Directors will review the program. At June 30, 2000, IBRD had approved guarantees of $250 million under this program.

IBRD may also provide partial risk guarantees for export-oriented projects in an IDA-only country (enclave guarantees) if the project is expected to generate foreign exchange outside the country, and IBRD determines that the country will have adequate foreign exchange to meet its obligations under the counter-guarantee if the guarantee is called. A project covered by an enclave guarantee includes security arrangements with appropriate risk mitigation measures, such as offshore revenue escrow accounts and debt-service reserves acceptable to IBRD, to minimize IBRD's exposure and the risk of a call on the guarantee. The commitment of enclave guarantees is initially limited to an aggregate guaranteed amount of $300 million.

Each guarantee requires the counter-guarantee of the member government. Guarantees are priced within a limited range to reflect the risks involved, and preparation fees may be charged where there are exceptional costs involved for IBRD. IBRD prices guarantees consistent with the way it prices its loans.

IBRD's exposure at June 30, 2000 on its guarantees (measured as their present value in terms of their first call date) was $1,376 million. For additional information see the Notes to Financial Statements-Note C.

## Other Activities

*Consultation:* In addition to its financial operations, IBRD provides technical assistance to its member countries, both in connection with, and independently of, loan operations. There is a growing demand from borrowers for strategic advice, knowledge transfer, and capacity building. Such assistance includes assigning qualified professionals to survey developmental opportunities in member countries, analyzing their fiscal, economic and developmental environment, assisting member countries in devising coordinated development programs, appraising projects suitable for investment and assisting member countries in improving their asset and liability management techniques.

*Research and Training:* To assist its developing member countries, IBRD—through the World Bank Institute—provides courses and other training activities related to economic policy development and administration for governments and organizations that work closely with IBRD. The World Bank Institute also makes contributions for research and other developmental activities.

*Trust Fund Administration:* IBRD, alone or jointly with IDA, administers on behalf of donors, funds restricted for specific uses. These funds are held in trust and are not included in the assets of IBRD. See the Notes to Financial Statements-Note H.

*Investment Management*: IBRD has leveraged its treasury management capacity and infrastructure to provide investment management services to an external institution for a fee. These funds are not included in the assets of IBRD.

## 3. FINANCIAL RISK MANAGEMENT

IBRD assumes various kinds of risk in the process of providing development banking services. Its activities can give rise to four major types of financial risk: credit risk; market risk (interest rate and exchange rate); liquidity risk; and operating risk. The major inherent risk to IBRD is country credit risk, or loan portfolio risk.

The risk management governance structure includes an Asset/Liability Management Committee chaired by the Chief Financial Officer. This committee makes decisions and recommendations to senior management in the areas of financial policy, the adequacy and allocation of risk capital, and oversight of financial reporting. The Market Risk and Currency Management Subcommittee reports to the Asset/Liability Management Committee. This subcommittee develops and monitors the policies under which market and commercial credit risks faced by IBRD are measured, reported and managed. The subcommittee also monitors compliance with policies governing commercial credit exposure and currency management. Specific areas of activity include establishing guidelines for limiting balance sheet and market risks, the use of derivative instruments, and monitoring matches between assets and their funding.

For the day-to-day management of financial risk, IBRD's risk management structure extends into its business units. Risk management processes have been established to facilitate, control and monitor risk-taking. These processes are built on a foundation of initial identification and measurement of risks by each of the business units.

The processes and procedures by which IBRD manages its risk profile continually evolve as its activities change in response to market, credit, product, and other developments. The Executive Directors periodically review trends in IBRD's risk profiles and performance, as well as any significant developments in risk management policies and controls.

### Credit Risk

Credit risk, the risk of loss from default by a borrower or counterparty, is inherent in IBRD's development activities. Under the direction of the Asset/Liability Management Committee, policies and procedures for measuring and managing such risks are formulated, approved and communicated throughout IBRD. Senior managers represented on the committee are responsible for maintaining sound credit assessments, addressing transaction and product risk issues, providing an independent review function and monitoring the loans, investments and borrowings portfolios.

#### *Country Credit Risk*

Country credit risk is the primary risk faced by IBRD and is overseen by the Chief Credit Officer who leads the Country Credit Risk Deparment. It has three components as described below. Probable expected losses from all three components are covered by the accumulated provision for loan losses, while unexpected losses are covered by IBRD's income generating capacity and risk-bearing capital. IBRD continuously reviews the creditworthiness of its borrowing member countries and adjusts its overall country programs and lending operations to reflect the results of these reviews.

(i) The first component is idiosyncratic risk. This is the risk that individual countries will accumulate extended debt-service arrears, or move closer to accumulating extended debt-service arrears, for country specific reasons.

(ii) The second component is covariance risk. This is the risk that one or more borrowers will accumulate extended payment arrears, or move closer to accumulating extended payment arrears, as a result of a common external shock. This shock could be, for example, a regional political crisis or an adverse change in the global environment (such as a fall in commodity prices or a rise in global interest rates).

(iii) The third component is portfolio concentration risk, which arises when a small group of borrowers account for a large share of loans outstanding. Portfolio concentration increases the potential financial impact of idiosyncratic and covariance risk. Portfolio concentration risk is managed using the portfolio concentration limit described below.

In 1997, the Executive Directors approved an approach to portfolio concentration under which IBRD's largest loan portfolio exposure to a single borrowing country is restricted to the lower of an equitable access limit or a concentration risk limit. The equitable access limit is equal to 10% of IBRD's subscribed capital, reserves and unallocated surplus. The concentration risk limit is based on the adequacy of IBRD's risk-bearing capacity relative to its largest loan portfolio exposure to a single borrowing country. The concentration risk limit takes into account not only current exposure (loans outstanding, plus the present value of guarantees), but also projected exposure over the ensuing three- to five-year period. The limit is determined by the Executive Directors each year at the time they consider IBRD's reserves adequacy and the allocation of its net income from the preceding fiscal year. For FY 2001 the concentration risk limit is $13.5 billion, unchanged from FY 2000. The equitable access limit is $20.7 billion. IBRD's largest loan portfolio exposure (including the present value of guarantees) to a single borrowing country was $11.8 billion at June 30, 2000.

**Overdue and Non-performing Loans**

It is IBRD's policy that if a payment of principal, interest or other charges on an IBRD loan or IDA credit becomes 30 days overdue, no new loans to that member country, or to any other borrower in that country, will be presented to the Executive Directors for approval, nor will any previously approved loan be signed, until payment for all amounts 30 days overdue or longer has been received. In addition, if such payment becomes 60 days overdue, disbursements on all loans to or guaranteed by that member country are suspended until all overdue amounts have been paid. Where the member country is not the borrower, the time period for suspension of the approval and signing of new loans to or guaranteed by the member country is 45 days and the time period for suspension of disbursements is 60 days. It is the policy of IBRD to place all loans made to or guaranteed by a member of IBRD in nonaccrual status, if principal, interest or other charges on any such loan are overdue by more than six months, unless IBRD determines that the overdue amount will be collected in the immediate future. IBRD maintains an accumulated provision for loan losses to recognize the risk inherent in the portfolio. The methodology for determining the accumulated provision for loan losses is discussed in the following paragraphs. Additional information on IBRD's loan loss provisioning policy and status of nonaccrual loans can be found in the Notes to Financial Statements-Summary of Significant Accounting and Related Policies, and Note C.

In 1991, the Executive Directors adopted a policy to assist members with protracted arrears to IBRD to mobilize sufficient resources to clear their arrears and to support a sustainable growth-oriented adjustment program over the medium term. Under this policy, IBRD will develop a lending strategy and will process loans, but not sign or disburse such loans, during a preclearance performance period with respect to members that: (a) agree to and implement a medium-term, growth-oriented structural adjustment program endorsed by IBRD; (b) undertake a stabilization program, if necessary, endorsed, or financially supported, by the International Monetary Fund; (c) agree to a financing plan to clear all arrears to IBRD and other multilateral creditors in the context of a medium-term structural adjustment program; and (d) make debt-service payments as they fall due on IBRD loans during the performance period. The signing, effectiveness and disbursement of such loans will not take place until the member's arrears to IBRD have been fully cleared.

**Accumulated Provision for Loan Losses**

IBRD's accumulated provision for loan losses reflects the following:

- Management's assessment of the overall collectibility risk on accruing loans (which includes callable guarantees); and
- The present value losses on nonaccruing loans. Such losses are equal to the difference between the discounted present value of the debt-service payments on a loan at its contractual terms and the expected cash flows on that loan.

Management determines the adequacy of the accumulated provision for loan losses by assessing the amount required to cover probable expected losses in the accrual portfolio and losses inherent in the nonaccrual portfolio as of the balance sheet date. The amount required to cover probable expected losses in the accrual portfolio is related to the mean of the distribution of losses facing the institution over the next three years, which has been developed to estimate the probable losses inherent in the accrual portfolio at the balance sheet date. This is calculated using a risk-adjusted capital allocation framework that takes into account the concentration and covariance risk in the portfolio. The amount required to cover losses inherent in the nonaccrual portfolio is based on the calculation of the discounted present value of future cash flows.

Estimating probable expected losses is inherently uncertain and depends on many factors. IBRD periodically reviews such factors and reassesses the adequacy of the accumulated provision for loan losses accordingly. Actual losses may differ from expected losses due to unforeseen changes in general macroeconomic and political conditions, unexpected correlations within the portfolio, and other external factors.

### *Commercial Credit Risk*

IBRD's commercial credit risk is concentrated in investments in debt instruments issued by sovereigns, agencies, banks and corporate entities. The majority of these investments are in AAA and AA rated instruments.

In the normal course of its business, IBRD utilizes various derivatives and foreign exchange financial instruments to meet the financial needs of its borrowers, to generate income through its investment activities and to manage its exposure to fluctuations in interest and currency rates.

Derivative and foreign exchange transactions involve credit risk. The effective management of credit risk is vital to the success of IBRD's funding, investment and asset/liability management activities. The monitoring and managing of these risks is a continuous process due to changing market environments.

IBRD controls the credit risk arising from derivatives and foreign exchange transactions through its credit approval process, the use of collateral agreements and risk limits, and monitoring procedures. The credit approval process involves evaluating counterparty creditworthiness, assigning credit limits and determining the risk profile of specific transactions. Credit limits are calculated and monitored on the basis of potential exposures taking into consideration current market values, estimates of potential future movements in those values and collateral agreements with counterparties. If there is a collateral agreement with the counterparty to reduce credit risk, then the amount of collateral obtained is based on the credit rating of the counterparty. Collateral held includes cash and government securities.

IBRD treats the credit risk exposure as the replacement cost of the derivative or foreign exchange product. This is also referred to as replacement risk or the mark-to-market exposure amount. While contractual principal amount is the most commonly used volume measure in the derivative and foreign exchange markets, it is not a measure of credit or market risk.

Mark-to-market exposure is a measure, at a point in time, of the value of a derivative or foreign exchange contract in the open market. When the mark-to-market is positive, it indicates the counterparty owes IBRD and, therefore, creates an exposure for IBRD. When the mark-to-market is negative, IBRD owes the counterparty and does not have replacement risk.

When IBRD has more than one transaction outstanding with a counterparty, and there exists a legally-enforceable master derivatives agreement with the counterparty, the "net" mark-to-market exposure represents the netting of the positive and negative exposures with the same counterparty. If this net mark-to-market is negative, then IBRD's exposure to the counterparty is considered to be zero. Net mark-to-market is, in IBRD's view, the best measure of credit risk when there is a legally enforceable master derivatives agreement between IBRD and the counterparty which contains legally enforceable close-out netting provisions. For the contractual value, notional amounts and related credit risk exposure amounts by instrument, see the Notes to Financial Statements-Note E.

**Table 2** provides details of IBRD's estimated credit exposure on its investments and swaps, net of collateral held, by counterparty rating category. The swap credit exposure, net by counterparty, of $440 million, for swap activity associated with investments and borrowings, is offset by collateral of $329 million, which results in a total net swap exposure of $111 million.

The FY 2000 decline in credit exposure parallels the decrease in the size of the investment portfolio. The credit exposure from swaps, net of collateral held, declined from $230 million to $111 million during the year.

The FY 1999 increase in credit exposure over that of FY 1998 reflected the growth in the size of the investment portfolio. The net credit exposure from swaps declined from FY 1998 to FY 1999 by $387 million to $230 million.

**Table 2:**

*In millions of U.S. dollars*

| | *At June 30, 2000* | | | | | *At June 30, 1999* | | *At June 30, 1998* | |
|---|---|---|---|---|---|---|---|---|---|
| | *Investments* | | | | | | | | |
| *Counterparty Rating* | *Sovereigns* | *Agencies, Banks & Corporates* | *Net Swap Exposure* | *Total Exposure on Investments and Swaps* | *% of Total* | *Total Exposure on Investments and Swaps* | *% of Total* | *Total Exposure on Investments and Swaps* | *% of Total* |
| AAA | $3,791 | $ 8,516 | $ — | $12,307 | 49 | $12,513 | 41 | $ 9,740 | 37 |
| AA | 2,019 | 8,813 | 85 | 10,917 | 44 | 15,449 | 51 | 14,725 | 56 |
| A | — | 1,776 | 26 | 1,802 | 7 | 2,311 | 8 | 1,939 | 7 |
| Total | $5,810 | $19,105 | $111 | $25,026 | 100 | $30,273 | 100 | $26,404 | 100 |

## Asset/Liability Management

The objective of asset/liability management for IBRD is to ensure adequate funding for each product at the most attractive available cost, and to manage the currency composition, maturity profile and interest rate sensitivity characteristics of the portfolio of liabilities supporting each lending product in accordance with the particular requirements for that product and within prescribed risk parameters. IBRD's Risk Management Department is charged with identifying, measuring and monitoring market risks, liquidity risks, and counterparty credit risks in IBRD's financial operations.

### *Interest Rate Risk*

There are two potential sources of interest rate risk to IBRD. The first is the interest rate sensitivity associated with the net spread between the rate IBRD earns on its assets and the cost of borrowings which fund those assets. The second is the interest rate sensitivity of the income earned from funding a portion of IBRD assets with equity. The borrowing cost pass-through formulation incorporated in the lending rates charged on most of IBRD's existing loans has traditionally helped limit the interest rate sensitivity of the net spread earnings on its loan portfolio. Such cost pass-through loans currently account for more than 84% of the existing outstanding loan portfolio (82% at the end of FY 1999). However, the majority of cost pass-through loans do entail some residual interest rate risk, given the lag inherent in the lending rate calculation. If new borrowings are at interest rates above the average of those already in the debt pool, the higher average debt costs would not be passed through to the lending rate charged to the borrowers and thus would not affect the interest income generated on cost pass-through loans until the following semester. The reverse is true when market interest rates decline.

Another potential risk arises because the cost pass-through currency pool products have traditionally been funded with a large share of medium- and long-term fixed rate borrowings, to provide the borrowers with a reasonably stable interest basis. Given that the cumulative impact of interest rate changes over the last decade has resulted in a decline in the level of interest rates, the cost of these historical fixed-rate borrowings in the multicurrency pool and the single currency pools is currently considerably higher than IBRD's new borrowing costs. Recent interest rate increases in the market have mitigated this difference to some extent. However, the amount of "above market" debt allocated to the multicurrency pool debt, in aggregate terms, still exceeds the outstanding multicurrency pool loans beyond FY 2011, i.e. the pool is over-funded beyond FY 2011. The present value of this over-funded portion of the above-market debt is about $230 million as of June 30, 2000. Over-funding reaches a maximum of approximately $5.6 billion in FY 2015. Strategies for managing this risk include changing the rate fixity of the overfunded portion of the debt from fixed to floating rates. During FY 2000, IBRD completed two **forward interest rate swap** transactions and plans to enter into additional swap transactions until the over-funded portion of the above-market fixed-rate debt is completely swapped to floating rates. A portion of the loss attributable to the combined position will be passed as a rate adjustment to the multicurrency pool loans.

Interest rate risk on non-cost pass-through products, which currently account for 16% of the existing loan portfolio (18% at the end of FY 1999), is managed by using **interest rate swaps** to closely align the rate sensitivity characteristics of the loan portfolio with those of their underlying funding. As the portfolio of fixed-spread loans increases, the proportion of non-cost pass-though products will grow. The interest rate risk on IBRD's liquid portfolio is managed within specified duration-mismatch limits and is further limited by stop-loss limits.

Because equity funds a portion of outstanding loans, IBRD's level of net income is sensitive to movements in the level of nominal interest rates. In general, lower nominal interest rates result in lower lending rates which, in turn, reduce the nominal earnings on IBRD's equity.

Interest rate risk also arises from a variety of other factors, including differences in the timing between the contractual maturity or repricing of IBRD's assets, liabilities and derivative financial instruments. On floating rate assets and liabilities, IBRD is exposed to timing mismatches between the re-set dates on its floating rate receivables and payables.

As part of its asset/liability management process, IBRD employs **interest rate swaps** to manage and align the rate sensitivity characteristics of its assets and liabilities. IBRD uses derivative instruments to adjust the interest rate repricing characteristics of specific balance sheet assets and liabilities, or groups of assets and liabilities with similar repricing characteristics.

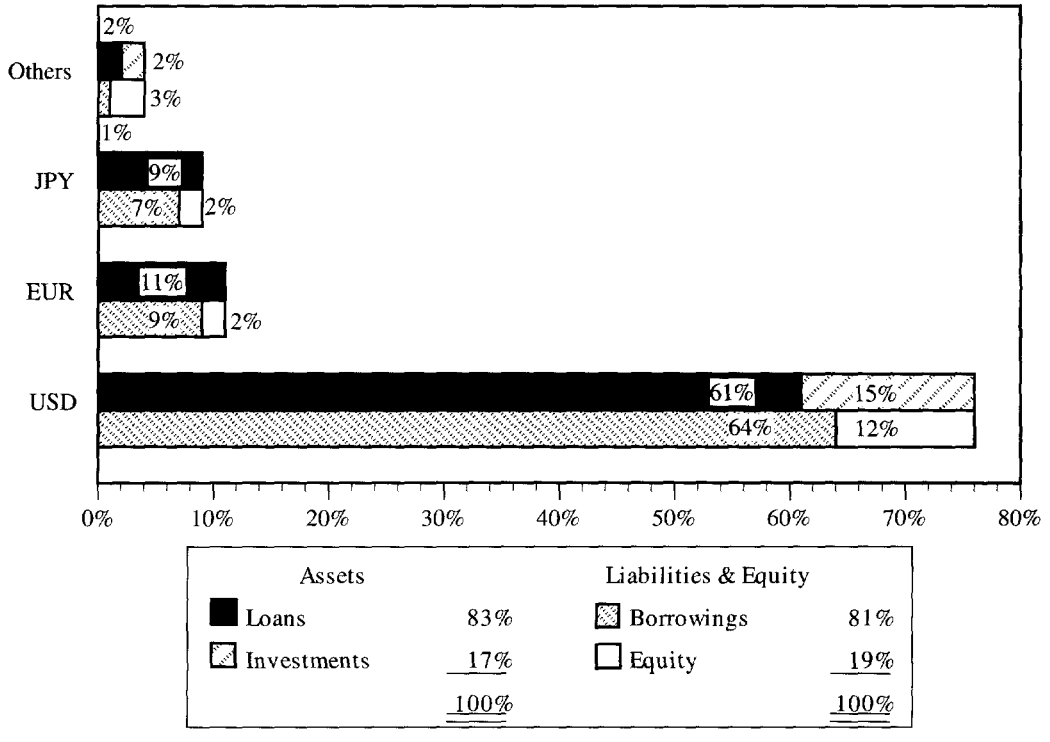
### *Exchange Rate Risk*

In order to minimize exchange rate risk in a multicurrency environment, IBRD matches its borrowing obligations in any one currency (after swap activities) with assets in the same currency, as prescribed by the Articles. In addition, IBRD's policy is to minimize the exchange rate sensitivity of its reserves-to-loans ratio. It carries out this policy by undertaking currency conversions periodically to align the currency composition of its reserves to that of its outstanding loans. This policy is designed to minimize the impact of market rate fluctuations on the reserves-to-loans ratio, thereby preserving IBRD's ability to better absorb potential losses from arrears regardless of the market environment. IBRD is constantly evaluating alternative strategies to better manage its exchange rate risk.

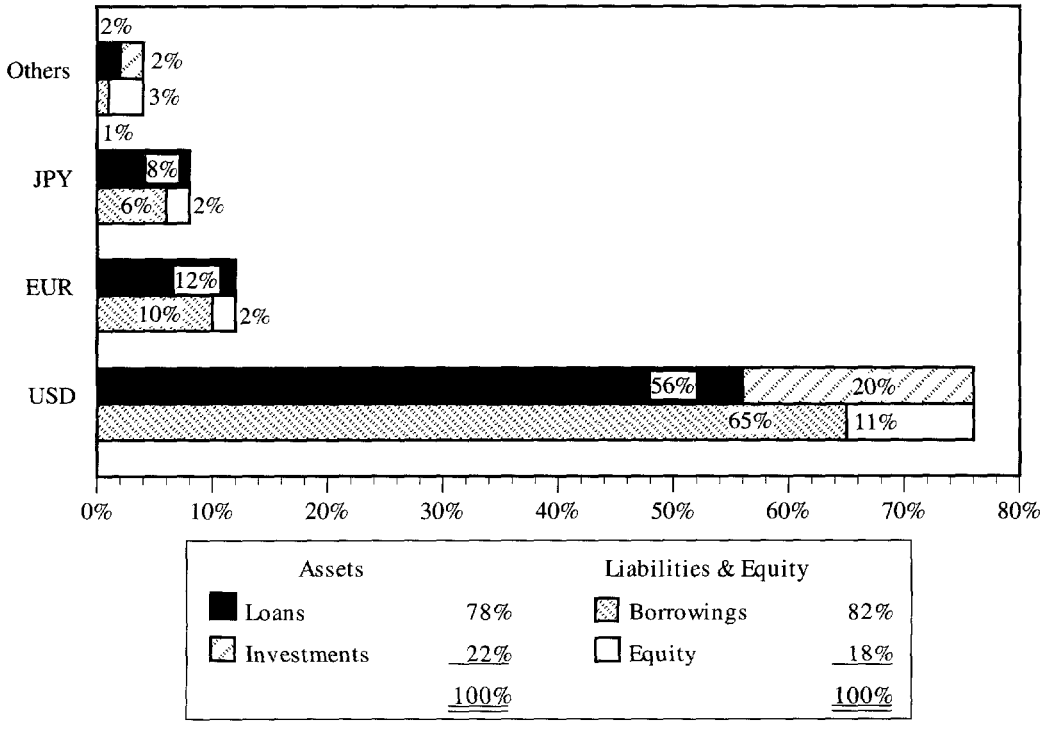
**Figure 2** presents the currency composition of significant balance sheet components (net of swaps) at the end of FY 2000 and FY 1999.

**Figure 2: Relative Currency Composition of Significant Balance Sheet Components**

**At June 30, 2000**




**At June 30, 1999**



## Operating Risk

Operating risk is the potential for loss arising from internal activities or external events caused by breakdowns in information, communication, physical safeguards, business continuity, supervision, transaction processing, settlement systems and procedures and the execution of legal, fiduciary and agency responsibilities. IBRD, like all financial institutions, is exposed to many types of operating risks, including the risk of fraud by staff or outsiders. IBRD attempts to mitigate operating risk by maintaining a system of internal controls that is designed to keep operating risk at appropriate levels in view of the financial strength of IBRD and the characteristics of the activities and markets in which IBRD operates. In the past, IBRD has suffered certain minor financial losses from operating risk and while it maintains an adequate system of internal controls, there can be no absolute assurance that IBRD will not suffer such losses in the future.

In FY 1996, IBRD adopted the COSO[a] control framework and a self-assessment methodology to evaluate the effectiveness of its internal controls over financial reporting, and it has an on-going program in place to assess all major business units. In each of the last four fiscal years, IBRD obtained an attestation report from its external auditors that IBRD's assertion that, as of June 30 of each of these fiscal years, its system of internal control over its external financial reporting met the criteria for effective internal control over external financial reporting described in COSO, is fairly stated in all material respects.

### *Economic and Monetary Union in Europe*

Since January 1, 1999, in the normal course of business as a multicurrency organization, IBRD has been conducting euro-denominated transactions in paying and receiving, investments, bond issuance, loan disbursements, loan billing and new lending commitments.

IBRD has adopted a gradual approach to redenominate national currency unit balance sheet items and IBRD-administered donor trust funds to euro during the transition period, before their automatic conversion to euro on January 1, 2002.

### *Year 2000 Update*

The Year 2000 issue was the result of computer programs using two digits rather than four to define the applicable year. Without remediation or replacement, this could have resulted in a system failure or miscalculations causing disruptions of operations, including, among other things, a temporary inability to process transactions. Modification and replacement of software and hardware and coordination with third party providers enabled IBRD to operate normally across the globe without experiencing any material interruptions in any critical systems during the roll over and thereafter. The total cost of Year 2000 preparation was estimated at approximately $17 million. The cost of certain major systems replacements and enhancements already planned were not considered Year 2000 costs.

While ongoing tracking continues, no latent Year 2000 issues have arisen. Nor have there been indications from any borrowers that they have experienced any serious disruptions to national infrastructure or public administration due to Year 2000 problems which could affect their ability to continue to service IBRD loans.

## 4. LIQUIDITY MANAGEMENT

Liquidity risk arises in the general funding of IBRD's activities and in the management of its financial positions. It includes the risk of being unable to fund its portfolio of assets at appropriate maturities and rates and the risk of being unable to liquidate a position in a timely manner at a reasonable price. The objective of liquidity management is to ensure the availability of sufficient cash flows to meet all of IBRD's financial commitments.

The cumulative performance of the liquid asset portfolio in FY 2000 compared to FY 1999 is presented in **Table 3.** These returns exclude investment assets funding certain other postemployment benefits.

**Table 3:**

| | *Annualized Financial Return (%)* | |
|---|---|---|
| | *FY 2000* | *FY 1999* |
| IBRD Overall Portfolio | 5.75 | 6.00 |
| Stable Portfolio of which: | | |
| Actively Managed | 5.93 | 5.35 |
| Held-to-maturity Portfolio | — | 82.96 |
| Operational Portfolio | 5.39 | 4.48 |
| Discretionary Portfolio | 5.27 | 5.23 |

The returns for FY 1999 were heavily affected by IBRD's liquidation, in FY 1999, of the sterling U.K. government securities in the held-to-maturity portfolio. At the time of liquidation the securities in the held-to-maturity portfolio had a fair value of $1,389 million and a carrying value of $1,152 million. This liquidation resulted in a realized gain of $237 million.

Under IBRD's liquidity management policy, aggregate liquid asset holdings should be kept at or above a specified prudential minimum. That minimum is equal to the highest consecutive six months of debt service obligations for the fiscal year, plus one-half of net approved loan disbursements as projected for the fiscal year. The FY 2001 prudential minimum liquidity level has been set $18.4 billion, representing a $400

a. In 1992, the Committe of Sponsoring Organizations of the Treadway Commission (COSO) issued its *Internal Control-Integrated Framework*, which provided a common definition of internal control and guidance on judging its effectiveness.

million increase over that for FY 2000. IBRD also holds liquid assets over the specified minimum to provide flexibility in timing its borrowing transactions and to meet working capital needs.

IBRD's liquid assets are held principally in obligations of governments and other official entities, time deposits and other unconditional obligations of banks and financial institutions, asset-backed securities, and futures and options contracts pertaining to such obligations.

Liquid assets are held in three distinct sub-portfolios: stable; operational; and discretionary, each with different risk profiles, funding, structures and performance benchmarks. The stable portfolio is principally an investment portfolio holding the prudential minimum level of liquidity, which is set at the beginning of each fiscal year. The operational portfolio provides working capital for IBRD's day-to-day cash flow requirements. The discretionary portfolio provides flexibility for the execution of IBRD's borrowing program and can be used to take advantage of attractive market opportunities. The discretionary portfolio was gradually liquidated over the first half of FY 2000. This liquidation provided the funding necessary to meet an unusually large concentration of debt service payments during this period. **Figure 3** represents IBRD's liquid asset portfolio size and structure at the end of FY 2000 and FY 1999, excluding investment assets associated with certain other postemployment benefits.

At the end of FY 2000, the aggregate size of the IBRD liquid asset portfolio stood at $24,193 million, a decrease of $5,817 million over FY 1999. The higher volume of liquid assets at June 30, 1999 included the proceeds from the borrowing program undertaken to pre-fund the large amount of debt maturing in FY 2000. The IBRD liquid asset portfolio is largely composed of U.S. dollars, with the currency composition of the operational portfolio varying the most as a result of the cash flows generated by disbursements, debt-service payments, new borrowings and reserves conversions.

## 5. FUNDING RESOURCES

### Equity

Total shareholders' equity at June 30, 2000 was $29,289 million compared with $28,021 million at June 30, 1999. The increase from FY 1999 primarily reflects the increase in retained earnings of $1,318 million, the reduction in restricted paid-in capital of $180 million due primarily to encashments of demand obligations, and the increase in paid-in capital of $23 million. **Table 4** presents the composition of equity at June 30, 2000 and 1999.

IBRD's equity base plays a critical role in securing its financial objectives. By enabling IBRD to absorb risk out of its own resources, its equity base protects shareholders from a possible call on callable capital. The adequacy of IBRD's equity capital is judged on the basis of its ability to generate future net income sufficient to absorb plausible risks and support normal loan growth, without reliance on additional shareholder capital. IBRD uses the **equity capital-to-loans** measure as a summary statistic for financial capacity. Cash flow analysis is the basis by which IBRD measures its income generating capacity and its capital adequacy. IBRD continues to consider additional methodologies for evaluating its risk-bearing capacity.

**Figure 3:**

*(In millions of U.S. dollars)*

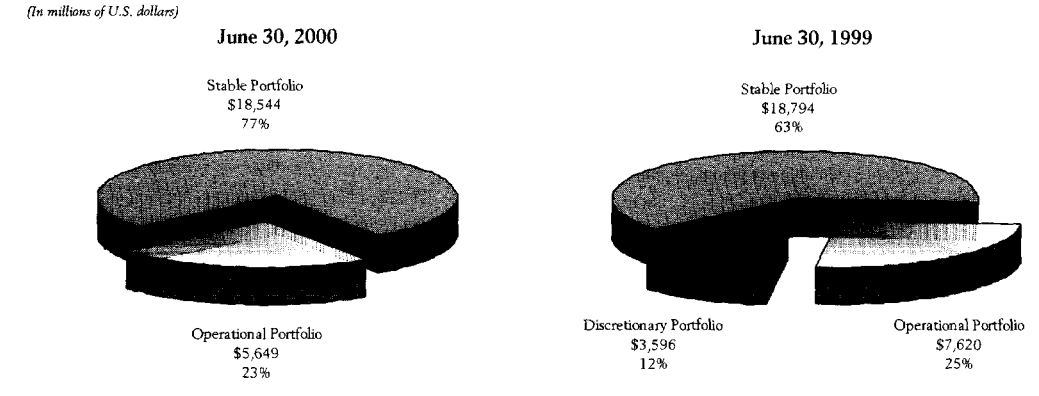


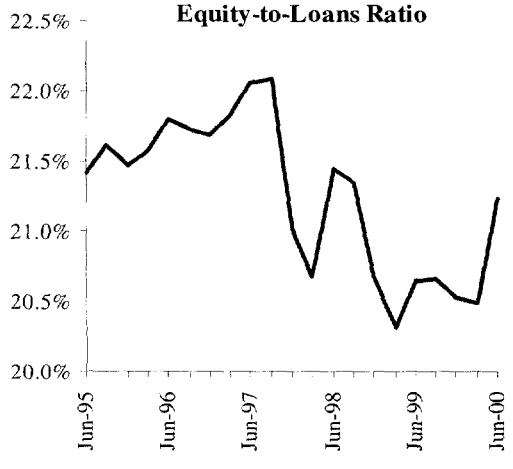
Table 4:

*In millions of U.S. dollars*

| | *June 30, 2000* | *June 30, 1999* |
|---|---|---|
| **Usable Paid-in Capital** | | |
| *Paid-in Capital* | $11,418 | $11,395 |
| Net Receivable for Maintenance of Value | (898) | (869) |
| Restricted Paid-in Capital | (2,328) | (2,509) |
| **Total Usable Paid-in Capital** | 8,192 | 8,017 |
| **Retained Earnings and Cumulative Translation Adjustments** | 18,386 | 17,072 |
| **Equity Excluded from Equity Capital-to-Loans Ratio** | | |
| Surplus | (85) | (195) |
| Pension Reserve | (549) | (294) |
| Prospective allocation of FY 2000/FY 1999 net income, other than to General Reserve | (877) | (818) |
| **Equity Capital Used in Equity Capital-to-Loans Ratio** | $25,067 | $23,782 |

As a result of higher net income and the increase in reserves, shareholders' equity grew at a faster pace than the loan portfolio, compared to the prior year. As a result, the ratio of **equity capital-to-loans** rose to 21.23% at June 30, 2000, from 20.65% one year earlier. In accordance with the financial policy defining this ratio, the amount of transfer to general reserves of $1,114 million approved on August 1, 2000 was included in this ratio at June 30, 2000 ($700 million—June 30, 1999). **Figure 4** depicts this ratio over the last five years.

**Figure 4**:




## *Capital*

The authorized capital of IBRD at June 30, 2000 was $190,811 million, of which $188,606 million had been subscribed. Of the subscribed capital, $11,418 million had been paid in and $177,188 million was callable. Of the paid-in capital, $8,168 million was available for lending and $3,250 million was not available for lending. The terms of payment of IBRD's capital and the restrictions on its use that are derived from the Articles and from resolutions of IBRD's Board of Governors are:

(i) $2,563 million of IBRD's capital was initially paid in gold or U.S. dollars or was converted by the subscribing members into U.S. dollars. This amount may, under the Articles, be freely used by IBRD in its operations.

(ii) $8,855 million of IBRD's capital was paid in the currencies of the subscribing members. Under the Articles this amount is subject to **maintenance of value** obligations and may be loaned only with the consent of the member whose currency is involved. In accordance with such consents, $5,301 million of this amount had been used in IBRD's lending operations at June 30, 2000.

(iii) $150,885 million of IBRD's capital may, under the Articles, be called only when required to meet obligations of IBRD for funds borrowed or on loans guaranteed by it. This amount is thus not available for use by IBRD in making loans. Payment on any such call may be made, at the option of the particular member, either in gold, in U.S. dollars or in the currency required to discharge the obligations of IBRD for which the call is made.

(iv) $26,303 million of IBRD's capital is to be called only when required to meet obligations of IBRD for funds borrowed or on loans guaranteed by it, pursuant to resolutions of IBRD's Board of Governors (though such conditions are not required by the Articles). Of this amount, 10% would be payable in gold or U.S. dollars and 90% in the cur-

rencies of the subscribing members. While these resolutions are not legally binding on future Boards of Governors, they do record an understanding among members that this amount will not be called for use by IBRD in its lending activities or for administrative purposes.

No call has ever been made on IBRD's callable capital. Any calls on unpaid subscriptions are required to be uniform, but the obligations of the members of IBRD to make payment on such calls are independent of each other. If the amount received on a call is insufficient to meet the obligations of IBRD for which the call is made, IBRD has the right and is bound to make further calls until the amounts received are sufficient to meet such obligations. However, no member may be required on any such call or calls to pay more than the unpaid balance of its capital subscription.

At June 30, 2000, $103,115 million (58%) of the uncalled capital was callable from the member countries of IBRD that are also members of the Development Assistance Committee of the Organization for Economic Cooperation and Development. This amount was equal to 90.4% of IBRD's outstanding borrowings after swaps at June 30, 2000. **Table 5** sets out the capital subscriptions of those countries and the callable amounts.

**Table 5:**

*In millions of U.S. dollars*

| *Member Country*[a] | *Total Capital Subscription* | *Uncalled Portion of Subscription* |
|---|---|---|
| United States | $ 31,965 | $ 29,966 |
| Japan | 15,321 | 14,377 |
| Germany | 8,734 | 8,191 |
| France | 8,372 | 7,851 |
| United Kingdom | 8,372 | 7,832 |
| Canada | 5,404 | 5,069 |
| Italy | 5,404 | 5,069 |
| Netherlands | 4,283 | 4,018 |
| Belgium | 3,496 | 3,281 |
| Switzerland | 3,210 | 3,012 |
| Australia | 2,951 | 2,770 |
| Spain | 2,857 | 2,682 |
| Sweden | 1,806 | 1,696 |
| Denmark | 1,623 | 1,525 |
| Austria | 1,335 | 1,254 |
| Norway | 1,204 | 1,132 |
| Finland | 1,033 | 971 |
| New Zealand | 873 | 821 |
| Portugal | 659 | 620 |
| Ireland | 636 | 599 |
| Greece | 203 | 189 |
| Luxembourg | 199 | 190 |
| **Total** | **$109,940** | **$103,115** |

a. *See details regarding the capital subscriptions of all members of IBRD at June 30, 2000 in Financial Statements-Statement of Subscriptions to Capital Stock and Voting Power.*

The United States is IBRD's largest shareholder. Under the Bretton Woods Agreements Act, the Par Value Modification Act and other U.S. legislation, the Secretary of the U.S. Treasury is permitted to pay up to $7,663 million of the uncalled portion of the subscription of the United States, if it were called by IBRD, without any requirement of further congressional action. The balance of the uncalled portion of the U.S subscription, $22,303 million, has been authorized by the U.S. Congress but not appropriated. Further action by the U.S. Congress would be required to enable the Secretary of the Treasury to pay any portion of this balance. The General Counsel of the U.S Treasury has rendered an opinion that the entire uncalled portion of the U.S. subscription is an obligation backed by the full faith and credit of the United States, notwithstanding that congressional appropriations have not been obtained with respect to certain portions of the subscription.

For a further discussion of capital stock, restricted currencies, **maintenance of value** and membership refer to the Notes to Financial Statements-Summary of Significant Accounting and Related Policies and Note A.

## Borrowings

### *Source of Funding*

IBRD diversifies its sources of funding by offering its securities to institutional and retail investors globally on terms acceptable to IBRD. Under its Articles, IBRD may borrow only with the approval of the member in whose markets the funds are raised and the member in whose currency the borrowing is denominated, and only if each such member agrees that the proceeds may be exchanged for the currency of any other member without restriction.

### *Funding Operations*

In FY 2000 medium- and long-term debt raised directly in financial markets by IBRD amounted to $15,789 million compared to $22,443 million in FY 1999. **Table 6** summarizes IBRD's funding operations for FY 2000 and FY 1999. Funding raised in any given year is used for IBRD's general operations, including loan disbursements, refinancing of maturing debt and prefunding of future lending activities. All proceeds from new funding are initially invested in the liquid asset portfolio and subsequently allocated to the different debt pools funding loans as necessary in accordance with operating guidelines. In FY 2000, IBRD followed a strategy of selective bond issuance, composed of cost-effective private placements, largely presold institutional public issues and retail targeted transactions.

IBRD strategically repurchases or prepays its debt to reduce the cost of borrowings and to reduce exposure to refunding requirements in a particular year or meet other operational needs. During FY 2000, IBRD

repurchased or prepaid a total of $807 million of its outstanding borrowings.

Table 6:

| | *FY 2000* | *FY 1999* |
|---|---|---|
| Total Medium- and Long-term Borrowings[a] (USD million) | $15,789 | $22,443 |
| Average Maturity (years) | 5.8 | 6.7 |
| Number of Transactions | 148 | 186 |
| Number of Currencies | 13 | 12 |

a. *Includes one-year notes and represents net proceeds on a trade date basis.*

### Use of Derivatives

IBRD engages in a combination of interest rate and currency swaps to convert direct borrowings into a desired interest rate structure and currency composition. Interest rate and currency swaps are also used for asset/liability management purposes to match the pool of liabilities as closely as possible to the interest rate and currency characteristics of liquid assets and loans.

In FY 2000 the majority of new funding continued to be initially swapped into floating rate U.S. dollars, with conversion to other currencies or fixed rate funding being carried out subsequently in accordance with funding requirements.

### Composition of Borrowings

Of the borrowings outstanding after swaps at June 30, 2000, 55% was at variable rates (54% at June 30, 1999). The currency composition continues to be concentrated in U.S. dollars, with its share at the end of June 30, 2000 at 80% of the borrowings portfolio (79% at June 30, 1999). This reflects IBRD borrowers' preference for U.S. dollar-denominated loans and the corresponding currency composition of the liquid asset portfolio.

A more detailed analysis of borrowings outstanding is provided in the Notes to Financial Statements-Note D.

## 6. RESULTS OF OPERATIONS

IBRD's net income can be seen as broadly comprising a spread on earning assets, plus the contribution of equity, less provisions for loan losses and administrative expenses. **Table** 7 shows a breakdown of income, net of funding costs.

### *FY 2000 versus FY 1999*

FY 2000 net income was $1,991 million, $473 million higher than in FY 1999. The majority of this change was due to the following:

- A $412 million reduction in loan loss provision expense resulting primarily from a reassessment of the possible losses inherent in the loan portfolio. That assessment concluded that a general improvement in credit quality for certain large borrowers, as well as for the accrual portfolio as a whole, warranted a $243 million reduction in the accumulated provision for loan losses. The remaining $169 million decrease in expense is attributable to a reduction in the growth of the loan portfolio.
- A $345 million increase in loan interest income, net of funding costs, resulting from an increase in the average outstanding loan balance, especially in the higher-yielding special adjustment loans, as well as the improved net returns from the single currency pool loans. Net returns from the single currency pool loans recovered because the higher U.S. dollar borrowing costs were not fully passed through to borrowers in FY 1999. The lower interest waivers and higher front-end fees in effect for the full FY 2000 also contributed to the increase in net returns from the loan portfolio.
- A $208 million reduction in investment income, net of funding costs, primarily as a result of the non-recurring $237 million gain realized in FY 1999 from the liquidation of the held-to-maturity portfolio.
- A $66 million increase in net noninterest expenses, due primarily to a decrease in pension and postretirement income.

### *FY 1999 versus FY 1998*

FY 1999 net income was $1,518 million, $275 million higher than FY 1998. This increase was primarily attributable to:

- A $237 million gain realized upon liquidation of the held-to-maturity portfolio during the first quarter of the fiscal year.
- A $233 million increase in loan interest income, net of funding costs, resulting from the changes in loan pricing. During the year IBRD reduced its interest waiver on existing loans, introduced a front-end fee on new loans and earned higher loan spreads on the special adjustment loans disbursed during the year.
- Offset in part by an increase of $247 million in net noninterest expense due primarily to a decrease in pension and postretirement income.

### Net Interest Income

IBRD's primary interest earning assets are its loans and liquid asset investments. **Table** 8 provides a breakdown of the gross interest income on earning assets (including other loan income). **Table** 9 provides a breakdown of gross borrowing costs.

### *FY 2000 versus FY 1999*

Loan interest income increased by $504 million to $8,153 million in FY 2000 due primarily to the higher average balance of loans outstanding during the year. This increased volume resulted in an additional $354 million of net income. Additionally, an increase in the average return from loans contributed another $150

million to the increase in income. This increase in the weighted average return were mainly due to four factors: i) a higher average rate on the **LIBOR**-based loans in a rising interest rate environment; ii) the full year effect of the pass through of higher U.S. dollar borrowing costs funding single currency pool loans, iii) a larger proportion of the higher-yielding special adjustment loans during the year; and iv) having lower interest waivers and higher front-end fees in effect for the full fiscal year.

Investment income decreased by $95 million in FY 2000 to $1,589 million primarily due to two factors. In FY 1999, a $237 million one-time gain was realized upon liquidation of the securities in the held-to-maturity portfolio. This was partially offset by $165 million increase in income from higher returns achieved in the increasing interest rate environment seen over the past year.

The cost of borrowing increased by $282 million to $7,128 million in FY 2000, due to higher average borrowings outstanding. The maturity of higher-cost debt in FY 2000 just offset the increase in borrowing costs resulting from interest rate resets on variable rate debt.

### *FY 1999 versus FY 1998*

The main factor contributing to the increase in loan interest income of $768 million was the higher average balance of loans outstanding in terms of U.S. dollars. A higher volume of loans outstanding, representing $607 million of the increased income, was the result of increased net disbursements and the effect of translation into U.S. dollar terms for reporting purposes. Additionally, increases in loan pricing contributed $161 million.

Two significant factors contributed to the increase of $451 million in investment income. In FY 1999 a gain of $237 million was realized upon liquidation of the securities in the held-to-maturity portfolio. Additionally, income increased by $214 million reflecting increases in the average investment balance, offset by the effect of slightly lower market interest rates.

The cost of borrowings increased $702 million. While a falling interest rate environment reduced the cost of borrowings from 6.01% to 5.92%, total costs increased because of the higher average borrowings balance.

**Table 7:**

*In millions of U.S. dollars*

| | *FY 2000* | *FY 1999* | *FY 1998* |
|---|---|---|---|
| Loan interest income, net of funding costs | | | |
| Debt funded | $ 678 | $ 387 | $ 374 |
| Equity funded | 1,771 | 1,717 | 1,497 |
| Total loan interest income, net of funding costs | 2,449 | 2,104 | 1,871 |
| Other loan charges | 49 | 59 | 22 |
| Loan loss provision | 166 | (246) | (251) |
| Investment income, net of funding costs | 116 | 324 | 77 |
| Net noninterest expense | (789) | (723) | (476) |
| **Net Income** | **$1,991** | **$1,518** | **$1,243** |

**Table 8:**

*In millions of U.S. dollars*

| | FY 2000 | | | FY 1999 | | | FY 1998 | | |
|---|---|---|---|---|---|---|---|---|---|
| | | Interest Income | | | Interest Income | | | Interest Income | |
| | Average Volume | Amount | Return % | Average Volume | Amount | Return % | Average Volume | Amount | Return % |
| **Loans by Product** | | | | | | | | | |
| Multicurrency Pool | $ 37,654 | $2,074 | 5.51 | $ 39,607 | $2,361 | 5.96 | $ 70,047 | $4,335 | 6.19 |
| Single Currency Pools | 38,824 | 3,104 | 8.00 | 43,687 | 3,199 | 7.32 | 18,136 | 1,250 | 6.89 |
| Variable-Spread Single Currency Loans | 20,791 | 1,189 | 5.72 | 14,970 | 777 | 5.19 | 8,061 | 448 | 5.56 |
| Fixed-Rate Single Currency Loans | 11,855 | 742 | 6.26 | 7,468 | 468 | 6.27 | 3,330 | 218 | 6.55 |
| Nonstandard Variable-Spread Single Currency Loans | 9,676 | 773 | 7.99 | 6,833 | 477 | 6.98 | 2,165 | 158 | 7.30 |
| Fixed-Spread Loans | 383 | 23 | 6.00 | — | — | — | — | — | — |
| Other Fixed Rate | 2,272 | 199 | 8.76 | 3,618 | 308 | 8.51 | 5,323 | 450 | 8.45 |
| Other Loan Income | | 49 | | | 59 | | | 22 | |
| **Total Loans** | **121,455** | **8,153** | **6.71** | **116,183** | **7,649** | **6.58** | **107,062** | **6,881** | **6.43** |
| **Cash and Investments** | **27,652** | **1,589** | **5.74** | **28,049** | **1,684** | **6.00** | **21,895** | **1,233** | **5.63** |
| **Total Earning Assets** | **$149,107** | **$9,742** | **6.53** | **$144,232** | **$9,333** | **6.47** | **$128,957** | **$8,114** | **6.29** |

**Table 9:**

*In millions of U.S. dollars*

| | FY 2000 | | | FY 1999 | | | FY 1998 | | |
|---|---|---|---|---|---|---|---|---|---|
| | | Borrowing Cost | | | Borrowing Cost | | | Borrowing Cost | |
| | Average Volume | Amount | Cost % | Average Volume | Amount | Cost % | Average Volume | Amount | Cost % |
| **Borrowing Portfolio by Debt Pools** | | | | | | | | | |
| Multicurrency Pool | $ 26,475 | $1,169 | 4.42 | $ 29,640 | $1,514 | 5.11 | $ 54,266 | $3,092 | 5.70 |
| Single Currency Pools | 28,598 | 2,213 | 7.74 | 33,832 | 2,507 | 7.41 | 14,252 | 1,012 | 7.10 |
| Variable-Spread Single Currency Loans | 16,828 | 906 | 5.38 | 11,961 | 581 | 4.86 | 6,341 | 348 | 5.49 |
| Fixed-Rate Single Currency Loans | 10,162 | 588 | 5.79 | 6,143 | 367 | 5.97 | 2,767 | 169 | 6.11 |
| Nonstandard Variable-Spread Single Currency Loans | 8,909 | 501 | 5.62 | 5,578 | 284 | 5.09 | 2,164 | 117 | 5.41 |
| Fixed-Spread Loans | 423 | 18 | 4.26 | — | — | — | — | — | — |
| Other Debt Funding | 29,060 | 1,733 | 5.96 | 28,541 | 1,593 | 5.58 | 22,382 | 1,406 | 6.28 |
| **Total Borrowings** | **$120,455** | **$7,128** | **5.92** | **$115,695** | **$6,846** | **5.92** | **$102,172** | **$6,144** | **6.01** |

## Net Noninterest Expense

The main components of net noninterest expense are presented in **Table 10**.

### *FY 2000 versus FY 1999*

Overall gross administrative expenses decreased by $33 million (see Notes to Financial Statements—Note G). Net noninterest expense increased $66 million. The major factor was that the contribution of income from pension and postretirement benefits dropped by $89 million, as a result of the decrease in the actuarially determined Staff Retirement Plan income.

### *FY 1999 versus FY 1998*

Overall gross administrative expenses increased only slightly. From FY 1998 to FY 1999 net noninterest expense increased by $243 million, generally returning to FY 1997 levels. Staff costs increased 15%; however, the majority of the increase in expense is attributable to the FY 1998 non-recurring reduction in expense realized as a result of the change in accounting for other postretirement benefits. See Notes to the Financial Statements—Note I for a detailed discussion of those changes.

**Table 10:**

*In millions of U.S. dollars*

| | *FY 2000* | *FY 1999* | *FY 1998* |
|---|---|---|---|
| Gross Administrative Expenses | | | |
| Staff Costs | $ 489 | $ 538 | $466 |
| Consultant Fees | 88 | 97 | 91 |
| Operational Travel | 92 | 94 | 94 |
| Other Expenses | 392 | 365 | 328 |
| Total Gross Administrative Expenses | 1,061 | 1,094 | 979 |
| Less: Contribution to Special Programs | 126 | 129 | 112 |
| Total Net Administrative Expenses | 935 | 965 | 867 |
| Contribution to Special Programs | 126 | 129 | 112 |
| Service Fee Revenues | (118) | (116) | (104) |
| Pension & Postretirement Benefit Income | (156) | (245) | (399) |
| Net Other Expense (Income) | 2 | (10) | — |
| **Total Net Noninterest Expense** | **$ 789** | **$ 723** | **$476** |

## GLOSSARY OF TERMS

**Asset-backed Securities:** Asset-backed securities are instruments whose cash flow is based on the cash flows of a pool of underlying assets managed by a trust.

**Cross-Currency Interest Rate Swaps:** Cross-currency interest rate swaps are currency swaps where one set of cash flows reflects a fixed rate of interest and the other reflects a floating rate of interest.

**Currency Swaps:** Currency swaps are agreements between two parties to exchange cash flows denominated in different currencies at one or more certain times in the future. The cash flows are based on a predetermined formula reflecting rates of interest and an exchange of principal.

**Equity Capital-to-Loans:** This ratio is the sum of usable capital plus the special and general reserves, cumulative translation adjustment and the proposed transfer from unallocated net income to general reserves divided by the sum of loans outstanding, the present value of guarantees, net of the accumulated provision for loan losses.

**Forward Interest Rate Swaps:** A forward interest rate swap is an agreement under which the cash flow exchanges of the underlying interest rate swaps would begin to take effect from a specified date.

**Futures and Forwards:** Futures and forward contracts are contracts for delivery of securities or money market instruments in which the seller agrees to make delivery at a specified future date of a specified instrument at a specified price or yield. Futures contracts are traded on U.S. and international regulated exchanges.

**Government and Agency Obligations:** These obligations include marketable bonds, notes and other obligations issued by governments.

**Interest Rate Swaps:** Interest rate swaps are agreements involving the exchange of periodic interest payments of differing character, based on an underlying notional principal amount for a specified time.

**LIBOR:** London interbank offer rate.

**Maintenance of Value:** Agreements with members provide for the maintenance of the value, from the time of subscription, of certain restricted currencies. Additional payments to (or from) IBRD are required in the event the par value of the currency is reduced (or increased) to a significant extent, in the opinion of IBRD.

**Net Disbursements:** Loan disbursements net of repayments and prepayments.

**New Loans:** Loans for which the invitation to negotiate was issued on or after July 31, 1998.

**Old Loans:** Loans for which the invitation to negotiate was issued prior to July 31, 1998.

**Options:** Options are contracts that allow the holder of the option the right, but not the obligation, to purchase or sell a financial instrument at a specified price within a specified period of time from or to the seller of the option. The purchaser of an option pays a premium at the outset to the seller of the option, who then bears the risk of an unfavorable change in the price of the financial instrument underlying the option.

**Repurchase and Resale Agreements and Securities Loans:** Repurchase agreements are contracts under which a party sells securities and simultaneously agrees to repurchase the same securities at a specified future date at a fixed price. The reverse of this transaction is called a resale agreement. A resale agreement involves the purchase of securities with a simultaneous agreement to sell back the same securities at a stated price on a stated date. Securities loans are contracts under which securities are lent for a specified period of time at a fixed price.

**Return on Equity:** This return is computed as net income divided by the average equity balance during the year.

**Risk Bearing Capacity:** The ability to absorb risks in the balance sheet while continuing normal operations without having to call on callable capital.

**Short Sales:** Short sales are sales of securities not held in the seller's portfolio at the time of the sale. The seller must purchase the security at a later date and bears the risk that the market value of the security will move adversely between the time of the sale and the time the security must be delivered.

**Statutory Lending Limit**: Under IBRD's Articles of Agreement, as applied, the total amount outstanding of loans, participations in loans, and callable guarantees may not exceed the sum of subscribed capital, reserves and surplus.

**Swaptions:** A swaption is an option that gives the holder the right to enter into an interest rate or currency swap at a certain future date.

**Time Deposits:** Time deposits include certificates of deposit, bankers' acceptances, and other obligations issued or unconditionally guaranteed by banks and other financial institutions.

# International Bank for Reconstruction and Development

## Financial Statements
## June 30, 2000

# Balance Sheet

*June 30, 2000 and June 30, 1999*

*Expressed in millions of U.S. dollars*

| | 2000 | 1999 |
|---|---|---|
| **Assets** | | |
| ***Due from Banks*** | | |
| Unrestricted currencies | $ 32 | $ 33 |
| Currencies subject to restrictions—Note A | 659 | 664 |
| | 691 | 697 |
| ***Investments—Trading—Notes B and E*** | 24,941 | 30,345 |
| ***Securities Purchased Under Resale Agreements—Trading—Note B*** | 101 | 6 |
| ***Nonnegotiable, Noninterest-bearing Demand Obligations on Account of Subscribed Capital*** | 1,670 | 1,846 |
| ***Amounts Receivable from Currency Swaps*** | | |
| Investments—Trading—Notes B and E | 11,317 | 11,420 |
| Borrowings—Notes D and E | 67,231 | 67,592 |
| | 78,548 | 79,012 |
| ***Amounts Receivable to Maintain Value of Currency Holdings on Account of Subscribed Capital*** | 432 | 527 |
| ***Other Receivables*** | | |
| Amounts receivable from investment securities traded | 189 | 88 |
| Accrued income on loans | 2,196 | 2,[illegible]00 |
| | 2,385 | 2,[illegible]88 |
| ***Loans Outstanding (see Summary Statement of Loans, Notes C and E)*** | | |
| Total loans | 164,858 | 168,600 |
| Less undisbursed balance | 44,754 | 51,372 |
| Loans outstanding | 120,104 | 117,228 |
| Less: | | |
| Accumulated provision for loan losses | 3,400 | 3,560 |
| Deferred loan income | 460 | 363 |
| Net loans outstanding | 116,244 | 113,305 |
| ***Other Assets*** | | |
| Unamortized issuance costs of borrowings | 608 | 712 |
| Miscellaneous—Note I | 2,190 | 1,807 |
| | 2,798 | 2,519 |
| **Total assets** | $227,810 | $230,445 |

| | 2000 | 1999 |
|---|---|---|
| **Liabilities** | | |
| ***Borrowings—Notes D and E*** | | |
| Short-term | $ 4,730 | $ 5,328 |
| Medium- and long-term | 105,649 | 110,411 |
| | 110,379 | 115,739 |
| ***Securities Sold Under Repurchase Agreements and Payable for Cash Collateral Received—Trading—Note B*** | — | 102 |
| ***Amounts Payable for Currency Swaps*** | | |
| Investments—Trading—Notes B and E | 11,720 | 11,501 |
| Borrowings—Notes D and E | 70,864 | 70,484 |
| | 82,584 | 81,985 |
| ***Amounts Payable to Maintain Value of Currency Holdings on Account of Subscribed Capital*** | 56 | 111 |
| ***Other Liabilities*** | | |
| Amounts payable for investment securities purchased | 529 | 167 |
| Accrued charges on borrowings | 3,312 | 3,012 |
| Payable for Board of Governors-approved transfers—Note F | 861 | 607 |
| Liabilities under other postretirement benefits plans—Note I | 119 | 103 |
| Accounts payable and miscellaneous liabilities | 681 | 598 |
| | 5,502 | 4,487 |
| **Total liabilities** | 198,521 | 202,424 |
| **Equity** | | |
| ***Capital Stock (see Statement of Subscriptions to Capital Stock and Voting Power, Note A)*** | | |
| Authorized capital (1,581,724 shares—June 30, 2000 and June 30, 1999) | | |
| Subscribed capital (1,563,443 shares—June 30, 2000; 1,560,243 shares—June 30, 1999) | 188,606 | 188,220 |
| Less uncalled portion of subscriptions | 177,188 | 176,825 |
| | 11,418 | 11,395 |
| ***Amounts to Maintain Value of Currency Holdings—Note A*** | (522) | (453) |
| ***Payments on Account of Pending Subscriptions—Note A*** | 7 | 7 |
| ***Retained Earnings (see Statement of Changes in Retained Earnings, Note F)*** | 19,027 | 17,709 |
| ***Accumulated Other Comprehensive Income—Note K*** | (641) | (637) |
| **Total equity** | 29,289 | 28,021 |
| **Total liabilities and equity** | $227,810 | $230,445 |

***The Notes to Financial Statements are an integral part of these Statements.***

# Statement of Income

*For the fiscal years ended June 30, 2000, June 30, 1999 and June 30, 1998*

*Expressed in millions of U.S. dollars*

| | 2000 | 1999 | 1998 |
|---|---|---|---|
| ***Income*** | | | |
| Income from loans—Note C | | | |
| Interest | $ 8,041 | $7,535 | $6,775 |
| Commitment charges | 112 | 114 | 106 |
| Income from investments—Note B | | | |
| Trading | | | |
| Interest | 1,575 | 1,425 | 1,107 |
| Net gains (losses) | | | |
| Realized | 3 | 1 | (10) |
| Unrealized | 3 | (5) | 1 |
| Held-to-maturity | | | |
| Interest | — | 47 | 176 |
| Realized gains | — | 237 | — |
| Income from securities purchased under resale agreements—Note B | 12 | 15 | 59 |
| Income from assets designated for other postretirement benefits plans—Notes B and I | — | — | 107 |
| Income from Staff Retirement Plan—Note I | 166 | 255 | 182 |
| Other income—Notes G and H | 133 | 134 | 114 |
| Total income | 10,045 | 9,758 | 8,617 |
| ***Expenses*** | | | |
| Borrowing expenses—Note D | | | |
| Interest | 6,979 | 6,704 | 5,993 |
| Amortization of issuance and other borrowing costs | 149 | 142 | 151 |
| Interest on securities sold under repurchase agreements and payable for cash collateral received—Note B | 4 | 36 | 100 |
| Administrative expenses—Notes G and H | 935 | 965 | 867 |
| Contributions to special programs—Note G | 126 | 129 | 112 |
| Other postretirement benefits expense—Note I | 10 | 10 | 50 |
| Provision for loan losses—Note C | (166) | 246 | 251 |
| Other expenses | 17 | 8 | 10 |
| Total expenses | 8,054 | 8,240 | 7,534 |
| ***Operating Income*** | 1,991 | 1,518 | 1,083 |
| Effect of accounting change—Note I | — | — | 160 |
| ***Net Income*** | $ 1,991 | $1,518 | $1,243 |

***The Notes to Financial Statements are an integral part of these Statements.***

## Statement of Comprehensive Income

*For the fiscal years ended June 30, 2000, June 30, 1999 and June 30, 1998*

*Expressed in millions of U.S. dollars*

| | 2000 | 1999 | 1998 |
|---|---|---|---|
| Net income | $1,991 | $1,518 | $ 1,243 |
| Other comprehensive income—Note K | | | |
| Currency translation adjustments | (4) | 323 | (1,045) |
| Total other comprehensive income (loss) | (4) | 323 | (1,045) |
| Comprehensive income | $1,987 | $1,841 | $ 198 |

## Statement of Changes in Retained Earnings

*For the fiscal years ended June 30, 2000, June 30, 1999 and June 30, 1998*

*Expressed in millions of U.S. dollars*

| | 2000 | 1999 | 1998 |
|---|---|---|---|
| Retained earnings at beginning of the fiscal year | $17,709 | $16,733 | $16,194 |
| Board of Governors-approved transfers to—Note F | | | |
| International Development Association | (348) | (352) | (304) |
| Trust Fund for Gaza and West Bank | (60) | (90) | — |
| Trust Fund for East Timor | (10) | — | — |
| Heavily Indebted Poor Countries Debt Initiative Trust Fund | (200) | (100) | (250) |
| Multilateral Investment Guarantee Agency | — | — | (150) |
| Capacity building in Africa | (30) | — | — |
| Trust Fund for Kosovo | (25) | — | — |
| Net income for the fiscal year | 1,991 | 1,518 | 1,243 |
| Retained earnings at end of the fiscal year | $19,027 | $17,709 | $16,733 |

***The Notes to Financial Statements are an integral part of these Statements.***

# Statement of Cash Flows

*For the fiscal years ended June 30, 2000, June 30, 1999 and June 30, 1998*

*Expressed in millions of U.S. dollars*

| | 2000 | 1999 | 1998 |
|---|---|---|---|
| Cash flows from lending and investing activities | | | |
| Loans | | | |
| Disbursements | $(13,222) | $(18,100) | $(19,193) |
| Principal repayments | 9,973 | 9,988 | 10,146 |
| Principal prepayments | 499 | 94 | 1,372 |
| Loan origination fees received | 19 | 32 | — |
| Investments: Held-to-maturity | | | |
| Purchases of securities and repayments of securities sold under repurchase agreements | — | (13,266) | (33,202) |
| Maturities of securities and proceeds from securities sold under repurchase agreements | — | 13,426 | 33,184 |
| Proceeds from sale of held-to-maturity portfolio net of securities sold under repurchase agreements | — | 1,389 | — |
| Net cash used in lending and investing activities | (2,731) | (6,437) | (7,693) |
| Cash flows from Board of Governors-approved transfers to | | | |
| International Development Association | (50) | — | (298) |
| Debt Reduction Facility for IDA-Only Countries | (19) | — | (18) |
| Trust Fund for Gaza and West Bank | (83) | (62) | (60) |
| Heavily Indebted Poor Countries Debt Initiative Trust Fund | (200) | — | (250) |
| Multilateral Investment Guarantee Agency | — | — | (150) |
| Trust Fund for East Timor, Trust Fund for Kosovo, and capacity building in Africa | (65) | — | — |
| Net cash used in Board of Governors-approved transfers | (417) | (62) | (776) |
| Cash flows from financing activities | | | |
| Medium- and long-term borrowings | | | |
| New issues | 15,206 | 21,846 | 27,748 |
| Retirements | (19,211) | (10,034) | (13,569) |
| Net short-term borrowings | (917) | (1,512) | (1,009) |
| Net currency swaps—Borrowings | (454) | (340) | (300) |
| Net capital stock transactions | 154 | 175 | 217 |
| Net cash (used in) provided by financing activities | (5,222) | 10,135 | 13,087 |
| Cash flows from operating activities | | | |
| Net income | 1,991 | 1,518 | 1,243 |
| Adjustments to reconcile net income to net cash provided by operating activities | | | |
| Depreciation and amortization | 884 | 819 | 855 |
| Amortization of deferred loan income | (30) | (20) | (8) |
| Provision for loan losses | (166) | 246 | 251 |
| Income from Staff Retirement Plan | (166) | (255) | (182) |
| Gain on sale of held-to-maturity portfolio | — | (237) | — |
| Changes in other assets and liabilities | | | |
| Increase in accrued income on loans and held-to-maturity investments | (99) | (46) | (157) |
| (Increase) decrease in miscellaneous assets | (269) | (130) | 190 |
| Increase in net assets associated with other postretirement benefits | — | — | (739) |
| Increase in accrued charges on borrowings | 322 | 470 | 448 |
| Increase (decrease) in accounts payable and miscellaneous liabilities | 135 | (258) | 253 |
| Net cash provided by operating activities | 2,602 | 2,107 | 2,154 |

| | 2000 | 1999 | 1998 |
|---|---|---|---|
| Effect on liquid investments due to decrease in net assets associated with other postretirement benefits | $ — | $ 650 | $ — |
| Effect of exchange rate changes on unrestricted cash and liquid investments | (23) | 224 | (207) |
| Net (decrease) increase in unrestricted cash and liquid investments | (5,791) | 6,617 | 6,565 |
| Unrestricted cash and liquid investments at beginning of the fiscal year | 30,122 | 23,505 | 16,940 |
| Unrestricted cash and liquid investments at end of the fiscal year | $24,331 | $ 30,122 | $ 23,505 |
| Composition of unrestricted cash and liquid investments: | | | |
| Investments held in trading portfolio | $24,941 | $ 30,345 | $ 23,441 |
| Unrestricted currencies | 32 | 33 | 55 |
| Net (payable) receivable for investment securities traded/purchased—Trading | (340) | (79) | 7 |
| Net (payable) receivable from currency swaps—Investments | (403) | (81) | 397 |
| Net receivable (payable) for securities purchased/sold under resale/repurchase agreements and payable for cash collateral received | 101 | (96) | (395) |
| | $24,331 | $ 30,122 | $ 23,505 |
| Supplemental disclosure | | | |
| Increase (decrease) in ending balances resulting from exchange rate fluctuations | | | |
| Loans outstanding | $ 16 | $ 2,519 | $ (6,994) |
| Investments—Held-to-maturity | — | 13 | 2 |
| Borrowings | (1,173) | 1,010 | (7,239) |
| Currency swaps—Borrowings | 1,195 | 1,244 | 1,632 |
| Capitalized loan origination fees included in total loans | 110 | 115 | 90 |

***The Notes to Financial Statements are an integral part of these Statements.***

# Summary Statement of Loans

*June 30, 2000*

*Expressed in millions of U.S. dollars*

| *Borrower or guarantor* | *Total loans* | *Loans approved but not yet effective* [1] | *Undisbursed balance of effective loans*[2] | *Loans outstanding* | *Percentage of total loans outstanding* |
|---|---|---|---|---|---|
| Algeria | $ 2,045 | $ 97 | $ 459 | $ 1,489 | 1.24% |
| Argentina | 11,374 | 87 | 2,995 | 8,292 | 6.90 |
| Armenia | 9 | — | — | 9 | 0.01 |
| Bahamas, The | 3 | — | — | 3 | * |
| Bangladesh | 27 | — | — | 27 | 0.02 |
| Barbados | 17 | — | 2 | 15 | 0.01 |
| Belarus | 125 | — | 13 | 112 | 0.09 |
| Belize | 45 | — | 4 | 41 | 0.03 |
| Bolivia | 5 | — | — | 5 | * |
| Bosnia and Herzegovina | 569 | — | — | 569 | 0.48 |
| Botswana | 19 | — | — | 19 | 0.02 |
| Brazil | 10,747 | 544 | 2,580 | 7,623 | 6.35 |
| Bulgaria | 1,059 | 72 | 167 | 820 | 0.68 |
| Cameroon | 298 | 53 | — | 245 | 0.21 |
| Chad | 40 | 40 | — | — | — |
| Chile | 1,026 | — | 174 | 852 | 0.71 |
| China | 19,769 | 1,829 | 7,221 | 10,719 | 8.93 |
| Colombia | 2,936 | 125 | 927 | 1,884 | 1.57 |
| Congo, Democratic Republic of | 81 | — | — | 81 | 0.07 |
| Congo, Republic of | 67 | — | — | 67 | 0.06 |
| Costa Rica | 182 | 33 | 14 | 135 | 0.11 |
| Côte d'Ivoire | 625 | — | — | 625 | 0.52 |
| Croatia | 656 | — | 270 | 386 | 0.32 |
| Cyprus | 41 | — | — | 41 | 0.04 |
| Czech Republic | 287 | — | — | 287 | 0.24 |
| Dominica | 7 | — | 5 | 2 | * |
| Dominican Republic | 460 | 17 | 162 | 281 | 0.24 |
| Ecuador | 1,187 | 162 | 175 | 850 | 0.71 |
| Egypt, Arab Republic of | 1,149 | 395 | 56 | 698 | 0.58 |
| El Salvador | 525 | — | 228 | 297 | 0.25 |
| Estonia | 108 | 23 | 5 | 80 | 0.07 |
| Fiji | 22 | — | — | 22 | 0.02 |
| Gabon | 82 | — | 16 | 66 | 0.05 |
| Ghana | 14 | — | — | 14 | 0.01 |
| Grenada | 5 | — | 4 | 1 | * |
| Guatemala | 500 | 54 | 180 | 266 | 0.22 |
| Guyana | 10 | — | — | 10 | 0.01 |
| Honduras | 165 | — | — | 165 | 0.14 |
| Hungary | 773 | — | 198 | 575 | 0.48 |
| India | 11,071 | 808 | 2,755 | 7,508 | 6.25 |
| Indonesia | 14,354 | — | 2,599 | 11,755 | 9.79 |
| Iran, Islamic Republic of | 835 | 232 | 163 | 440 | 0.37 |
| Iraq | 38 | — | — | 38 | 0.03 |
| Jamaica | 417 | — | 50 | 367 | 0.31 |
| Jordan | 1,033 | 35 | 185 | 813 | 0.68 |
| Kazakhstan | 1,708 | 17 | 629 | 1,062 | 0.88 |
| Kenya | 62 | — | — | 62 | 0.05 |
| Korea, Republic of | 8,296 | — | 136 | 8,160 | 6.79 |
| Latvia | 304 | — | 70 | 234 | 0.19 |
| Lebanon | 703 | 136 | 324 | 243 | 0.20 |

| *Borrower or guarantor* | *Total loans* | *Loans approved but not yet effective* [1] | *Undisbursed balance of effective loans*[2] | *Loans outstanding* | *Percentage of total loans outstanding* |
|---|---|---|---|---|---|
| Lesotho | $ 96 | $ — | $ 38 | $ 58 | 0.05% |
| Liberia | 133 | — | — | 133 | 0.11 |
| Lithuania | 325 | 53 | 69 | 203 | 0.17 |
| Macedonia, former Yugoslav Republic of | 171 | — | 65 | 106 | 0.09 |
| Malawi | 13 | — | — | 13 | 0.01 |
| Malaysia | 1,189 | — | 331 | 858 | 0.71 |
| Mauritania | 1 | — | — | 1 | * |
| Mauritius | 115 | 5 | 14 | 96 | 0.08 |
| Mexico | 14,075 | 58 | 2,906 | 11,111 | 9.25 |
| Moldova | 213 | — | 19 | 194 | 0.16 |
| Morocco | 3,380 | 7 | 448 | 2,925 | 2.44 |
| Nicaragua | 7 | — | — | 7 | 0.01 |
| Nigeria | 1,844 | — | 40 | 1,804 | 1.50 |
| Oman | 4 | — | — | 4 | * |
| Pakistan | 3,462 | — | 287 | 3,175 | 2.64 |
| Panama | 365 | — | 80 | 285 | 0.24 |
| Papua New Guinea | 392 | 17 | 118 | 257 | 0.21 |
| Paraguay | 322 | — | 132 | 190 | 0.16 |
| Peru | 2,986 | 95 | 427 | 2,464 | 2.05 |
| Philippines | 5,070 | 150 | 1,090 | 3,830 | 3.19 |
| Poland | 3,019 | 148 | 766 | 2,105 | 1.75 |
| Romania | 2,642 | 68 | 784 | 1,790 | 1.49 |
| Russian Federation | 9,982 | 90 | 3,171 | 6,721 | 5.60 |
| St. Kitts and Nevis | 13 | — | 9 | 4 | * |
| St. Lucia | 14 | — | 8 | 6 | * |
| St. Vincent and the Grenadines | 3 | — | 3 | * | * |
| Senegal | 3 | — | — | 3 | * |
| Seychelles | 3 | — | * | 3 | * |
| Slovak Republic | 206 | — | 5 | 201 | 0.17 |
| Slovenia | 122 | 9 | 13 | 100 | 0.08 |
| South Africa | 25 | — | 23 | 2 | * |
| Sri Lanka | 16 | — | * | 16 | 0.01 |
| Sudan | 1 | — | — | 1 | * |
| Swaziland | 30 | — | 21 | 9 | 0.01 |
| Syrian Arab Republic | 31 | — | — | 31 | 0.03 |
| Tanzania | 14 | — | — | 14 | 0.01 |
| Thailand | 3,832 | — | 1,083 | 2,749 | 2.29 |
| Trinidad and Tobago | 133 | — | 45 | 88 | 0.07 |
| Tunisia | 1,966 | 204 | 516 | 1,246 | 1.04 |
| Turkey | 5,695 | — | 2,419 | 3,276 | 2.73 |

# SUMMARY STATEMENT OF LOANS *(Continued)*

*June 30, 2000*

*Expressed in millions of U.S. dollars*

| *Borrower or guarantor* | *Total loans* | *Loans approved but not yet effective* [1] | *Undisbursed balance of effective loans*[2] | *Loans outstanding* | *Percentage of total loans outstanding* |
|---|---|---|---|---|---|
| Turkmenistan | $ 70 | $ — | $ 46 | $ 24 | 0.02% |
| Ukraine | 2,471 | 18 | 503 | 1,950 | 1.62 |
| Uruguay | 797 | 27 | 216 | 554 | 0.46 |
| Uzbekistan | 429 | 29 | 192 | 208 | 0.17 |
| Venezuela, Republica Bolivariana de | 1,414 | 23 | 336 | 1,055 | 0.88 |
| Yugoslavia, Federal Republic of (Serbia/Montenegro)[3] | 1,111 | — | — | 1,111 | 0.93 |
| Zambia | 28 | — | — | 28 | 0.02 |
| Zimbabwe | 465 | — | 5 | 460 | 0.38 |
| Subtotal[5] | 164,578 | 5,760 | 38,994 | 119,824 | 99.76 |
| Caribbean Development Bank[4] | 7 | — | — | 7 | 0.01 |
| International Finance Corporation | 273 | — | — | 273 | 0.23 |
| Total—June 30, 2000[5] | $164,858 | $ 5,760 | $38,994 | $120,104 | 100.00% |
| Total—June 30, 1999 | $168,600 | $ 8,355 | $43,017 | $117,228 | |

**Indicates amount less than $0.5 million or less than 0.005 percent.*

*NOTES*

1. *Loans totaling $4,754 million ($4,371 million—June 30, 1999) have been approved by IBRD, but the related agreements have not been signed. Loan agreements totaling $1,006 million ($3,984 million—June 30, 1999) have been signed, but the loans do not become effective and disbursements thereunder do not start until the borrowers and guarantors, if any, take certain actions and furnish certain documents to IBRD.*
2. *Of the undisbursed balance, IBRD has entered into irrevocable commitments to disburse $1,165 million ($1,301 million—June 30, 1999).*
3. *See Notes to Financial Statements—Notes A and C.*
4. *These loans are for the benefit of The Bahamas, Barbados, Grenada, Guyana, Jamaica, Trinidad and Tobago, and territories of the United Kingdom (Associated States and Dependencies) in the Caribbean Region, that are severally liable as guarantors to the extent of subloans made in their territories.*
5. *May differ from the sum of individual figures shown due to rounding.*

***The Notes to Financial Statements are an integral part of these Statements.***

# Statement of Subscriptions to Capital Stock and Voting Power

*June 30, 2000*

*Expressed in millions of U.S. dollars*

| | Subscriptions | | | | | Voting Power | |
|---|---|---|---|---|---|---|---|
| *Member* | *Shares* | *Percentage of total* | *Total amounts* | *Amounts paid in*[1] | *Amounts subject to call*[1,2] | *Number of votes* | *Percentage of total* |
| Afghanistan | 300 | 0.02% | $ 36.2 | $ 3.6 | $ 32.6 | 550 | 0.03% |
| Albania | 830 | 0.05 | 100.1 | 3.6 | 96.5 | 1,080 | 0.07 |
| Algeria | 9,252 | 0.59 | 1,116.1 | 67.1 | 1,049.0 | 9,502 | 0.59 |
| Angola | 2,676 | 0.17 | 322.8 | 17.5 | 305.4 | 2,926 | 0.18 |
| Antigua and Barbuda | 520 | 0.03 | 62.7 | 1.3 | 61.5 | 770 | 0.05 |
| Argentina | 17,911 | 1.15 | 2,160.7 | 132.2 | 2,028.4 | 18,161 | 1.13 |
| Armenia | 1,139 | 0.07 | 137.4 | 5.9 | 131.5 | 1,389 | 0.09 |
| Australia | 24,464 | 1.56 | 2,951.2 | 181.8 | 2,769.5 | 24,714 | 1.54 |
| Austria | 11,063 | 0.71 | 1,334.6 | 80.7 | 1,253.9 | 11,313 | 0.70 |
| Azerbaijan | 1,646 | 0.11 | 198.6 | 9.7 | 188.8 | 1,896 | 0.12 |
| Bahamas, The | 1,071 | 0.07 | 129.2 | 5.4 | 123.8 | 1,321 | 0.08 |
| Bahrain | 1,103 | 0.07 | 133.1 | 5.7 | 127.4 | 1,353 | 0.08 |
| Bangladesh | 4,854 | 0.31 | 585.6 | 33.9 | 551.6 | 5,104 | 0.32 |
| Barbados | 948 | 0.06 | 114.4 | 4.5 | 109.9 | 1,198 | 0.07 |
| Belarus | 3,323 | 0.21 | 400.9 | 22.3 | 378.5 | 3,573 | 0.22 |
| Belgium | 28,983 | 1.85 | 3,496.4 | 215.8 | 3,280.6 | 29,233 | 1.82 |
| Belize | 586 | 0.04 | 70.7 | 1.8 | 68.9 | 836 | 0.05 |
| Benin | 868 | 0.06 | 104.7 | 3.9 | 100.8 | 1,118 | 0.07 |
| Bhutan | 479 | 0.03 | 57.8 | 1.0 | 56.8 | 729 | 0.05 |
| Bolivia | 1,785 | 0.11 | 215.3 | 10.8 | 204.5 | 2,035 | 0.13 |
| Bosnia and Herzegovina | 549 | 0.04 | 66.2 | 5.8 | 60.4 | 799 | 0.05 |
| Botswana | 615 | 0.04 | 74.2 | 2.0 | 72.2 | 865 | 0.05 |
| Brazil | 33,287 | 2.13 | 4,015.6 | 245.5 | 3,770.1 | 33,537 | 2.08 |
| Brunei Darussalam | 2,373 | 0.15 | 286.3 | 15.2 | 271.1 | 2,623 | 0.16 |
| Bulgaria | 5,215 | 0.33 | 629.1 | 36.5 | 592.6 | 5,465 | 0.34 |
| Burkina Faso | 868 | 0.06 | 104.7 | 3.9 | 100.8 | 1,118 | 0.07 |
| Burundi | 716 | 0.05 | 86.4 | 3.0 | 83.4 | 966 | 0.06 |
| Cambodia | 214 | 0.01 | 25.8 | 2.6 | 23.2 | 464 | 0.03 |
| Cameroon | 1,527 | 0.10 | 184.2 | 9.0 | 175.2 | 1,777 | 0.11 |
| Canada | 44,795 | 2.87 | 5,403.8 | 334.9 | 5,068.9 | 45,045 | 2.80 |
| Cape Verde | 508 | 0.03 | 61.3 | 1.2 | 60.1 | 758 | 0.05 |
| Central African Republic | 862 | 0.06 | 104.0 | 3.9 | 100.1 | 1,112 | 0.07 |
| Chad | 862 | 0.06 | 104.0 | 3.9 | 100.1 | 1,112 | 0.07 |
| Chile | 6,931 | 0.44 | 836.1 | 49.6 | 786.6 | 7,181 | 0.45 |
| China | 44,799 | 2.87 | 5,404.3 | 335.0 | 5,069.3 | 45,049 | 2.80 |
| Colombia | 6,352 | 0.41 | 766.3 | 45.2 | 721.1 | 6,602 | 0.41 |
| Comoros | 282 | 0.02 | 34.0 | 0.3 | 33.7 | 532 | 0.03 |
| Congo, Democratic Republic of | 2,643 | 0.17 | 318.8 | 25.4 | 293.5 | 2,893 | 0.18 |
| Congo, Republic of | 927 | 0.06 | 111.8 | 4.3 | 107.5 | 1,177 | 0.07 |
| Costa Rica | 233 | 0.01 | 28.1 | 1.9 | 26.2 | 483 | 0.03 |
| Côte d'Ivoire | 2,516 | 0.16 | 303.5 | 16.4 | 287.1 | 2,766 | 0.17 |
| Croatia | 2,293 | 0.15 | 276.6 | 17.3 | 259.3 | 2,543 | 0.16 |
| Cyprus | 1,461 | 0.09 | 176.2 | 8.4 | 167.9 | 1,711 | 0.11 |
| Czech Republic | 6,308 | 0.40 | 761.0 | 45.9 | 715.0 | 6,558 | 0.41 |
| Denmark | 13,451 | 0.86 | 1,622.7 | 97.8 | 1,524.9 | 13,701 | 0.85 |
| Djibouti | 559 | 0.04 | 67.4 | 1.6 | 65.9 | 809 | 0.05 |
| Dominica | 504 | 0.03 | 60.8 | 1.1 | 59.7 | 754 | 0.05 |
| Dominican Republic | 2,092 | 0.13 | 252.4 | 13.1 | 239.3 | 2,342 | 0.15 |
| Ecuador | 2,771 | 0.18 | 334.3 | 18.2 | 316.1 | 3,021 | 0.19 |
| Egypt, Arab Republic of | 7,108 | 0.45 | 857.5 | 50.9 | 806.6 | 7,358 | 0.46 |

# STATEMENT OF SUBSCRIPTIONS TO CAPITAL STOCK AND VOTING POWER *(Continued)*

*June 30, 2000*

*Expressed in millions of U.S. dollars*

| | Subscriptions | | | | | Voting Power | |
|---|---|---|---|---|---|---|---|
| *Member* | *Shares* | *Percentage of total* | *Total amounts* | *Amounts paid in*[1] | *Amounts subject to call*[1,2] | *Number of votes* | *Percentage of total* |
| El Salvador | 141 | 0.01% | $ 17.0 | $ 1.7 | $ 15.3 | 391 | 0.02% |
| Equatorial Guinea | 715 | 0.05 | 86.3 | 2.7 | 83.5 | 965 | 0.06 |
| Eritrea | 593 | 0.04 | 71.5 | 1.8 | 69.7 | 843 | 0.05 |
| Estonia | 923 | 0.06 | 111.3 | 4.3 | 107.1 | 1,173 | 0.07 |
| Ethiopia | 978 | 0.06 | 118.0 | 4.7 | 113.3 | 1,228 | 0.08 |
| Fiji | 987 | 0.06 | 119.1 | 4.8 | 114.3 | 1,237 | 0.08 |
| Finland | 8,560 | 0.55 | 1,032.6 | 61.9 | 970.8 | 8,810 | 0.55 |
| France | 69,397 | 4.44 | 8,371.7 | 520.4 | 7,851.3 | 69,647 | 4.33 |
| Gabon | 987 | 0.06 | 119.1 | 5.1 | 113.9 | 1,237 | 0.08 |
| Gambia, The | 543 | 0.03 | 65.5 | 1.5 | 64.0 | 793 | 0.05 |
| Georgia | 1,584 | 0.10 | 191.1 | 9.3 | 181.8 | 1,834 | 0.11 |
| Germany | 72,399 | 4.63 | 8,733.9 | 542.9 | 8,190.9 | 72,649 | 4.52 |
| Ghana | 1,525 | 0.10 | 184.0 | 12.7 | 171.2 | 1,775 | 0.11 |
| Greece | 1,684 | 0.11 | 203.1 | 14.1 | 189.1 | 1,934 | 0.12 |
| Grenada | 531 | 0.03 | 64.1 | 1.4 | 62.7 | 781 | 0.05 |
| Guatemala | 2,001 | 0.13 | 241.4 | 12.4 | 229.0 | 2,251 | 0.14 |
| Guinea | 1,292 | 0.08 | 155.9 | 7.1 | 148.8 | 1,542 | 0.10 |
| Guinea-Bissau | 540 | 0.03 | 65.1 | 1.4 | 63.7 | 790 | 0.05 |
| Guyana | 1,058 | 0.07 | 127.6 | 5.3 | 122.3 | 1,308 | 0.08 |
| Haiti | 1,067 | 0.07 | 128.7 | 5.4 | 123.3 | 1,317 | 0.08 |
| Honduras | 641 | 0.04 | 77.3 | 2.3 | 75.0 | 891 | 0.06 |
| Hungary | 8,050 | 0.51 | 971.1 | 58.0 | 913.1 | 8,300 | 0.52 |
| Iceland | 1,258 | 0.08 | 151.8 | 6.8 | 144.9 | 1,508 | 0.09 |
| India | 44,795 | 2.87 | 5,403.8 | 333.7 | 5,070.1 | 45,045 | 2.80 |
| Indonesia | 14,981 | 0.96 | 1,807.2 | 110.3 | 1,697.0 | 15,231 | 0.95 |
| Iran, Islamic Republic of | 23,686 | 1.51 | 2,857.4 | 175.8 | 2,681.5 | 23,936 | 1.49 |
| Iraq | 2,808 | 0.18 | 338.7 | 27.1 | 311.6 | 3,058 | 0.19 |
| Ireland | 5,271 | 0.34 | 635.9 | 37.1 | 598.8 | 5,521 | 0.34 |
| Israel | 4,750 | 0.30 | 573.0 | 33.2 | 539.8 | 5,000 | 0.31 |
| Italy | 44,795 | 2.87 | 5,403.8 | 334.8 | 5,069.0 | 45,045 | 2.80 |
| Jamaica | 2,578 | 0.16 | 311.0 | 16.8 | 294.2 | 2,828 | 0.18 |
| Japan | 127,000 | 8.12 | 15,320.6 | 944.0 | 14,376.7 | 127,250 | 7.91 |
| Jordan | 1,388 | 0.09 | 167.4 | 7.8 | 159.6 | 1,638 | 0.10 |
| Kazakhstan | 2,985 | 0.19 | 360.1 | 19.8 | 340.3 | 3,235 | 0.20 |
| Kenya | 2,461 | 0.16 | 296.9 | 15.9 | 281.0 | 2,711 | 0.17 |
| Kiribati | 465 | 0.03 | 56.1 | 0.9 | 55.2 | 715 | 0.04 |
| Korea, Republic of | 15,817 | 1.01 | 1,908.1 | 114.5 | 1,793.5 | 16,067 | 1.00 |
| Kuwait | 13,280 | 0.85 | 1,602.0 | 97.4 | 1,504.6 | 13,530 | 0.84 |
| Kyrgyz Republic | 1,107 | 0.07 | 133.5 | 5.7 | 127.9 | 1,357 | 0.08 |
| Lao People's Democratic Republic | 178 | 0.01 | 21.5 | 1.5 | 20.0 | 428 | 0.03 |
| Latvia | 1,384 | 0.09 | 167.0 | 7.8 | 159.2 | 1,634 | 0.10 |
| Lebanon | 340 | 0.02 | 41.0 | 1.1 | 39.9 | 590 | 0.04 |
| Lesotho | 663 | 0.04 | 80.0 | 2.3 | 77.6 | 913 | 0.06 |
| Liberia | 463 | 0.03 | 55.9 | 2.6 | 53.3 | 713 | 0.04 |
| Libya | 7,840 | 0.50 | 945.8 | 57.0 | 888.8 | 8,090 | 0.50 |
| Lithuania | 1,507 | 0.10 | 181.8 | 8.7 | 173.1 | 1,757 | 0.11 |
| Luxembourg | 1,652 | 0.11 | 199.3 | 9.8 | 189.5 | 1,902 | 0.12 |
| Macedonia, former Yugoslav Republic of | 427 | 0.03 | 51.5 | 3.2 | 48.3 | 677 | 0.04 |
| Madagascar | 1,422 | 0.09 | 171.5 | 8.1 | 163.5 | 1,672 | 0.10 |
| Malawi | 1,094 | 0.07 | 132.0 | 5.6 | 126.4 | 1,344 | 0.08 |

| Member | Subscriptions | | | | | Voting Power | |
|---|---|---|---|---|---|---|---|
| | Shares | Percentage of total | Total amounts | Amounts paid in[1] | Amounts subject to call[1,2] | Number of votes | Percentage of total |
| Malaysia | 8,244 | 0.53% | $ 994.5 | $ 59.5 | $ 935.0 | 8,494 | 0.53% |
| Maldives | 469 | 0.03 | 56.6 | 0.9 | 55.7 | 719 | 0.04 |
| Mali | 1,162 | 0.07 | 140.2 | 6.1 | 134.1 | 1,412 | 0.09 |
| Malta | 1,074 | 0.07 | 129.6 | 5.4 | 124.1 | 1,324 | 0.08 |
| Marshall Islands | 469 | 0.03 | 56.6 | 0.9 | 55.7 | 719 | 0.04 |
| Mauritania | 900 | 0.06 | 108.6 | 4.1 | 104.4 | 1,150 | 0.07 |
| Mauritius | 1,242 | 0.08 | 149.8 | 6.7 | 143.1 | 1,492 | 0.09 |
| Mexico | 18,804 | 1.20 | 2,268.4 | 139.0 | 2,129.4 | 19,054 | 1.18 |
| Micronesia, Federated States of | 479 | 0.03 | 57.8 | 1.0 | 56.8 | 729 | 0.05 |
| Moldova | 1,368 | 0.09 | 165.0 | 7.6 | 157.4 | 1,618 | 0.10 |
| Mongolia | 466 | 0.03 | 56.2 | 2.3 | 53.9 | 716 | 0.04 |
| Morocco | 4,973 | 0.32 | 599.9 | 34.8 | 565.1 | 5,223 | 0.32 |
| Mozambique | 930 | 0.06 | 112.2 | 4.8 | 107.4 | 1,180 | 0.07 |
| Myanmar | 2,484 | 0.16 | 299.7 | 16.1 | 283.6 | 2,734 | 0.17 |
| Namibia | 1,523 | 0.10 | 183.7 | 8.8 | 174.9 | 1,773 | 0.11 |
| Nepal | 968 | 0.06 | 116.8 | 4.6 | 112.1 | 1,218 | 0.08 |
| Netherlands | 35,503 | 2.27 | 4,282.9 | 264.8 | 4,018.1 | 35,753 | 2.22 |
| New Zealand | 7,236 | 0.46 | 872.9 | 51.9 | 821.0 | 7,486 | 0.47 |
| Nicaragua | 608 | 0.04 | 73.3 | 2.1 | 71.3 | 858 | 0.05 |
| Niger | 852 | 0.05 | 102.8 | 3.8 | 99.0 | 1,102 | 0.07 |
| Nigeria | 12,655 | 0.81 | 1,526.6 | 92.7 | 1,433.9 | 12,905 | 0.80 |
| Norway | 9,982 | 0.64 | 1,204.2 | 72.6 | 1,131.6 | 10,232 | 0.64 |
| Oman | 1,561 | 0.10 | 188.3 | 9.1 | 179.2 | 1,811 | 0.11 |
| Pakistan | 9,339 | 0.60 | 1,126.6 | 67.8 | 1,058.9 | 9,589 | 0.60 |
| Palau, Republic of | 16 | * | 1.9 | 0.2 | 1.8 | 266 | 0.02 |
| Panama | 385 | 0.02 | 46.4 | 3.2 | 43.2 | 635 | 0.04 |
| Papua New Guinea | 1,294 | 0.08 | 156.1 | 7.1 | 149.0 | 1,544 | 0.10 |
| Paraguay | 1,229 | 0.08 | 148.3 | 6.6 | 141.6 | 1,479 | 0.09 |
| Peru | 5,331 | 0.34 | 643.1 | 37.5 | 605.6 | 5,581 | 0.35 |
| Philippines | 6,844 | 0.44 | 825.6 | 48.9 | 776.7 | 7,094 | 0.44 |
| Poland | 10,908 | 0.70 | 1,315.9 | 79.6 | 1,236.3 | 11,158 | 0.69 |
| Portugal | 5,460 | 0.35 | 658.7 | 38.5 | 620.2 | 5,710 | 0.35 |
| Qatar | 1,096 | 0.07 | 132.2 | 9.0 | 123.3 | 1,346 | 0.08 |
| Romania | 4,011 | 0.26 | 483.9 | 30.5 | 453.4 | 4,261 | 0.26 |
| Russian Federation | 44,795 | 2.87 | 5,403.8 | 333.9 | 5,070.0 | 45,045 | 2.80 |
| Rwanda | 1,046 | 0.07 | 126.2 | 5.2 | 120.9 | 1,296 | 0.08 |
| St. Kitts and Nevis | 275 | 0.02 | 33.2 | 0.3 | 32.9 | 525 | 0.03 |
| St. Lucia | 552 | 0.04 | 66.6 | 1.5 | 65.1 | 802 | 0.05 |
| St. Vincent and the Grenadines | 278 | 0.02 | 33.5 | 0.3 | 33.2 | 528 | 0.03 |
| Samoa | 531 | 0.03 | 64.1 | 1.4 | 62.7 | 781 | 0.05 |
| São Tomé and Principe | 495 | 0.03 | 59.7 | 1.1 | 58.6 | 745 | 0.05 |
| Saudi Arabia | 44,795 | 2.87 | 5,403.8 | 335.0 | 5,068.9 | 45,045 | 2.80 |
| Senegal | 2,072 | 0.13 | 250.0 | 13.0 | 237.0 | 2,322 | 0.14 |
| Seychelles | 263 | 0.02 | 31.7 | 0.2 | 31.6 | 513 | 0.03 |
| Sierra Leone | 718 | 0.05 | 86.6 | 3.0 | 83.6 | 968 | 0.06 |
| Singapore | 320 | 0.02 | 38.6 | 3.9 | 34.7 | 570 | 0.04 |
| Slovak Republic | 3,216 | 0.21 | 388.0 | 23.0 | 365.0 | 3,466 | 0.22 |
| Slovenia | 1,261 | 0.08 | 152.1 | 9.5 | 142.6 | 1,511 | 0.09 |
| Solomon Islands | 513 | 0.03 | 61.9 | 1.2 | 60.7 | 763 | 0.05 |
| Somalia | 552 | 0.04 | 66.6 | 3.3 | 63.3 | 802 | 0.05 |

# STATEMENT OF SUBSCRIPTIONS TO CAPITAL STOCK AND VOTING POWER *(Continued)*

*June 30, 2000*

*Expressed in millions of U.S. dollars*

| | Subscriptions | | | | | Voting Power | |
|---|---|---|---|---|---|---|---|
| *Member* | *Shares* | *Percentage of total* | *Total amounts* | *Amounts paid in*[1] | *Amounts subject to call*[1,2] | *Number of votes* | *Percentage of total* |
| South Africa | 13,462 | 0.86% | $1,624.0 | $ 98.8 | $1,525.2 | 13,712 | 0.85% |
| Spain | 23,686 | 1.51 | 2,857.4 | 175.6 | 2,681.7 | 23,936 | 1.49 |
| Sri Lanka | 3,817 | 0.24 | 460.5 | 26.1 | 434.3 | 4,067 | 0.25 |
| Sudan | 850 | 0.05 | 102.5 | 7.2 | 95.3 | 1,100 | 0.07 |
| Suriname | 412 | 0.03 | 49.7 | 2.0 | 47.7 | 662 | 0.04 |
| Swaziland | 440 | 0.03 | 53.1 | 2.0 | 51.1 | 690 | 0.04 |
| Sweden | 14,974 | 0.96 | 1,806.4 | 110.2 | 1,696.2 | 15,224 | 0.95 |
| Switzerland | 26,606 | 1.70 | 3,209.6 | 197.2 | 3,012.4 | 26,856 | 1.67 |
| Syrian Arab Republic | 2,202 | 0.14 | 265.6 | 14.0 | 251.7 | 2,452 | 0.15 |
| Tajikistan | 1,060 | 0.07 | 127.9 | 5.3 | 122.5 | 1,310 | 0.08 |
| Tanzania | 1,295 | 0.08 | 156.2 | 10.0 | 146.2 | 1,545 | 0.10 |
| Thailand | 6,349 | 0.41 | 765.9 | 45.2 | 720.7 | 6,599 | 0.41 |
| Togo | 1,105 | 0.07 | 133.3 | 5.7 | 127.6 | 1,355 | 0.08 |
| Tonga | 494 | 0.03 | 59.6 | 1.1 | 58.5 | 744 | 0.05 |
| Trinidad and Tobago | 2,664 | 0.17 | 321.4 | 17.6 | 303.7 | 2,914 | 0.18 |
| Tunisia | 719 | 0.05 | 86.7 | 5.7 | 81.1 | 969 | 0.06 |
| Turkey | 7,379 | 0.47 | 890.2 | 52.9 | 837.2 | 7,629 | 0.47 |
| Turkmenistan | 526 | 0.03 | 63.5 | 2.9 | 60.5 | 776 | 0.05 |
| Uganda | 617 | 0.04 | 74.4 | 4.4 | 70.1 | 867 | 0.05 |
| Ukraine | 10,908 | 0.70 | 1,315.9 | 79.3 | 1,236.6 | 11,158 | 0.69 |
| United Arab Emirates | 2,385 | 0.15 | 287.7 | 22.6 | 265.1 | 2,635 | 0.16 |
| United Kingdom | 69,397 | 4.44 | 8,371.7 | 539.5 | 7,832.2 | 69,647 | 4.33 |
| United States | 264,969 | 16.95 | 31,964.5 | 1,998.4 | 29,966.2 | 265,219 | 16.49 |
| Uruguay | 2,812 | 0.18 | 339.2 | 18.6 | 320.7 | 3,062 | 0.19 |
| Uzbekistan | 2,493 | 0.16 | 300.7 | 16.1 | 284.7 | 2,743 | 0.17 |
| Vanuatu | 586 | 0.04 | 70.7 | 1.8 | 68.9 | 836 | 0.05 |
| Venezuela, Republica Bolivariana de | 20,361 | 1.30 | 2,456.2 | 150.8 | 2,305.5 | 20,611 | 1.28 |
| Vietnam | 968 | 0.06 | 116.8 | 8.1 | 108.7 | 1,218 | 0.08 |
| Yemen, Republic of | 2,212 | 0.14 | 266.8 | 14.0 | 252.8 | 2,462 | 0.15 |
| Zambia | 2,810 | 0.18 | 339.0 | 20.0 | 319.0 | 3,060 | 0.19 |
| Zimbabwe | 3,325 | 0.21 | 401.1 | 22.4 | 378.7 | 3,575 | 0.22 |
| Total—June 30, 2000[2] | 1,563,443 | 100.00% | $188,606 | $11,418 | $177,188 | 1,608,693 | 100.00% |
| Total—June 30, 1999 | 1,560,243 | 100.00% | $188,220 | $11,395 | $176,825 | 1,605,493 | |

**NOTES**

*1. See Notes to Financial Statements—Note A.*

*2. May differ from the sum of individual figures shown due to rounding.*

***The Notes to Financial Statements are an integral part of these Statements.***

## PURPOSE AND AFFILIATED ORGANIZATIONS

The International Bank for Reconstruction and Development (IBRD) is an international organization which commenced operations in 1946. The principal purpose of IBRD is to reduce poverty through promoting sustainable economic development in its member countries, primarily by providing loans and related technical assistance for specific projects and for programs of economic reform in developing member countries. The activities of IBRD are complemented by those of three affiliated organizations, the International Development Association (IDA), the International Finance Corporation (IFC), and the Multilateral Investment Guarantee Agency (MIGA). IBRD, IDA, IFC, and MIGA are collectively known as the World Bank Group. Each of these other organizations in the World Bank Group is legally and financially independent from IBRD, with separate assets and liabilities, and IBRD is not liable for their respective obligations. IDA's main goal is to reduce poverty through promoting economic development in the less developed areas of the world included in IDA's membership by providing financing on concessionary terms. IFC's purpose is to encourage the growth of productive private enterprises in its member countries through loans and equity investments in such enterprises without a member's guarantee. MIGA was established to encourage the flow of investments for productive purposes among member countries and, in particular, to developing member countries by providing guarantees against noncommercial risks for foreign investment in its developing member countries.

## SUMMARY OF SIGNIFICANT ACCOUNTING AND RELATED POLICIES

IBRD's financial statements are prepared in conformity with the accounting principles generally accepted in the United States of America and with International Accounting Standards.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates. Significant judgements have been used in the computation of estimated and fair values of loans and borrowings, the determination of the adequacy of the Accumulated Provision for Loan Losses, the determination of net periodic income from pension and other postretirement benefits plans, and the present value of benefit obligations.

Certain reclassifications of the prior years' information have been made to conform to the current year's presentation.

***Translation of Currencies***: IBRD's financial statements are expressed in terms of U.S. dollars solely for the purpose of summarizing IBRD's financial position and the results of its operations for the convenience of its members and other interested parties.

IBRD is an international organization which conducts its operations in the currencies of all of its members. IBRD's resources are derived from its capital, borrowings, and accumulated earnings in those various currencies. IBRD has a number of general policies aimed at minimizing exchange rate risk in a multicurrency environment. IBRD matches its borrowing obligations in any one currency (after swaps) with assets in the same currency, as prescribed by its Articles of Agreement, primarily by holding or lending the proceeds of its borrowings (after swaps) in the same currencies in which they are borrowed. In addition, IBRD periodically undertakes currency conversions to more closely match the currencies underlying its Retained Earnings with those of the outstanding loans.

Assets and liabilities are translated at market exchange rates in effect at the end of the period. Income and expenses are translated at either the market exchange rates in effect on the dates on which they are recognized or at an average of the market exchange rates in effect during each month. Translation adjustments are charged or credited to Accumulated Other Comprehensive Income.

***Valuation of Capital Stock:*** In the Articles of Agreement, the capital stock of IBRD is expressed in terms of "U.S. dollars of the weight and fineness in effect on July 1, 1944" (1944 dollars). Following the abolition of gold as a common denominator of the monetary system and the repeal of the provision of the U.S. law defining the par value of the U.S. dollar in terms of gold, the pre-existing basis for translating 1944 dollars into current dollars or into any other currency disappeared. The Executive Directors of IBRD have decided, until such time as the relevant provisions of the Articles of Agreement are amended, that the words "U.S. dollars of the weight and fineness in effect on July 1, 1944" in Article II, Section 2(a) of the Articles of Agreement of IBRD are interpreted to mean the Special Drawing Right (SDR) introduced by the International Monetary Fund, as the SDR was valued in terms of U.S. dollars immediately before the introduction of the basket method of valuing the SDR on July 1, 1974, such value being $1.20635 for one SDR.

***Maintenance of Value:*** Article II, Section 9 of the Articles of Agreement provides for maintenance of the value (MOV), at the time of subscription, of such restricted currencies (see Note A), requiring (1) the member to make additional payments to IBRD in the event that the par value of its currency is reduced or the foreign exchange value of its currency has, in the opinion of IBRD, depreciated to a significant extent in its territories and (2) IBRD to reimburse the member

in the event that the par value of its currency is increased.

Since currencies no longer have par values, maintenance of value amounts are determined by measuring the foreign exchange value of a member's currency against the standard of value of IBRD capital based on the 1974 SDR. Members are required to make payments to IBRD if their currencies depreciate significantly relative to the standard of value. Furthermore, the Executive Directors have adopted a policy of reimbursing members whose currencies appreciate significantly in terms of the standard of value.

The net MOV amounts relating to restricted currencies out on loan, and amounts that have been reclassified from receivables for those countries that have been in arrears for two years or more, are included in Amounts to Maintain Value of Currency Holdings. For amounts on loan, these MOV amounts are shown as a component of Equity since MOV becomes effective only as such currencies are repaid to IBRD.

***Retained Earnings:*** Retained Earnings consists of allocated amounts (Special Reserve, General Reserve, Pension Reserve and Surplus) and unallocated Net Income.

The Special Reserve consists of loan commissions set aside pursuant to Article IV, Section 6 of the Articles of Agreement, which are to be held in liquid assets. These assets may be used only for the purpose of meeting liabilities of IBRD on its borrowings and guarantees in the event of defaults on loans made, participated in, or guaranteed by IBRD. The Special Reserve assets are included under Investments held in the Trading portfolio, comprising obligations of the United States Government, its agencies, and other official entities. The allocation of such commissions to the Special Reserve was discontinued in 1964 with respect to subsequent loans and no further additions are being made to it.

The General Reserve consists of earnings from prior fiscal years which, in the judgment of the Executive Directors, should be retained in IBRD's operations.

The Pension Reserve consists of the difference between actual funding of the Staff Retirement Plan (SRP) and the SRP's accounting income. This Pension Reserve would be reduced if in any future fiscal year pension accounting expenses were to exceed the actual funding of the SRP.

Surplus consists of earnings from prior fiscal years which are retained by IBRD until a further decision is made on their disposition or the conditions of transfer for specified uses have been met.

Unallocated Net Income consists of earnings in the current fiscal year. Commencing in 1950, a portion or all of the unallocated Net Income has been allocated to the General Reserve after an assessment by the Executive Directors of IBRD's reserve needs. Upon recommendation by the Executive Directors, the Board of Governors, consisting of one Governor appointed by each member, periodically approves transfers out of unallocated Net Income and Surplus to various entities for development purposes consistent with IBRD's Articles of Agreement.

***Loans:*** All of IBRD's loans are made to or guaranteed by members, except loans to IFC. The majority of IBRD's loans have repayment obligations based on specific currencies. IBRD also offers multicurrency loans which have repayment obligations in various currencies determined on the basis of a currency pooling system.

Any loan origination fees incorporated in a loan's terms are deferred and recognized over the life of the loan as an adjustment of yield. However, incremental direct costs associated with originating loans are expensed as incurred as such amounts are considered immaterial. The unamortized balance of loan origination fees is included as a reduction of Loans Outstanding on the balance sheet, and the loan origination fees amortization is included in Interest under Income from Loans on the income statement.

It is IBRD's practice not to reschedule interest or principal payments on its loans or participate in debt rescheduling agreements with respect to its loans. In exceptional cases, however, such as when implementation of a financed project has been delayed, the loan amortization schedule may be modified to avoid substantial repayments prior to project completion. Delays in receiving loan payments result in present value losses to IBRD since it does not charge fees or additional interest on any overdue interest or loan charges. These present value losses are equal to the difference between the present value of payments for interest and charges made according to the related loan's contractual terms and the present value of its expected future cash flows. Such present value losses are considered in the determination of the Accumulated Provision for Loan Losses. IBRD has not written off any of its outstanding loans.

It is the policy of IBRD to place in nonaccrual status all loans made to or guaranteed by a member of IBRD if principal, interest, or other charges with respect to any such loan are overdue by more than six months, unless IBRD management determines that the overdue amount will be collected in the immediate future. In addition, if development credits made by IDA to a member government are placed in nonaccrual status, all loans made to or guaranteed by that member government will also be placed in nonaccrual status by IBRD. On the date a member's loans are placed in nonaccrual status, unpaid interest and other charges accrued on loans outstanding to the member are deducted from the income of the current period. Interest and other charges on nonaccruing loans are

included in income only to the extent that payments have actually been received by IBRD. If collectibility risk is considered to be particularly high at the time of arrears clearance, the member's loans may not automatically emerge from nonaccrual status, even though the member's eligibility for new loans may have been restored. A decision on the restoration of accrual status is made on a case-by-case basis after a suitable period of payment performance has passed from the time of arrears clearance.

IBRD determines the Accumulated Provision for Loan Losses based on an assessment of collectibility risk in the total loan and callable guarantees portfolio, including loans in nonaccrual status. The accumulated provision is periodically adjusted based on a review of the prevailing circumstances. Adjustments to the accumulated provision are recorded as a charge or addition to income. In the context of determining the adequacy of the Accumulated Provision for Loan Losses, IBRD considers the present value of expected cash flows relative to the contractual cash flows for loans.

***Investments:*** Investment securities are classified based on management's intention on the date of purchase. Securities which management has the intention and ability to hold until maturity are classified as Held-to-maturity and reported at amortized cost. Securities designated for other postretirement benefits are carried and reported at market value or at their estimated fair values. The changes in the values of the securities designated for other postretirement benefits are included in the determination of net income. All other investment securities are held in a Trading portfolio and classified as an element of liquidity in the Statement of Cash Flows due to their nature and IBRD's policies governing the level and use of such investments. Investment securities and related financial instruments held in IBRD's Trading portfolio are carried and reported at market value. Unrealized gains and losses for investment securities and related financial instruments held in the Trading portfolio are included in income. Derivative instruments are used in liquidity management to take advantage of profitable trading opportunities and as a proxy for cash securities. These instruments include short-term, over-the-counter foreign exchange forwards, currency swaps, cross-currency interest rate swaps, interest rate swaps, and exchange-traded futures and options on fixed income instruments. These derivatives are carried at market value. From time to time, IBRD enters into forward contracts for the sale or purchase of investment securities; these transactions are recorded at the time of commitment.

***Securities Purchased Under Resale Agreements and Securities Sold Under Repurchase Agreements and Payable for Cash Collateral Received:*** Securities purchased under resale agreements and securities sold under repurchase agreements are recorded at historical cost. IBRD takes possession of securities purchased under resale agreements, monitors the fair value of the securities and, if necessary, requires additional collateral.

***Borrowings***: To ensure funds are available for lending and liquidity purposes, IBRD borrows in the worldwide capital markets offering its securities to private and governmental buyers. IBRD issues short-term and medium- and long-term debt instruments denominated in various currencies with both fixed and adjustable interest rates. Borrowings are carried on the balance sheet at their par value (face value) adjusted for any unamortized premiums or discounts. Issuance costs associated with a bond offering are deferred and amortized over the period during which the related indebtedness is outstanding. The unamortized balance of the issuance costs is included in Other Assets on the balance sheet, and the issuance costs amortization is presented as a separate element under Borrowing Expenses on the income statement. Amortization of discounts and premiums is included in Interest under Borrowing Expenses on the income statement.

IBRD uses derivatives in its borrowing and liability management activities to create synthetic debt instruments to take advantage of cost saving opportunities across capital markets and lower its funding costs, to delink the time at which its borrowing costs are fixed from the timing of the actual market borrowings, and to establish an appropriate match between the currency and interest rate characteristics of its assets and liabilities. These instruments include currency and interest rate swaps, swap spread-locks, foreign exchange forwards, exchange-traded futures and options. These derivatives are used to modify the interest rate and/or currency characteristics of the borrowing portfolio and are linked to the related borrowings at inception and remain so throughout the terms of their contracts. The interest component of these derivatives is recognized as an adjustment to the borrowing cost over the life of the derivative contract and included in Interest under Borrowing Expenses on the income statement. Upon termination, the change in the derivative's market value is recorded as an adjustment to the carrying value of the underlying borrowing and recognized as an adjustment of the borrowing cost over the remaining life of the borrowing. In instances where the underlying borrowing is prepaid, the change in the associated derivative's market value is recognized immediately as an adjustment to the cost of the underlying borrowing instrument and accordingly in the determination of net income. Currency swap payables and receivables are recorded on a historical cost basis and are separate items on the balance sheet. The notional principal on interest rate swaps is treated as an off-balance sheet item.

***Fair Value Disclosures:*** Financial instruments for which market quotations are available have been valued at the prevailing market value. Financial instruments for which market quotations are not readily

available have been valued using methodologies and assumptions that necessarily require the use of subjective judgments. Accordingly, the actual value at which such financial instruments could be exchanged in a current transaction or whether they are actually exchangeable is not determinable.

### *Accounting and Reporting Developments*

In June 1998, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards (SFAS) No. 133, "Accounting for Derivative Instruments and Hedging Activities". This statement will significantly change accounting and reporting standards for all derivative instruments, and hedging activities. It requires a company to recognize all derivatives as either assets or liabilities on the balance sheet and to measure those instruments at fair value. The effective date of this standard was delayed by one year, to fiscal years beginning after June 15, 2000 by the issuance of SFAS No. 137. In June 2000, SFAS No. 133 was further amended by SFAS No. 138 "Accounting for Certain Derivative Instruments and Certain Hedging Activities" which addresses a limited number of implementation issues.

In addition, in December 1998, the International Accounting Standards Committee (IASC) issued International Accounting Standard (IAS) 39 "Financial Instruments: Recognition and Measurement". IAS 39 requires that all financial assets and liabilities, including derivatives, be included on the balance sheet and is effective for fiscal years beginning on or after January 1, 2001 although earlier application is permitted. IBRD intends to adopt the provisions of IAS 39 in fiscal year 2001. Therefore, for IBRD, IAS 39 and SFAS No.133 along with its amendments under SFAS No. 138 will be effective for the fiscal year beginning July 1, 2000. IBRD is currently in the process of evaluating the potential impact, including transition adjustment, of these standards on its financial statements.

## NOTE A—CAPITAL STOCK, RESTRICTED CURRENCIES, MAINTENANCE OF VALUE, AND MEMBERSHIP

***Capital Stock:*** At June 30, 2000, IBRD's capital comprised 1,581,724 (1,581,724—June 30, 1999) authorized shares, of which 1,563,443 (1,560,243—June 30, 1999) shares had been subscribed. Each share has a par value of 0.1 million 1974 SDRs, valued at the rate of $1.20635 per 1974 SDR. Of the subscribed capital, $11,418 million ($11,395 million—June 30, 1999) has been paid in, and the remaining $177,188 million ($176,825 million—June 30, 1999) is subject to call only when required to meet the obligations of IBRD created by borrowing or guaranteeing loans.

***Currencies Subject to Restrictions:*** A portion of capital subscriptions paid in to IBRD has been paid in the local currencies of the members. These amounts, referred to as restricted currencies, are usable by IBRD in its lending operations, only with the consent of the respective members, and for administrative expenses.

***Maintenance of Value:*** Of the total amount of $522 million ($453 million—June 30, 1999) included in Amounts to Maintain Value of Currency Holdings, which has been deducted from equity, $169 million ($87 million—June 30, 1999) represents MOV receivables for countries that have amounts in arrears for two years or more. IBRD still considers these MOV receivables in arrears as obligations due from the members concerned. The remaining $353 million ($366 million—June 30, 1999) represents net MOV amounts relating to restricted currencies out on loan that become payable under the same terms as other MOV obligations only after such currencies are repaid to IBRD.

***Membership:*** In February 1993, IBRD's Executive Directors decided that the former Socialist Federal Republic of Yugoslavia (SFRY) had ceased to be a member of IBRD and that the Republic of Bosnia and Herzegovina (now called Bosnia and Herzegovina), the Republic of Croatia, the former Yugoslav Republic of Macedonia, the Republic of Slovenia and the Federal Republic of Yugoslavia (Serbia and Montenegro) (FRY) are authorized to succeed to the SFRY's membership when certain requirements are met, including entering into a final agreement with IBRD on IBRD's loans made to or guaranteed by the SFRY which the particular successor Republic would assume. Four of the five successor Republics—Bosnia and Herzegovina, Croatia, Slovenia and the former Yugoslav Republic of Macedonia—have become members of IBRD. The paid-in portion of the SFRY's subscribed capital allocated to the FRY is included under Payments on Account of Pending Subscriptions until the requirements of succession are met.

## NOTE B—INVESTMENTS

As part of its overall portfolio management strategy, IBRD invests in government and agency obligations, time deposits, asset-backed securities, repurchase agreements, securities loans, resale agreements and related financial instruments with off-balance sheet risk including futures, forward contracts, currency swaps, cross-currency interest rate swaps, interest rate swaps, options and short sales.

For government and agency obligations, IBRD may only invest in obligations issued or unconditionally guaranteed by governments of countries with a minimum credit rating of AA; however, if such obligations are denominated in the home currency of the issuer,

no rating is required. IBRD may only invest in obligations issued by an agency or instrumentality of a government of a country, a multilateral organization or any other official entity with a minimum credit rating of AA. For asset-backed securities, IBRD may only invest in securities with a AAA credit rating.

With respect to futures and options, IBRD generally closes out most open positions prior to maturity. Therefore, cash receipts or payments are mostly limited to the change in market value of the futures and options contracts. Futures contracts generally entail daily settlement of the net cash margin.

For options, IBRD only invests in exchange-traded options. The initial price of an option contract is equal to the premium paid by the purchaser and is significantly less than the contract or notional amount. IBRD does not write uncovered option contracts as part of its investment portfolio strategy.

***Liquid Portfolio:*** A summary of IBRD's position in trading and other liquid portfolio instruments at June 30, 2000 and June 30, 1999 is as follows:

*In millions of U.S. dollars equivalent*

| | *Euro*[a] | | *Japanese yen* | | *U.S. dollars* | | *Other currencies* | | *All currencies* | |
|---|---|---|---|---|---|---|---|---|---|---|
| | *2000* | *1999* | *2000* | *1999* | *2000* | *1999* | *2000* | *1999* | *2000* | *1999* |
| **Trading:** | | | | | | | | | | |
| Government and agency obligations: | | | | | | | | | | |
| Carrying value | 3,386 | 1,601 | 3,596 | 4,415 | 911 | 1,368 | 34 | 80 | 7,927 | 7,464 |
| Average balance during fiscal year | 2,253 | 1,569 | 4,266 | 4,618 | 1,020 | 1,618 | 53 | 294 | 7,592 | 8,099 |
| Net gains (losses) for the fiscal year | (56) | (39) | (50) | (19) | (12) | 13 | * | * | (118) | (45) |
| Average yield (%) | 4.87 | 4.03 | (0.18) | 0.14 | 6.77 | 5.44 | 6.31 | 7.67 | 2.77 | 1.98 |
| Average maturity (years) | 1.52 | 1.31 | 1.09 | 1.62 | 1.08 | 1.31 | 1.27 | 1.23 | 1.27 | 1.54 |
| Time deposits: | | | | | | | | | | |
| Carrying value | 3,252 | 3,072 | 289 | 1,110 | 7,289 | 14,406 | 1,611 | 1,217 | 12,441 | 9,805 |
| Average balance during fiscal year | 2,895 | 3,046 | 564 | 1,772 | 11,790 | 11,439 | 1,339 | 1,363 | 16,588 | 7,620 |
| Net gains (losses) for the fiscal year | — | — | — | — | — | — | — | — | — | — |
| Average yield (%) | 4.31 | 2.73 | 0.08 | 0.05 | 6.95 | 5.42 | 5.19 | 2.95 | 5.87 | 4.51 |
| Average maturity (years) | 0.26 | 0.18 | 0.15 | 0.11 | 0.13 | 0.04 | 0.16 | 0.20 | 0.17 | 0.08 |
| Asset-backed securities: | | | | | | | | | | |
| Carrying value | — | — | — | — | 4,573 | 3,076 | — | — | 4,573 | 3,076 |
| Average balance during fiscal year | — | — | — | — | 3,966 | 2,398 | — | — | 3,966 | 2,398 |
| Net gains (losses) for the fiscal year | — | — | — | — | (1) | (6) | — | — | (1) | (6) |
| Average yield (%) | — | — | — | — | 6.60 | 5.39 | — | — | 6.60 | 5.39 |
| Average maturity (years) | — | — | — | — | 7.55 | 6.21 | — | — | 7.55 | 6.21 |
| Options, futures and forwards: | | | | | | | | | | |
| Carrying value | (*) | * | * | * | — | — | — | * | (*) | * |
| Average balance during fiscal year | 2 | * | * | * | * | (*) | * | * | 2 | * |
| Net gains (losses) for the fiscal year | 1 | (*) | (*) | * | 1 | 1 | (*) | * | 2 | 1 |
| **Total Trading Investments**** | | | | | | | | | | |
| Carrying value | 6,638 | 4,673 | 3,885 | 5,525 | 12,773 | 18,850 | 1,645 | 1,297 | 24,941 | 30,345 |
| Average balance during fiscal year | 5,150 | 4,615 | 4,830 | 6,390 | 16,776 | 15,456 | 1,392 | 1,657 | 28,148 | 28,118 |
| Net gains (losses) for the fiscal year[b] | (55) | (39) | (50) | (19) | (12) | 8 | * | * | (117) | (50) |
| **Repurchase agreements & securities loans:** | | | | | | | | | | |
| Carrying value | — | — | — | — | — | (102) | — | — | — | (102) |
| Average balance during fiscal year | — | (26) | — | — | (76) | (272) | — | (12) | (76) | (310) |
| Average cost (%) | — | — | — | — | — | 4.91 | — | — | — | 4.91 |
| Average maturity (years) | — | — | — | — | — | * | — | — | — | * |
| **Resale agreements:** | | | | | | | | | | |
| Carrying value | — | — | — | — | 101 | 6 | — | — | 101 | 6 |
| Average balance during fiscal year | 3 | 39 | — | — | 204 | 265 | — | 11 | 207 | 315 |
| Average yield (%) | — | — | — | — | 6.50 | 4.10 | — | — | 6.50 | 4.10 |
| Average maturity (years) | — | — | — | — | 2.38 | * | — | — | 2.38 | * |

*In millions of U.S. dollars equivalent*

| | Euro[a] | | Japanese yen | | U.S. dollars | | Other currencies | | All currencies | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2000 | 1999 | 2000 | 1999 | 2000 | 1999 | 2000 | 1999 | 2000 | 1999 |
| **Short sales:**[c] | | | | | | | | | | |
| Carrying value | — | — | — | — | (100) | (46) | — | — | (100) | (46) |
| Average balance during fiscal year | — | (*) | — | — | (35) | (1) | — | (*) | (35) | (1) |
| **Currency swaps receivable:** | | | | | | | | | | |
| Carrying value | — | — | — | — | 4,189 | 5,087 | — | — | 4,189 | 5,087 |
| Average balance during fiscal year | 1 | 3 | — | 10 | 3,819 | 5,017 | 27 | 26 | 3,847 | 5,056 |
| Average yield (%) | — | — | — | — | 6.71 | 5.02 | — | — | 6.71 | 5.02 |
| Average maturity (years) | — | — | — | — | 0.27 | 0.19 | — | — | 0.27 | 0.19 |
| **Currency swaps payable:** | | | | | | | | | | |
| Carrying value | (2,907) | (2,942) | (103) | (1,002) | — | — | (1,164) | (990) | (4,174) | (4,934) |
| Average balance during fiscal year | (2,482) | (2,413) | (302) | (1,485) | (28) | (31) | (991) | (1,135) | (3,803) | (5,064) |
| Average cost (%) | 4.28 | 2.70 | 0.14 | 0.05 | — | — | 5.39 | 2.56 | 4.48 | 2.14 |
| Average maturity (years) | 0.30 | 0.18 | 0.39 | 0.16 | — | — | 0.22 | 0.25 | 0.28 | 0.19 |
| **Cross-currency interest rate swaps receivable:**[d] | | | | | | | | | | |
| Carrying value | — | — | 291 | 245 | 6,837 | 6,088 | — | — | 7,128 | 6,333 |
| Average balance during fiscal year | — | — | 277 | 38 | 6,232 | 5,863 | — | — | 6,509 | 5,901 |
| Net gains (losses) for the fiscal year[b] | — | — | (3) | (2) | (*) | 5 | — | — | (3) | 3 |
| Average yield (%) | — | — | 0.41 | 0.48 | 6.50 | 5.12 | — | — | 6.25 | 4.94 |
| Average maturity (years) | — | — | 1.12 | 1.68 | 1.30 | 1.53 | — | — | 1.30 | 1.54 |
| **Cross-currency interest rate swaps payable:**[d] | | | | | | | | | | |
| Carrying value | (3,381) | (1,593) | (3,882) | (4,651) | (258) | (238) | (21) | (67) | (7,542) | (6,549) |
| Average balance during fiscal year | (2,251) | (1,590) | (4,535) | (4,234) | (251) | (112) | (55) | (283) | (7,092) | (6,219) |
| Net gains (losses) for the fiscal year[b] | 56 | 39 | 54 | 22 | (*) | * | (1) | (*) | 109 | 61 |
| Average cost (%) | 4.87 | 4.03 | (0.14) | 0.19 | 6.50 | 5.07 | 6.31 | 7.67 | 2.33 | 1.37 |
| Average maturity (years) | 1.54 | 1.33 | 1.12 | 1.63 | 1.28 | 1.64 | 1.27 | 1.23 | 1.31 | 1.55 |
| **Net Interest rate swaps:**[d] | | | | | | | | | | |
| Carrying value | — | — | — | — | (4) | (18) | — | — | (4) | (18) |
| Average balance during fiscal year | — | — | — | — | (10) | (47) | — | — | (10) | (47) |
| Net gains (losses) for the fiscal year[b] | — | — | — | — | 17 | (18) | — | — | 17 | (18) |
| Average cost (%) | — | — | — | — | (0.07) | (0.09) | — | — | (0.07) | (0.09) |
| Average maturity (years) | — | — | — | — | 1.18 | 1.66 | — | — | 1.18 | 1.66 |

a. *Effective January 1, 1999, the euro was introduced. For reporting purposes, holdings in the eleven national currencies that are considered national currency units of the euro have been aggregated with the euro and reported as euro in both the current and prior year.*
b. *Included in Net gains (losses) on the Trading portfolio in the income statement.*
c. *Included in Amounts Payable for Investment Securities Purchased on the balance sheet.*
d. *Included in Currency Swaps–Trading on the balance sheet.*
* *Less than $0.5 million, 0.005 percent, or 0.05 years.*
** *May differ from the sum of individual figures due to rounding.*

***Held-to-maturity portfolio:*** During fiscal year 1999, IBRD liquidated the securities in the held-to-maturity portfolio and thereby realized a gain of $237 million.

***Assets designated for other postretirement benefits plans:*** During fiscal year 1999, the Retired Staff Benefits Plan (RSBP) was modified and as a result, the assets and liabilities designated for the health and life insurance accounts were removed from the balance sheet.

## NOTE C—LOANS, COFINANCING AND GUARANTEES

IBRD's loan portfolio includes multicurrency loans, single currency pool loans, single currency loans, and fixed spread loans. Each of these is described below.

### Multicurrency Loans

***Fixed rate loans:*** On loans negotiated prior to July 1982, IBRD charges interest at fixed rates.

***Adjustable rate loans:*** In 1982, IBRD mitigated its interest rate risk by moving from fixed rate to adjustable rate lending. This rate, reset twice a year, is based on IBRD's own cost of qualified borrowings plus a lending spread[a], resulting in a pass-through of its average borrowing costs to those members that benefit from IBRD loans.

### Single Currency Pool Loans

In fiscal year 1997, IBRD offered its borrowers the opportunity to convert their existing multicurrency pool loans to single currency pools. These pools were available in four currencies (U.S. dollar, Japanese yen, Deutsche mark, or Swiss franc). At inception, each single currency pool reflected the composition of the multicurrency pool. However, as of June 30, 1999, all of the pools had exceeded the 90% target in the designated currency. All adjustable rate multicurrency pool loans that were converted to single currency pools carry the applicable pool's adjustable lending rate, reset semi-annually to reflect the previous semester average cost of outstanding borrowings allocated to fund that pool weighted by the shares of currencies in the pool, plus a spread of 50 basis points. Any fixed rate multicurrency pool loans that were converted to single currency pools continued to carry their fixed rate.

a. *Until July 31, 1998, the lending spread was 50 basis points. However, during the first quarter of fiscal year 1999, the lending spread charged by IBRD to its borrowers was increased by 25 basis points to 75 basis points for loans where the invitation to negotiate was issued on or after July 31, 1998. In addition, a front-end fee of 100 basis points, payable for each such loan at the time it becomes effective, was introduced.*

### Single Currency Loans

***Fixed rate loans:*** IBRD introduced fixed rate single currency loans in 1995. The rates charged on fixed rate single currency loans are set on semi-annual rate fixing dates for loan amounts disbursed during the preceding six-month period and remain fixed for such disbursed amounts until they are repaid. For the interim period from the date each disbursement is made until its rate fixing date, interest accrues at a variable rate equal to the rate on LIBOR-based single currency loans applicable for such interim period. The fixed lending rate comprises a base rate reflecting medium- to long-term market rates on the semi-annual rate-fixing date for loan amounts disbursed during the preceding six-month period, plus a total spread consisting of (a) IBRD's funding cost margin for these loans in the loan currency, (b) a market risk premium (intended to compensate IBRD for market risks incurred in funding these loans), and (c) a lending spread.

***Variable Spread loans:*** IBRD introduced variable spread single currency loans in 1993. The rates charged on variable spread single currency loans are a pass-through of IBRD's cost of funding for these loans, and are reset semi-annually. They comprise a base rate equal to the six-month reference interbank offered rate for the applicable currency on the rate reset date and a total spread consisting of (a) IBRD's average funding cost margin for these loans and (b) a lending spread.

Certain variable spread single currency loans, including the Special Structural and Sector Adjustment Loans introduced in fiscal year 1999, have non-standard terms. These loans have a fixed spread ranging from 75 to 400 basis points over LIBOR, a front-end fee, and are not eligible for waivers of interest or commitment charges.

### Fixed Spread Loans

During the first quarter of fiscal year 2000, IBRD introduced fixed-spread loans. These loans have an interest rate based on LIBOR plus a spread that will be fixed for the life of the loan. The spread is currently 55 basis points for U.S. dollar and euro denominated loans, and 45 basis points for Japanese yen denominated loans. A commitment charge premium of 10 basis points over the standard 75 basis points charged on other IBRD loans will be included for the first four years from the date the commitment charge begins to accrue.

Borrowers selecting this product have the flexibility to change the currency or interest rate basis over the life of the loan, subject to certain conditions.

## Waivers of Loan Interest and Commitment Charges

For payment periods beginning during the fiscal year ended June 30, 2000, an interest waiver of five basis points on disbursed and outstanding loans to eligible borrowers was in effect, except that for new loans where the invitation to negotiate was issued on or after July 31, 1998, which carry a 75 basis points lending spread, the interest waiver was 25 basis points. A similar waiver was in effect for the fiscal year ended June 30, 1999. For the fiscal year ended June 30, 1998, a waiver of 25 basis points was in effect. For the fiscal year ended June 30, 2000, the combined effect of these waivers was to reduce Net Income by $59 million ($102 million—June 30, 1999, $241 million—June 30, 1998).

A one-year commitment charge waiver of 50 basis points was in effect on all eligible undisbursed loans to all borrowers for all payment periods commencing in the fiscal year ending June 30, 2000. A similar waiver of 50 basis points was in effect for the fiscal years ended June 30, 1999 and June 30, 1998. For the fiscal year ended June 30, 2000, the effect of the commitment charge waiver was to reduce Net Income by $207 million ($229 million—June 30, 1999, $211 million—June 30, 1998).

A summary of IBRD's outstanding loans by currency and product at June 30, 2000 and June 30, 1999 follows:

*In millions of U.S. dollars equivalent*

| | 2000 | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | *Euro*[a] | | *Japanese yen* | | *U.S. dollars* | | *Others* | | *Loans Outstanding* | | |
| | *Fixed* | *Adjust.* | *Fixed* | *Adjust.* | *Fixed* | *Adjust.* | *Fixed* | *Adjust.* | *Fixed* | *Adjust.* | *Total* |
| Multicurrency loans[b] | | | | | | | | | | | |
| Amount | $ 386 | $10,004 | $364 | $12,622 | $ 479 | $11,283 | $221 | $1,641 | $ 1,450 | $ 35,550 | $ 37,000 |
| Weighted average rate (%)[c] | 8.28 | 5.23 | 8.30 | 5.23 | 8.08 | 5.28 | 7.92 | 5.23 | 8.16 | 5.24 | 5.36 |
| Single currency pools | | | | | | | | | | | |
| Amount | $ 7 | $ 3,860 | $ — | $ 68 | $ 63 | $31,424 | $ — | $ — | $ 70 | $ 35,352 | $ 35,422 |
| Weighted average rate (%)[c] | 10.61 | 6.71 | — | 4.05 | 11.06 | 8.66 | — | — | 11.01 | 8.44 | 8.44 |
| Average Maturity (years) | 0.85 | 4.31 | — | 3.50 | 0.84 | 4.63 | — | — | 0.84 | 4.59 | 4.59 |
| Single currency loans | | | | | | | | | | | |
| Amount | $ 463 | $ 1,126 | $ — | $ 160 | $12,486 | $32,476 | $ — | $ 3 | $12,949 | $ 33,765 | $ 46,714 |
| Weighted average rate (%)[c] | 5.46 | 4.50 | — | 0.35 | 6.76 | 7.29 | — | 3.25 | 6.71 | 7.16 | 7.04 |
| Average Maturity (years) | 5.20 | 6.81 | — | 7.84 | 5.45 | 6.47 | — | 4.97 | 5.44 | 6.48 | 6.20 |
| Fixed Spread Loans | | | | | | | | | | | |
| Amount | $ 229 | $ — | $ — | $ — | $ — | $ 739 | $ — | $ — | $ 229 | $ 739 | $ 968 |
| Weighted average rate (%)[c] | 6.36 | — | — | — | — | 7.57 | — | — | 6.36 | 7.57 | 7.28 |
| **Total loans** | | | | | | | | | | | |
| Amount | $1,085 | $14,990 | $364 | $12,850 | $13,028 | $75,922 | $221 | $1,644 | $14,698 | $105,406 | $120,104 |
| Weighted average rate (%)[c] | 6.69 | 5.55 | 8.30 | 5.16 | 6.83 | 7.56 | 7.92 | 5.23 | 6.87 | 6.95 | 6.94 |
| **Total loans** | | | | | | | | | | | $120,104 |
| Less accumulated provision for loan losses and deferred loan income | | | | | | | | | | | 3,860 |
| Net loans outstanding | | | | | | | | | | | $116,244 |

*Note: For footnotes see following page.*

*In millions of U.S. dollars equivalent*

| | 1999 | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | *Euro*[a] | | *Japanese yen* | | *U.S. dollars* | | *Others* | | *Loans Outstanding* | | |
| | *Fixed* | *Adjust.* | *Fixed* | *Adjust.* | *Fixed* | *Adjust.* | *Fixed* | *Adjust.* | *Fixed* | *Adjust.* | *Total* |
| Multicurrency loans[b] | | | | | | | | | | | |
| Amount | $786 | $11,815 | $661 | $11,756 | $774 | $11,949 | $390 | $1,704 | $2,611 | $37,224 | $39,835 |
| Weighted average rate (%)[c] | 8.81 | 6.04 | 8.85 | 6.04 | 8.46 | 6.06 | 8.12 | 6.04 | 8.61 | 6.05 | 6.21 |
| Single currency pools | | | | | | | | | | | |
| Amount | $18 | $5,067 | $— | $74 | $149 | $35,385 | $— | $— | $167 | $40,526 | $40,693 |
| Weighted average rate (%)[c] | 10.83 | 6.45 | — | 5.42 | 10.54 | 7.97 | — | — | 10.58 | 7.78 | 7.79 |
| Average Maturity (years) | 0.96 | 4.61 | — | 3.73 | 0.94 | 5.03 | — | — | 0.95 | 4.98 | 4.96 |
| Single currency loans | | | | | | | | | | | |
| Amount | $360 | $719 | $— | $132 | $8,759 | $26,727 | $— | $3 | $9,119 | $27,581 | $36,700 |
| Weighted average rate (%)[c] | 5.30 | 2.92 | — | 0.33 | 6.45 | 5.70 | — | 1.27 | 6.41 | 5.60 | 5.80 |
| Average Maturity (years) | 5.63 | 6.60 | — | 8.62 | 5.85 | 7.26 | — | 4.61 | 5.84 | 7.24 | 6.90 |
| **Total loans** | | | | | | | | | | | |
| Amount | $1,164 | $17,601 | $661 | $11,962 | $9,682 | $74,061 | $390 | $1,707 | $11,897 | $105,331 | $117,228 |
| Weighted average rate (%)[c] | 7.76 | 6.03 | 8.85 | 5.97 | 6.67 | 6.84 | 8.12 | 6.03 | 6.95 | 6.60 | 6.63 |
| **Total loans** | | | | | | | | | | | $117,228 |
| Less accumulated provision for loan losses and deferred loan income | | | | | | | | | | | 3,923 |
| Net loans outstanding | | | | | | | | | | | $113,305 |

a. *Effective January 1, 1999, the euro was introduced. For reporting purposes, amounts in the eleven national currencies that are considered national currency units of the euro have been aggregated with the euro and reported as euro in both the current and prior year.*

b. ***Average Maturity - Multicurrency loans.*** *IBRD maintains a targeted currency composition in its multicurrency loans. The present target ratio is one U.S. dollar for every 125 Japanese yen and one euro. These three major currencies comprise at least 90% of the multicurrency loans' U.S. dollar equivalent value, with the remainder in other currencies. This ratio was changed in January 1999 as a result of the introduction of the euro. The composition of the multicurrency loans is affected by the selection of currencies for disbursements on those loans and by the currencies selected for the billing of the principal repayments. Along with the selection of disbursement currencies, IBRD manages the selection of repayment currencies to maintain the alignment of the multicurrency loans' composition with the target ratio. The selection of currencies for repayment billing by IBRD precludes the determination of average maturity information for multicurrency loans by individual currency. Accordingly, IBRD only discloses the maturity periods for its multicurrency loans on a combined U.S. dollars equivalent basis.*

c. *Excludes effects of any waivers of loan interest.*

The maturity structure of IBRD's loans at June 30, 2000 and June 30, 1999 is as follows:

*In millions*

| | 2000 | | | | |
|---|---|---|---|---|---|
| *Product/Rate Type* | *July 1, 2000 through June 30, 2001* | *July 1, 2001 through June 30, 2005* | *July 1, 2005 through June 30, 2010* | *Thereafter* | *Total* |
| Multicurrency loans | | | | | |
| Fixed | $ 960 | $ 429 | $ 61 | $ — | $ 1,450 |
| Adjustable | 4,531 | 15,097 | 12,717 | 3,205 | 35,550 |
| Single currency pools | | | | | |
| Fixed | 42 | 28 | — | — | 70 |
| Adjustable | 4,728 | 16,157 | 11,949 | 2,518 | 35,352 |
| Single currency loans | | | | | |
| Fixed | 324 | 5,790 | 6,130 | 705 | 12,949 |
| Adjustable | 684 | 13,504 | 13,491 | 6,086 | 33,765 |
| Fixed Spread Loans | | | | | |
| Fixed | — | 10 | 95 | 124 | 229 |
| Adjustable | — | — | 687 | 52 | 739 |
| All Loans | | | | | |
| Fixed | 1,326 | 6,257 | 6,286 | 829 | 14,698 |
| Adjustable | 9,943 | 44,758 | 38,844 | 11,861 | 105,406 |
| Total loans outstanding | $11,269 | $51,015 | $45,130 | $12,690 | $120,104 |

*In millions*

| | 1999 | | | | |
|---|---|---|---|---|---|
| *Product/Rate Type* | *July 1, 1999 through June 30, 2000* | *July 1, 2000 through June 30, 2004* | *July 1, 2004 through June 30, 2009* | *Thereafter* | *Total* |
| Multicurrency loans | | | | | |
| Fixed | $ 1,452 | $ 1,041 | $ 117 | $ 1 | $ 2,611 |
| Adjustable | 4,283 | 15,072 | 13,546 | 4,323 | 37,224 |
| Single currency pools | | | | | |
| Fixed | 97 | 70 | — | — | 167 |
| Adjustable | 4,823 | 17,496 | 14,307 | 3,900 | 40,526 |
| Single currency loans | | | | | |
| Fixed | 178 | 3,660 | 4,623 | 658 | 9,119 |
| Adjustable | 395 | 8,543 | 12,495 | 6,148 | 27,581 |
| All Loans | | | | | |
| Fixed | 1,727 | 4,771 | 4,740 | 659 | 11,897 |
| Adjustable | 9,501 | 41,111 | 40,348 | 14,371 | 105,331 |
| Total loans outstanding | $11,228 | $45,882 | $45,088 | $15,030 | $117,228 |

## Estimated Value of Loans

All of IBRD's loans are made to or guaranteed by countries that are members of IBRD, except for those loans made to IFC. IBRD does not currently sell its loans, nor is there a market for loans comparable to those made by IBRD.

The estimated value of all loans is based on a discounted cash flow method. The estimated cash flows from principal repayments and interest are discounted by the applicable market yield curves plus IBRD's relevant basis point lending spread adjusted for waivers.

The following table reflects the carrying and estimated values of the loan portfolio at June 30, 2000 and June 30, 1999:

*In millions*

| | | 2000 | | 1999 | |
|---|---|---|---|---|---|
| | | *Carrying value* | *Estimated value* | *Carrying value* | *Estimated value* |
| Multicurrency loans | | | | | |
| | Fixed | $ 1,450 | $ 1,480 | $ 2,611 | $ 2,763 |
| | Adjustable | 35,550 | 37,487 | 37,224 | 39,940 |
| Single currency pools | | | | | |
| | Fixed | 70 | 73 | 167 | 174 |
| | Adjustable | 35,352 | 36,603 | 40,526 | 43,646 |
| Single currency loans | | | | | |
| | Fixed | 12,949 | 12,433 | 9,119 | 8,873 |
| | Adjustable [a] | 33,765 | 33,735 | 27,581 | 27,547 |
| Fixed Spread loans | | | | | |
| | Fixed | 229 | 231 | — | — |
| | Adjustable | 739 | 739 | — | — |
| Total loans | | | | | |
| | Fixed | 14,698 | 14,217 | 11,897 | 11,810 |
| | Adjustable | 105,406 | 108,564 | 105,331 | 111,133 |
| Total loans outstanding | | 120,104 | 122,781 | 117,228 | 122,943 |
| Less accumulated provision for loan losses and deferred loan income | | 3,860 | 3,860 | 3,923 | 3,923 |
| Net loans outstanding | | $116,244 | $118,921 | $113,305 | $119,020 |

a. *Amount includes carrying value of $10,800 million ($9,035 million—June 30, 1999) and estimated value of $10,789 million ($9,024 million—June 30, 1999) for non-standard single currency loans.*

## Cofinancing and Guarantees

IBRD has taken direct participations in, or provided partial guarantees of, loans syndicated by other financial institutions for projects or programs also financed by IBRD through regular loans. IBRD also has provided partial guarantees of securities issued by an entity eligible for IBRD loans. IBRD's partial guarantees of bond issues are included in the guarantees amount mentioned below. IBRD's direct participations in syndicated loans are included in the reported loan balances.

Guarantees of loan principal of $1,661 million at June 30, 2000 ($1,973 million—June 30, 1999), were not included in reported loan balances. At June 30, 2000, $467 million of these guarantees were subject to call ($466 million—June 30, 1999). In some cases, IBRD guarantees have included interest payments in addition to principal. At June 30, 2000, interest guarantees of $10 million ($3 million—June 30, 1999) were subject to call.

## Overdue Amounts

At June 30, 2000, in addition to those loans referred to in the following paragraph, principal installments of $3 million and charges of $2 million payable to IBRD on loans, were overdue by more than three months. At June 30, 2000, the aggregate principal amounts outstanding on all loans to any borrower, other than those referred to in the following paragraph, with any loan overdue by more than three months, was $460 million.

At June 30, 2000, the loans made to or guaranteed by certain member countries and the FRY with an aggregate principal balance outstanding of $2,031 million ($2,053 million—June 30, 1999), of which $1,302 million ($1,249 million—June 30, 1999) was overdue, were in nonaccrual status. At such date, overdue interest and other charges in respect of these loans totaled $1,060 million ($1,011 million—June 30, 1999). If these loans had not been in nonaccrual status, income from loans for the fiscal year ended June 30, 2000, would have been higher by $52 million ($55 million—June 30, 1999, $84 million—June 30, 1998).

A summary of countries with loans or guarantees in nonaccrual status follows:

*In millions*

| | 2000 | | |
|---|---|---|---|
| *Borrower* | *Principal outstanding* | *Principal and charges overdue* | *Nonaccrual since* |
| ***With overdues*** | | | |
| Congo, Democratic Republic of | $ 81 | $ 113 | November 1993 |
| Congo, Republic of | 67 | 55 | November 1997 |
| Iraq | 38 | 66 | December 1990 |
| Liberia | 133 | 291 | June 1987 |
| Syrian Arab Republic | 31 | 130[a] | February 1987 |
| Yugoslavia, Federal Republic of (Serbia/ Montenegro) | 1,111 | 1,707 | September 1992 |
| Total | 1,461 | 2,362 | |
| ***Without overdues*** | | | |
| Bosnia and Herzegovina | 569 | — | September 1992 |
| Sudan | 1 | — | January 1994 |
| ***Total*** | $2,031 | $2,362 | |

a. *Represents interest and charges overdue.*

During fiscal year 1999, Sudan reached an understanding with IBRD and IDA under which Sudan agreed to make regular monthly payments of $1 million commencing in July 1999. These payments are being applied first to IBRD arrears and then to arrears with IDA. As of June 30, 2000, Sudan had paid off all of its arrears to IBRD.

During fiscal year 1998, the Syrian Arab Republic and IBRD entered into an agreement covering, among other things, the application of payments by Syria of its overdue principal, interest, and charges. Under this agreement, Syria paid the overdue principal to IBRD in one payment of $263 million on September 2, 1997 and has been making monthly payments to IBRD since then.

In connection with the cessation of the membership of the SFRY discussed in Note A, in February 1993, IBRD reached an agreement with the FRY for the apportionment and service of debt due to IBRD on loans made to or guaranteed by the SFRY and assumed by the FRY, which confirmed a February 1992 interim agreement between the SFRY (then consisting of the Republics of Bosnia and Herzegovina, Macedonia, Montenegro and Serbia) and IBRD pertaining, among other things, to such loans. As of the date hereof, no debt-service payments have been received by IBRD from the FRY.

In June 1996, the accumulated arrears on loans to the former SFRY assumed by Bosnia and Herzegovina were cleared through three new consolidation loans extended by IBRD. These new loans consolidated all outstanding principal and overdue interest on the loans assumed by Bosnia and Herzegovina. This resulted in an increase in loans outstanding of $168 million and the deferral of the recognition of the related interest income.

The average recorded investment in nonaccruing loans during the fiscal year ended June 30, 2000, was $2,057 million ($2,084 million—June 30, 1999, $2,138 million—June 30, 1998).

During the fiscal years ended June 30, 2000, and June 30, 1999, no loans went into or came out of nonaccrual status.

## Accumulated Provision for Loan Losses

IBRD has never suffered a loss on any of its loans, with the exception of losses resulting from the difference between the discounted present value of expected payments for interest and charges according to the related loan's contractual terms and the actual cash flows. Certain borrowers have found it difficult to make timely payments for protracted periods, resulting in their loans being placed in nonaccrual status. Several borrowers have emerged from nonaccrual sta-

tus after a period of time by bringing up-to-date all principal payments and all overdue service payments, including interest and other charges. In an attempt to recognize the risk inherent in these and any other potential overdue payments, IBRD maintains an accumulated provision for loan losses. Of the Accumulated Provision for Loan Losses of $3,400 million at June 30, 2000 ($3,560 million—June 30, 1999), $700 million is attributable to the nonaccruing loan portfolio ($700 million—June 30, 1999).

Changes to the Accumulated Provision for Loan Losses for the fiscal years ended June 30, 2000, June 30, 1999 and June 30, 1998 are summarized below:

*In millions*

| | *2000* | *1999* | *1998* |
|---|---|---|---|
| Balance, beginning of the fiscal year | $3,560 | $3,240 | $3,210 |
| Provision for loan losses | (166) | 246 | 251 |
| Translation adjustment | 6 | 74 | (221) |
| Balance, end of the fiscal year | $3,400 | $3,560 | $3,240 |

During fiscal year 2000, an assessment of the probable losses inherent in the portfolio at June 30, 2000, compared to June 30, 1999, resulted in a reduction of the provisioning requirements, due to a decline in the credit risk of certain large borrowers. As a result, the corresponding reduction in the accumulated provision for loan losses for this fiscal year resulted in an increase in net income.

IBRD has endorsed a multilateral initiative for addressing the debt problems of a group of countries, identified as heavily indebted poor countries (HIPCs), to ensure that the reform efforts of these countries will not be put at risk by unsustainable external debt burdens. Under this initiative, creditors are to provide debt relief for those countries that demonstrated good policy performance over an extended period to bring their debt burdens to sustainable levels. IBRD has taken the situation of these countries into account in its review of the adequacy of the Accumulated Provision for Loan Losses.

### Fifth Dimension Program

Under IDA's Fifth Dimension program established in September 1988, a portion of principal repayments to IDA are allocated on an annual basis to provide supplementary IDA credits to IDA-eligible countries that are no longer able to borrow on IBRD terms, but have outstanding IBRD loans approved prior to September 1988 and have in place an IDA-supported structural adjustment program. Such supplementary IDA credits are allocated to countries that meet specified conditions, in proportion to each country's interest payments due that year on its pre-September 1988 IBRD loans. To be eligible for such IDA supplemental credits, a member country must meet IDA's eligibility criteria for lending, must be ineligible for IBRD lending and must not have had an IBRD loan approved within the last twelve months. To receive a supplemental credit from the program, a member country cannot be more than 60 days overdue on its debt-service payments to IBRD or IDA. At June 30, 2000, IDA had approved credits of $1,659 million ($1,623 million—June 30, 1999) under this program from inception, of which $1,630 million ($1,604 million—June 30, 1999) had been disbursed to the eligible countries.

## NOTE D—BORROWINGS

Providing liquidity and minimizing the cost of funds are key objectives to IBRD's overall borrowing strategy. IBRD uses swaps in its borrowing strategy to lower the overall cost of its borrowings for those members who benefit from IBRD loans. IBRD undertakes swap transactions with a list of authorized counterparties. Credit limits have been established for each counterparty. Swaps include currency swaps, interest rate swaps, forward interest rate swaps, and swaptions.

A summary of IBRD's borrowings portfolio at June 30, 2000 and June 30, 1999 follows:

## Medium- and Long-term Borrowings and Swaps at June 30, 2000

*In millions of U.S. dollars equivalent*

| | Direct borrowings | | | Currency swap agreements[a] | | | Interest rate swap agreements | | | Net currency obligations | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Currency/ Rate type | Amount | Wgtd. avg. cost (%) | Average maturity (years) | Amount payable (receivable) | Wgtd. avg. cost (%) | Average maturity (years) | Notional amount payable (receivable) | Wgtd. avg. cost (%) | Average maturity (years) | Amount payable (receivable) | Wgtd. avg. cost (%) | Average maturity[b] (years) |
| **Euro[c]** | | | | | | | | | | | | |
| Fixed | $ 14,418 | 6.71 | 5.53 | $ 2,944 | 7.11 | 1.66 | $ 3,731 | 6.38 | 3.51 | $ 21,093 | 6.70 | 4.64 |
| | | | | (13,050) | 6.90 | 4.87 | (1,591) | 5.62 | 3.47 | (14,641) | 6.76 | 4.72 |
| Adjustable | 5,707 | 5.43 | 8.97 | 8,477 | 4.08 | 2.54 | 1,564 | 4.49 | 3.26 | 15,748 | 4.61 | 4.94 |
| | | | | (6,481) | 5.19 | 8.43 | (3,711) | 4.33 | 3.45 | (10,192) | 4.88 | 6.62 |
| **Japanese yen** | | | | | | | | | | | | |
| Fixed | 12,334 | 4.97 | 4.82 | 51 | 4.98 | 1.41 | 4,761 | 0.84 | 1.21 | 17,146 | 3.82 | 3.80 |
| | | | | (8,268) | 5.05 | 4.14 | (3,123) | 2.74 | 4.45 | (11,391) | 4.42 | 4.22 |
| Adjustable | 2,857 | 3.70 | 10.99 | 5,174 | (0.22) | 0.90 | 3,123 | 0.07 | 4.45 | 11,154 | 0.86 | 4.48 |
| | | | | (2,805) | 2.10 | 11.57 | (4,761) | 0.12 | 1.21 | (7,566) | 0.86 | 5.05 |
| **U. S. dollars** | | | | | | | | | | | | |
| Fixed | 45,816 | 6.48 | 5.22 | 13,629 | 9.16 | 3.20 | 15,448 | 5.98 | 7.84 | 74,893 | 6.86 | 5.39 |
| | | | | (1,158) | 8.26 | 1.09 | (40,011) | 5.93 | 4.46 | (41,169) | 6.00 | 4.37 |
| Adjustable | 1,757 | 6.58 | 4.86 | 38,452 | 6.46 | 6.45 | 39,762 | 6.39 | 4.37 | 79,971 | 6.43 | 5.38 |
| | | | | (12,055) | 6.46 | 1.84 | (15,223) | 6.60 | 7.68 | (27,278) | 6.54 | 5.10 |
| **Others** | | | | | | | | | | | | |
| Fixed | 22,522 | 7.37 | 5.04 | 1,296 | 5.64 | 0.73 | 390 | 7.08 | 1.30 | 24,208 | 7.27 | 4.75 |
| | | | | (22,881) | 7.27 | 4.54 | (158) | 6.66 | 6.26 | (23,039) | 7.27 | 4.56 |
| Adjustable | 243 | 7.46 | 0.55 | 390 | 1.58 | 1.23 | 158 | 5.85 | 6.26 | 791 | 4.24 | 2.02 |
| | | | | (401) | 8.36 | 2.80 | (390) | 3.10 | 1.30 | (791) | 5.76 | 2.06 |
| **Total** | | | | | | | | | | | | |
| Fixed | 95,090 | 6.53 | 5.17 | 17,920 | | | 24,330 | | | 137,340 | 6.53 | 4.97 |
| | | | | (45,357) | | | (44,883) | | | (90,240) | 6.25 | 4.45 |
| Adjustable | 10,564 | 5.20 | 8.64 | 52,493 | | | 44,607 | | | 107,664 | 5.57 | 5.20 |
| | | | | (21,742) | | | (24,085) | | | (45,827) | 5.22 | 5.37 |
| **Principal at face value** | 105,654 | 6.39 | 5.52 | 3,314 | | | (31) | | | 108,937 | 6.37 | |
| **Net unamortized premium (discount)** | (5) | | | 186 | | | 159 | | | 340 | | |
| **Total** | $105,649 | 6.39 | 5.52 | $ 3,500 | | | $ 128 | | | $109,277 | 6.37 | |

a. *Currency swap agreements include cross-currency interest rate swaps.*

b. *At June 30, 2000, the average repricing period of the net currency obligations for adjustable rate borrowings was three months.*

c. *Effective January 1, 1999, the euro was introduced. For reporting purposes, amounts in the eleven national currencies that are considered national currency units of the euro have been aggregated with the euro and reported as euro in both the current and prior year.*

## Medium- and Long-term Borrowings and Swaps at June 30, 1999

*In millions of U.S. dollars equivalent*

| | Direct borrowings | | | Currency swap agreements[a] | | | Interest rate swap agreements | | | Net currency obligations | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Currency/ Rate type | Amount | Wgtd. avg. cost (%) | Average maturity (years) | Amount payable (receivable) | Wgtd. avg. cost (%) | Average maturity (years) | Notional amount payable (receivable) | Wgtd. avg. cost (%) | Average maturity (years) | Amount payable (receivable) | Wgtd. avg. cost (%) | Average maturity[b] (years) |
| **Euro[c]** | | | | | | | | | | | | |
| Fixed | $19,054 | 6.85 | 5.39 | $ 3,550 | 7.70 | 1.80 | $ 3,445 | 7.20 | 3.23 | $ 26,049 | 7.01 | 4.62 |
| | | | | (15,106) | 6.91 | 5.47 | (2,838) | 5.56 | 2.95 | (17,944) | 6.70 | 5.07 |
| Adjustable | 6,840 | 7.00 | 9.89 | 7,172 | 2.87 | 2.58 | 2,867 | 2.66 | 2.90 | 16,879 | 4.51 | 5.60 |
| | | | | (7,720) | 6.36 | 9.11 | (3,463) | 3.06 | 3.22 | (11,183) | 5.34 | 7.29 |
| **Japanese yen** | | | | | | | | | | | | |
| Fixed | 15,119 | 4.97 | 4.16 | 63 | 5.15 | 2.43 | 2,811 | 1.01 | 1.88 | 17,993 | 4.35 | 3.80 |
| | | | | (8,894) | 5.14 | 4.03 | (2,792) | 2.72 | 5.34 | (11,686) | 4.56 | 4.34 |
| Adjustable | 1,969 | 3.42 | 8.09 | 2,780 | (0.11) | 1.31 | 2,792 | 0.14 | 5.34 | 7,541 | 0.90 | 4.57 |
| | | | | (1,629) | 0.97 | 9.90 | (2,811) | 0.15 | 1.88 | (4,440) | 0.45 | 4.82 |
| **U. S. dollars** | | | | | | | | | | | | |
| Fixed | 42,239 | 6.45 | 5.61 | 16,431 | 9.15 | 3.60 | 10,149 | 6.18 | 7.88 | 68,819 | 7.05 | 5.46 |
| | | | | (1,802) | 6.97 | 1.50 | (32,292) | 5.84 | 5.08 | (34,094) | 5.90 | 4.89 |
| Adjustable | 1,430 | 4.99 | 6.08 | 37,298 | 4.94 | 6.65 | 32,977 | 4.94 | 5.20 | 71,705 | 4.94 | 5.97 |
| | | | | (7,062) | 4.91 | 1.60 | (10,862) | 5.18 | 8.07 | (17,924) | 5.07 | 5.52 |
| **Others** | | | | | | | | | | | | |
| Fixed | 23,283 | 7.50 | 5.06 | 1,641 | 5.66 | 1.49 | 416 | 7.08 | 2.30 | 25,340 | 7.37 | 4.78 |
| | | | | (24,078) | 7.38 | 4.50 | (159) | 6.66 | 7.26 | (24,237) | 7.38 | 4.52 |
| Adjustable | 355 | 6.51 | 1.42 | 417 | 0.01 | 2.23 | 159 | 4.82 | 7.26 | 931 | 3.31 | 2.78 |
| | | | | (450) | 7.07 | 3.44 | (416) | 1.25 | 2.30 | (866) | 4.27 | 2.89 |
| **Total** | | | | | | | | | | | | |
| Fixed | 99,695 | 6.55 | 5.22 | 21,685 | | | 16,821 | | | 138,201 | 6.75 | 4.96 |
| | | | | (49,880) | | | (38,081) | | | (87,961) | 6.29 | 4.75 |
| Adjustable | 10,594 | 6.05 | 8.76 | 47,667 | | | 38,795 | | | 97,056 | 4.54 | 5.77 |
| | | | | (16,861) | | | (17,552) | | | (34,413) | 4.54 | 5.94 |
| **Principal at face value** | 110,289 | 6.50 | 5.56 | 2,611 | | | (17) | | | 112,883 | 5.88 | |
| **Net unamortized premium** | 122 | | | 167 | | | 157 | | | 446 | | |
| **Total** | $110,411 | 6.50 | 5.56 | $ 2,778 | | | $ 140 | | | $113,329 | 5.88 | |

a. *Currency swap agreements include cross-currency interest rate swaps.*
b. *At June 30, 1999, the average repricing period of the net currency obligations for adjustable rate borrowings was three months.*
c. *Effective January 1, 1999, the euro was introduced. For reporting purposes, amounts in the eleven national currencies that are considered national currency units of the euro have been aggregated with the euro and reported as euro in both the current and prior year.*

## Short-term Borrowings and Swaps at June 30, 2000 and June 30, 1999

*In millions of U.S. dollars equivalent*

| | 2000 | | | | | 1999 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| *Currency/ Rate type* | *Principal outstanding* | *Currency swap[a] payable (receivable)* | *Interest rate swap payable (receivable)* | *Net currency obligations[b]* | *Wgtd. avg. cost (%)* | *Principal outstanding* | *Currency swap[a] payable (receivable)* | *Interest rate swap payable (receivable)* | *Net currency obligations* | *Wgtd. avg. cost (%)* |
| **Euro[c]** | | | | | | | | | | |
| Fixed | $ — | $ — | $ — | $ — | — | $ — | $ 281 | $— | $ 281 | 4.71 |
| **Hong Kong dollars** | | | | | | | | | | |
| Fixed | — | — | — | — | — | 451 | — | — | 451 | 12.33 |
| | | — | — | — | — | | (451) | — | (451) | 12.33 |
| **Japanese yen** | | | | | | | | | | |
| Fixed | — | — | 556 | 556 | 0.21 | — | 12 | — | 12 | 1.83 |
| | | — | — | — | — | | (278) | — | (278) | 5.29 |
| Adjustable | — | — | — | — | — | — | — | — | — | — |
| | | — | (556) | (556) | 0.20 | | — | — | — | — |
| **Polish złotys** | | | | | | | | | | |
| Fixed | 215 | — | — | 215 | 16.13 | — | — | — | — | — |
| | | (215) | — | (215) | 16.13 | | — | — | — | — |
| **U. S. dollars** | | | | | | | | | | |
| Fixed | 3,319 | — | — | 3,319 | 6.59 | 3,606 | 289 | — | 3,895 | 5.31 |
| | | — | (95) | (95) | 6.65 | | (332) | — | (332) | 6.06 |
| Adjustable | 1,196 | 220 | 100 | 1,516 | 5.98 | 1,188 | 536 | — | 1,724 | 4.71 |
| | | — | (6) | (6) | 1.67 | | — | — | — | — |
| **South African rand** | | | | | | | | | | |
| Fixed | — | — | — | — | — | 83 | — | — | 83 | 15.96 |
| | | — | — | — | — | | (83) | — | (83) | 15.96 |
| **Total** | | | | | | | | | | |
| Fixed | 3,534 | — | 556 | 4,090 | 6.23 | 4,140 | 582 | — | 4,722 | 6.12 |
| | | (215) | (95) | (310) | 13.22 | | (1,144) | — | (1,144) | 9.06 |
| Adjustable | 1,196 | 220 | 100 | 1,516 | 5.98 | 1,188 | 536 | — | 1,724 | 4.71 |
| | | — | (562) | (562) | 0.22 | | — | — | — | — |
| **Principal at face value** | 4,730 | 5 | (1) | 4,734 | 6.40 | 5,328 | (26) | — | 5,302 | 5.02 |
| **Net unamortized premium** | — | 1 | — | 1 | | — | — | — | — | |
| **Total** | $4,730 | $ 6 | $ (1) | $4,735 | 6.40 | $5,328 | $ (26) | $— | $ 5,302 | 5.02 |

a. *Currency swap agreements include cross-currency interest rate swaps.*

b. *At June 30, 2000, the average repricing period of the net currency obligations for short-term borrowings was one month (less than one month—June 30, 1999.)*

c. *Effective January 1, 1999, the euro was introduced. For reporting purposes, amounts in the eleven national currencies that are considered national currency units of the euro have been aggregated with the euro and reported as euro in both the current and prior year.*

The maturity structure of IBRD's Medium-and Long-term borrowings outstanding at June 30, 2000 and June 30, 1999 is as follows:

*In millions*

| *Period* | *2000* |
|---|---|
| July 1, 2000 through June 30, 2001 | $ 14,181 |
| July 1, 2001 through June 30, 2002 | 18,431 |
| July 1, 2002 through June 30, 2003 | 17,669 |
| July 1, 2003 through June 30, 2004 | 8,408 |
| July 1, 2004 through June 30, 2005 | 9,515 |
| July 1, 2005 through June 30, 2010 | 22,568 |
| Thereafter | 14,882 |
| Total | $105,654 |

*In millions*

| *Period* | *1999* |
|---|---|
| July 1, 1999 through June 30, 2000 | $ 17,900 |
| July 1, 2000 through June 30, 2001 | 14,319 |
| July 1, 2001 through June 30, 2002 | 14,682 |
| July 1, 2002 through June 30, 2003 | 15,000 |
| July 1, 2003 through June 30, 2004 | 8,644 |
| July 1, 2004 through June 30, 2009 | 25,016 |
| Thereafter | 14,728 |
| Total | $110,289 |

The following table reflects the carrying and estimated fair values of the borrowings portfolio at June 30, 2000 and June 30, 1999:

*In millions*

| | *2000* | | *1999* | |
|---|---|---|---|---|
| | *Carrying value*[a] | *Estimated fair value* | *Carrying value*[a] | *Estimated fair value* |
| **Short-term** | $ 4,729 | $ 4,726 | $ 5,353 | $ 5,338 |
| **Medium- and long-term** | 105,042 | 106,584 | 109,674 | 117,858 |
| **Swaps** | | | | |
| Currency | | | | |
| Payable | 70,632 | 71,384 | 70,467 | 73,736 |
| Receivable | (67,126) | (68,018) | (67,715) | (72,371) |
| Interest rate | 127 | 777 | 140 | 458 |
| **Total** | $113,404 | $115,453 | $117,919 | $125,019 |

a. *The carrying value is net of unamortized issuance costs of borrowings.*

The estimated fair values are based on quoted market prices where such prices are available. Where no quoted market price is available, the fair value is estimated based on the cost at which IBRD could currently undertake borrowings with similar terms and remaining maturities, using the secondary market yield curve. The fair value of swaps represents the estimated cost of replacing these contracts on that date.

## NOTE E—CREDIT RISK

***Country Credit Risk:*** This risk includes potential losses arising from protracted arrears on payments from borrowers. IBRD manages country credit risk through individual country exposure limits according to creditworthiness. These exposure limits are tied to performance on macroeconomic and structural policies. In addition, IBRD establishes absolute limits on the share of outstanding loans to any individual borrower. The country credit risk is further managed by financial incentives such as pricing loans using IBRD's own cost of borrowing and partial interest charge waivers conditioned on timely payment that give borrowers self-interest in IBRD's continued strong intermediation capacity. Collectibility risk is covered by the Accumulated Provision for Loan Losses. IBRD also uses a simulation model to assess the adequacy of its equity including reserves in case a major borrower, or group of borrowers, stops servicing its loans for an extended period of time.

***Commercial Credit Risk:*** For the purpose of risk management, IBRD is party to a variety of financial instruments, certain of which involve elements of credit risk in excess of the amount recorded on the balance sheet. Credit risk exposure represents the maximum potential accounting loss due to possible nonperformance by

obligors and counterparties under the terms of the contracts. Additionally, the nature of the instruments involve contract value and notional principal amounts that are not reflected in the basic financial statements. For both on- and off-balance sheet securities, IBRD limits trading to a list of authorized dealers and counterparties. Credit risk is controlled through application of eligibility criteria and volume limits for transactions with individual counterparties and through the use of mark-to-market collateral arrangements for swap transactions. IBRD may require collateral in the form of cash or other approved liquid securities from individual counterparties in order to mitigate its credit exposure. In addition, IBRD has entered into master derivatives agreements which contain legally enforceable close-out netting provisions. These agreements may further reduce the gross credit risk exposure related to the swaps shown below. Credit risk with financial assets subject to a master derivatives arrangement is eliminated only to the extent that financial liabilities to the same counterparty are settled after the assets are realized. Because the exposure is affected by each transaction subject to the arrangement, the extent of the reduction in exposure may change substantially within a short period of time following the balance sheet date.

The contract value/notional amounts and credit risk exposure, as applicable, of these financial instruments at June 30, 2000 and June 30, 1999 (prior to taking into account any master derivatives or collateral arrangements that have been entered into) are given below:

*In millions*

| | *2000* | *1999* |
|---|---|---|
| INVESTMENTS - TRADING PORTFOLIO | | |
| Options, futures and forwards | | |
| • Long position | $ 805 | $ 3,433 |
| • Short position | 1,250 | 3,653 |
| • Credit exposure due to potential nonperformance by counterparties | * | 1 |
| Currency swaps | | |
| • Credit exposure due to potential nonperformance by counterparties | 77 | 182 |
| Cross-currency interest rate swaps | | |
| • Credit exposure due to potential nonperformance by counterparties | 306 | 100 |
| Interest rate swaps | | |
| • Notional principal | 13,687 | 12,924 |
| • Credit exposure due to potential nonperformance by counterparties | 3 | 1 |
| BORROWING PORTFOLIO | | |
| Currency swaps | | |
| • Credit exposure due to potential nonperformance by counterparties | 3,863 | 2,051 |
| Interest rate swaps | | |
| • Notional principal | 69,625 | 55,633 |
| • Credit exposure due to potential nonperformance by counterparties | 869 | 731 |

* *Less than $0.5 million.*

## NOTE F—RETAINED EARNINGS, ALLOCATIONS AND TRANSFERS

***Retained Earnings:*** Retained Earnings comprises the following elements at June 30, 2000 and June 30, 1999:

*In millions*

| | *2000* | *1999* |
|---|---|---|
| **Special reserve** | $ 293 | $ 293 |
| **General reserve** | 16,109 | 15,409 |
| **Pension reserve** | 549 | 294 |
| **Surplus** | 85 | 195 |
| **Unallocated net income** | 1,991 | 1,518 |
| **Total** | $19,027 | $17,709 |

On July 29, 1999, the Executive Directors allocated $700 million of the net income earned in the fiscal year ended June 30, 1999 to the General Reserve and $255 million to the Pension Reserve, representing the difference between actual funding of the Staff Retirement Plan (SRP) and its accounting income for the fiscal year 1999. This Pension Reserve would be reduced if, in any future fiscal year, pension accounting expenses were to exceed the actual funding of the SRP.

On September 30, 1999, the Board of Governors approved the following transfers out of unallocated Net Income: an amount equivalent to $273 million in SDRs (valued at June 30, 1999) to IDA, $200 million to the Heavily Indebted Poor Countries (HIPC) Debt Initiative Trust Fund, $60 million to the Trust Fund for Gaza and West Bank, and $30 million for capacity building in Africa. In addition, the Board of Governors approved the following transfers out of Surplus: $75 million in SDRs (valued at June 30, 1999) to IDA and $25 million for

emergency rehabilitation assistance for Kosovo. Of the total amount of these transfers by IBRD to IDA ($348 million in SDRs valued at June 30, 1999) $300 million is to be drawn down in fiscal year 2005; the remaining $48 million was transferred in October 1999 as a reimbursement of IDA's share of the fiscal year 1999 cost of implementing the Strategic Compact of IBRD and IDA. On March 13, 2000, the Board of Governors approved a $10 million transfer out of Surplus to the Trust Fund for East Timor.

The aggregate transfers and amounts payable for these Board of Governors-approved transfers at June 30, 2000 and June 30, 1999 are included in the following table:

*In millions of U.S dollars equivalent*

| | | *Fiscal Year 2000 Transfers from* | | *Amount Payable at June 30* | |
|---|---|---|---|---|---|
| *Transfers to* | *Aggregate Transfers through June 30, 1999* | *Unallocated Net Income* | *Surplus* | *2000* | *1999* |
| International Development Association [a] | $6,087 | $273 | $75 | $650 | $354 |
| Debt Reduction Facility for IDA-only Countries | 300 | — | — | 81 | 100 |
| Trust Fund for Gaza and West Bank | 320 | 60 | — | 30 | 53 |
| Heavily Indebted Poor Countries Debt Initiative Trust Fund | 850 | 200 | — | 100 | 100 |
| Capacity building in Africa | — | 30 | — | — | — |
| Trust Fund for Kosovo | — | — | 25 | — | — |
| Trust Fund for East Timor | — | — | 10 | — | — |
| Multilateral Investment Guarantee Agency | 150 | — | — | — | — |
| | | | | $861 | $607 |

a. *All amounts are approved in an equivalent amount of SDRs.*

## NOTE G—ADMINISTRATIVE EXPENSES, CONTRIBUTIONS TO SPECIAL PROGRAMS, AND OTHER INCOME

In fiscal year 1995 the Executive Directors authorized expenditures for costs associated with planned staff reductions. The cost of this program charged through fiscal year 1997 was $112 million, of which $45 million was allocated to IDA. During fiscal year 1998 all remaining staff previously identified for separation under this program began receiving severance payments. The total cost under this program was $87 million. The difference of $25 million was taken back into income as a reduction of administrative expenses, for fiscal year 1998, of which $10 million had been allocated to IDA as a reduction of the management fee charged to IDA. At June 30, 2000, $86 million ($86 million—June 30, 1999, $82 million—June 30, 1998) had been charged against the accrual of $87 million. This accrual included costs associated with job search assistance, training, outplacement consulting, pension plan contributions, medical insurance contributions and related tax allowances.

In March 1997 the Executive Directors approved a multiyear program of institutional renewal to improve IBRD's and IDA's business processes, products and services, strengthen their human resources through more skilled and better trained staff, and achieve a higher level of development effectiveness. Implementation of this program resulted in costs associated with staff reductions during the fiscal years 1997 through 2000. Through June 30, 2000, 745 staff had been identified for separation at a cumulative cost of $114 million. Included in the total charge of $114 million are costs associated with outplacement consulting, job search assistance, training, medical insurance plan contributions and related tax allowances. Of the total cumulative charge of $114 million, $45 million has been charged to IDA. Of the total fiscal year charge of $36 million, $15 million has been charged to IDA for the fiscal year ended June 30, 2000, consistent with normal cost apportionment procedures applied in the calculation of the management fee.

Administrative Expenses for the fiscal year ended June 30, 2000 are net of the management fee charged to IDA of $549 million ($518 million—June 30, 1999, $474 million—June 30, 1998).

Contributions to special programs represent grants for agricultural research, and other developmental activities.

IBRD recovers certain of its administrative expenses by billing third parties for services rendered. Prior to fiscal year 2000, these amounts were included as a reduction to Administrative Expenses. However, in fiscal year 2000, it was decided that these amounts should be included in Other Income. The prior years' figures have been restated to reflect this change. For the fiscal years ending June 30, 2000, June 30, 1999,

and June 30, 1998, the amount of fee revenue associated with administrative services is as follows:

*In millions*

| | *2000* | *1999* | *1998* |
|---|---|---|---|
| Service fee revenue | $118 | $116 | $104 |
| Included in these amounts are the following: | | | |
| Fees charged to IFC | 16 | 17 | 14 |
| Fees charged to MIGA | 1 | 1 | 1 |

During fiscal year 2000 IBRD began offering investment management services to an institution outside the World Bank Group. Under this arrangement, IBRD is responsible for managing investment account assets on behalf of this institution, and in return receives a quarterly fee based on the average value of the portfolio. This fee income is included in service fee revenues noted previously. At June 30, 2000, the assets managed under this agreement had a value of $5,158 million. These funds are not included in the assets of IBRD.

## NOTE H—TRUST FUNDS

IBRD, alone or jointly with IDA, administers on behalf of donors, including members, their agencies and other entities, funds restricted for specific uses which include the cofinancing of IBRD lending projects, debt reduction operations, technical assistance for borrowers including feasibility studies and project preparation, global and regional programs and research and training programs. These funds are held in trust and are not included in the assets of IBRD. The trust fund assets by executing agent at June 30, 2000 and June 30, 1999 are summarized below:

| | *2000* | | *1999* | |
|---|---|---|---|---|
| | *Total fiduciary assets (In millions)* | *Number of trust fund accounts* | *Total fiduciary assets (In millions)* | *Number of trust fund accounts* |
| IBRD executed | $ 447 | 1,184 | $ 605 | 1,503 |
| Recipient executed | 2,088 | 2,093 | 1,635 | 1,287 |
| Total | $2,535 | 3,277 | $2,240 | 2,790 |

The responsibilities of IBRD under these arrangements vary and range from services normally provided under its own lending projects to full project implementation including procurement of goods and services. During the fiscal year ended June 30, 2000, IBRD received $17 million ($19 million—June 30, 1999 and $14 million—June 30, 1998) as fees for administering trust funds. These fees have been recorded as Other Income.

## NOTE I—PENSION AND OTHER POSTRETIREMENT BENEFITS

IBRD has a defined benefit Staff Retirement Plan (SRP) that covers substantially all of its staff. The SRP also covers substantially all the staff of IFC and MIGA. In addition, IBRD provides other postretirement benefits for eligible active and retired staff through a Retired Staff Benefits Plan (RSBP) and a Post-Employment Benefits Plan (PEBP).

During the fiscal year ended June 30, 1998, IBRD reviewed the status of the RSBP and PEBP accounts and determined that the assets and liabilities did not qualify for off-balance sheet accounting. At June 30, 1998, the assets and liabilities were recorded on IBRD's balance sheet, resulting in net income to IBRD of $113 million, of which $56 million related to the cumulative effect of prior periods on retained earnings at June 30, 1997, and has been included in Effect of Accounting Change on the income statement.

During the first quarter of fiscal year 1999, the RSBP was modified so that some of the assets designated for other postretirement benefits met the requirements for plan assets prescribed under SFAS 106 "Employer's Accounting for Postretirement Benefits Other than Pensions". Accordingly, the RSBP assets and liabilities were removed from the balance sheet. As a result, the assets and liabilities designated on the balance sheet for other postretirement benefits were reduced by $806 million and $620 million, respectively. The $650 million of assets that remained on the balance sheet were incorporated into Trading investments. At June 30, 2000, liabilities of $119 million ($103 million—June 30, 1999) for the PEBP shown on the balance sheet represent pension benefits administered outside the SRP.

The difference between the RSBP assets and liabilities represents a prepaid postretirement benefits cost. The portion of this asset that is attributable to IBRD has been included in Other Assets on the balance sheet.

The following table summarizes the benefit costs associated with the SRP, RSBP, and PEBP for IBRD and IDA for the fiscal years ended June 30, 2000, June 30, 1999, and June 30, 1998:

*In millions*

| | *SRP* | | | *RSBP* | | | *PEBP* | | |
|---|---|---|---|---|---|---|---|---|---|
| | *2000* | *1999* | *1998* | *2000* | *1999* | *1998* | *2000* | *1999* | *1998* |
| **Benefit Cost** | | | | | | | | | |
| Service cost | $ 230 | $ 186 | $ 184 | $ 24 | $ 25 | $24 | $ 9 | $ 5 | $— |
| Interest cost | 391 | 324 | 353 | 42 | 36 | 37 | 9 | 7 | 6 |
| Expected return on plan assets | (773) | (738) | (669) | (67) | (65) | — | — | — | — |
| Amortization of prior service cost | 7 | 7 | 7 | — | — | (2) | — | — | — |
| Amortization of unrecognized net (gain) loss | (121) | (175) | (161) | — | — | — | — | 3 | 12 |
| Amortization of Transition Asset | (11) | (11) | (11) | — | — | — | — | — | — |
| Net periodic pension (income) cost | $(277) | $(407) | $(297) | $ (1) | $ (4) | $59 | $18 | $15 | $18 |

The portion of the SRP income related to IBRD that has been included in income for the fiscal year ended June 30, 2000 is $166 million ($255 million—June 30, 1999; $182 million—June 30, 1998). The balance has been included as a payable to IDA. The portion of the cost for the RSBP and PEBP related to IBRD that has been included in income for the fiscal year ended June 30, 2000 is $10 million ($10 million—June 30, 1999; $50 million—June 30, 1998). The balance has been included as a receivable from IDA.

The following table summarizes the benefit obligations, plan assets, funded status and rate assumptions associated with the SRP, RSBP, and PEBP for the World Bank Group for the fiscal years ended June 30, 2000, June 30, 1999, and June 30, 1998:

*In millions*

| | *SRP* | | | *RSBP* | | | *PEBP* | | |
|---|---|---|---|---|---|---|---|---|---|
| | *2000* | *1999* | *1998* | *2000* | *1999* | *1998* | *2000* | *1999* | *1998* |
| **Benefit Obligation** | | | | | | | | | |
| Beginning of year | $ 6,483 | $ 5,890 | $ 5,516 | $662 | $627 | $ 739 | $ 142 | $ 90 | $ 75 |
| Service cost | 271 | 217 | 213 | 27 | 28 | 28 | 10 | 6 | — |
| Interest cost | 461 | 378 | 406 | 47 | 40 | 55 | 10 | 8 | 5 |
| Employee contributions | 64 | 61 | 58 | 5 | 5 | 5 | — | — | — |
| Amendments | — | — | — | — | — | 18 | — | — | — |
| Benefits paid | (244) | (231) | (206) | (17) | (18) | (17) | (4) | (5) | (5) |
| Actuarial (gain) loss | (84) | 168 | (97) | 7 | (20) | (201) | (69) | 43 | 15 |
| End of year | 6,951 | 6,483 | 5,890 | 731 | 662 | 627 | 89 | 142 | 90 |
| **Fair value of plan assets** | | | | | | | | | |
| Beginning of year | 10,226 | 9,608 | 8,613 | 846 | — | — | — | — | — |
| Assets transferred to the Plan | — | — | — | — | 806 | — | — | — | — |
| Employee contributions | 64 | 61 | 58 | 5 | 5 | — | — | — | — |
| Actual return on assets | 1,516 | 788 | 1,143 | 141 | 53 | — | — | — | — |
| Employer contributions | — | — | — | — | — | — | — | — | — |
| Benefits paid | (244) | (231) | (206) | (17) | (18) | — | — | — | — |
| End of year | 11,562 | 10,226 | 9,608 | 975 | 846 | — | — | — | — |
| **Funded status** | | | | | | | | | |
| Plan assets in excess of projected benefit obligation | 4,611 | 3,743 | 3,718 | 244 | 184 | (627) | (89) | (142) | (90) |
| Unrecognized net (gain) loss from past experience different from that assumed and from changes in assumptions | (3,258) | (2,713) | (3,158) | (53) | 6 | — | (30) | 39 | — |
| Unrecognized prior service cost | 41 | 50 | 58 | — | — | — | — | — | — |
| Remaining unrecognized net transition asset | (39) | (52) | (65) | — | — | — | — | — | — |
| Prepaid (accrued) pension cost | $ 1,355 | $ 1,028 | $ 553 | $191 | $190 | $(627) | $(119) | $(103) | $(90) |

Of the $1,355 million prepaid SRP cost at June 30, 2000 ($1,028 million —June 30, 1999), $712 million was attributable to IBRD ($546 million—June 30, 1999) and is included in Miscellaneous Assets on the balance sheet. The remainder has been attributed to IDA, IFC and MIGA.

Of the $191 million prepaid RSBP cost at June 30, 2000 ($190 million—June 30, 1999), $106 million was attributable to IBRD ($105 million—June 30, 1999) and is included in Miscellaneous Assets on the balance sheet. The remainder has been attributed to IDA, IFC and MIGA.

### *Assumptions*

The actuarial assumptions used are based on financial market interest rates, past experience, and management's best estimate of future benefit changes and economic conditions. Changes in these assumptions will impact future benefit costs and obligations. The weighted-average assumptions used in determining expense and benefit obligations for the fiscal years ended June 30, 2000, June 30, 1999, and June 30, 1998 are as follows:

*In percent*

| | *SRP* | | | *RSBP* | | | *PEBP* | | |
|---|---|---|---|---|---|---|---|---|---|
| | *2000* | *1999* | *1998* | *2000* | *1999* | *1998* | *2000* | *1999* | *1998* |
| Discount rate | 7.75 | 7.25 | 6.50 | 7.75 | 7.25 | 6.50 | 7.75 | 7.25 | 6.50 |
| Expected return on plan assets | 9.00 | 9.00 | 9.00 | 9.00 | 9.00 | | | | |
| Rate of compensation increase [a] | 5.75 – 12.25 | 5.25 – 11.75 | 4.50 – 11.00 | | | | | | |
| Health care growth rates | | | | | | | | | |
| - at end of fiscal year | | | | 7.25 | 6.25 | 5.00 | | | |
| - to year 2011 and thereafter | | | | 5.75 | 5.25 | 4.50 | | | |

a. *The effect of projected compensation levels was calculated based on a scale that provides for a decreasing rate of salary increase depending on age, beginning with 12.25% (11.75%—June 30, 1999; 11.00%—June 30, 1998) at age 20 and decreasing to 5.75% (5.25%—June 30, 1999; 4.50%—June 30, 1998) at age 64.*

The medical cost trend rate can significantly affect the reported postretirement benefit income or costs and benefit obligations. The following table shows the effects of a one-percentage-point change in the assumed healthcare cost trend rate:

*In millions*

| | *One percentage point increase* | *One percentage point decrease* |
|---|---|---|
| Effect on total service and interest cost | $ 17 | $ (13) |
| Effect on postretirement benefit obligation | 141 | (112) |

During the fiscal year ended June 30, 1998, health care cost trend rates were reduced after completing a five years' experience study, reducing the accrued liability at June 30, 1998, from $808 million to $619 million. This change in the health care cost trend rate resulted in income of $104 million for IBRD, which has been included in Effect of Accounting Change on the income statement. The balance was attributable to IDA, IFC, and MIGA.

## NOTE J—SEGMENT REPORTING

Based on an evaluation of IBRD's operations, management has determined that IBRD has only one reportable segment since IBRD does not manage its operations by allocating resources based on a determination of the contribution to net income from individual borrowers. In addition, given the nature of IBRD, the risk and return profiles are sufficiently similar among borrowers that IBRD does not differentiate between the nature of the products or services provided, the preparation process, or the method for providing the services among individual countries.

For fiscal year 2000, loans to two countries individually generated in excess of 10 percent of loan income. Loan income from these two countries was $916 million and $852 million respectively.

## NOTE K—COMPREHENSIVE INCOME

Comprehensive income consists of net income and other gains and losses affecting equity that, under generally accepted accounting principles, are excluded from net income. For IBRD, comprehensive income comprises currency translation adjustments and net income. These items are presented in the Statement of Comprehensive Income. The following table presents the changes in Accumulated Other Comprehensive Income balances for the fiscal years ended June 30, 2000, June 30, 1999, and June 30, 1998:

*In millions*

| | *Accumulated Other Comprehensive Income* [a] | | |
|---|---|---|---|
| | *2000* | *1999* | *1998* |
| Balance, beginning of the fiscal year | $(637) | $(960) | $ 85 |
| Changes from period activity | (4) | 323 | (1,045) |
| Balance, end of the fiscal year | $(641) | $(637) | $ (960) |

*a. The total accumulated other comprehensive income represents the cumulative translation adjustment.*

Deloitte Touche Tohmatsu
(International Firm)

555 12th Street NW
Washington, DC

President and Board of Governors
International Bank for Reconstruction and Development

We have audited the accompanying balance sheets of the International Bank for Reconstruction and Development as of June 30, 2000 and 1999, including the summary statement of loans and the statement of subscriptions to capital stock and voting power as of June 30, 2000, and the related statements of income, comprehensive income, changes in retained earnings, and cash flows for each of the three fiscal years in the period ended June 30, 2000. These financial statements are the responsibility of the International Bank for Reconstruction and Development's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the financial position of the International Bank for Reconstruction and Development as of June 30, 2000 and 1999, and the results of its operations and its cash flows for each of the three fiscal years in the period ended June 30, 2000, in conformity with accounting principles generally accepted in the United States of America and International Accounting Standards.

Deloitte Touche Tohmatsu (International Firm)

July 31, 2000

Beijing London Mexico City Moscow New York
Paris Tokyo Toronto

# International Development Association

## Special Purpose Financial Statements
## June 30, 2000

# Statement of Sources and Applications of Development Resources

*June 30, 2000 and June 30, 1999*

*Expressed in millions of U.S. dollars*

| | 2000 | 1999 as adjusted (Note A) |
|---|---|---|
| **Applications of Development Resources** | | |
| ***Net Resources Available For Development Activities*** | | |
| ***Due from Banks*** | | |
| Unrestricted currencies | $ 63 | $ 71 |
| Currencies subject to restriction | 20 | 22 |
| | 83 | 93 |
| ***Investments—Notes B and F*** | | |
| Investments—trading | 9,760 | 8,206 |
| Net (payable) receivable on investment securities transactions | (282) | 9 |
| | 9,478 | 8,215 |
| ***Receivable from the HIPC Debt Initiative Trust Fund—Note I*** | 573 | — |
| ***Nonnegotiable, Noninterest-bearing Demand Obligations on Account of Member Subscriptions and Contributions*** | 10,909 | 11,801 |
| ***Receivable from the International Bank for Reconstruction and Development—Note D*** | 650 | 354 |
| ***Other Resources, Net*** | 516 | 484 |
| Total net resources available for development activities | 22,209 | 20,947 |
| ***Resources Used For Development Credits*** (see Summary Statement of Development Credits, Notes E, F and I) | | |
| Total development credits | 104,796 | 103,262 |
| Less undisbursed balance | 18,944 | 20,104 |
| Development credits outstanding | 85,852 | 83,158 |
| Less accumulated allowance for HIPC Debt Initiative | 8,020 | — |
| Total resources used for development credits outstanding | 77,832 | 83,158 |
| ***Total Applications of Development Resources*** | $100,041 | $104,105 |

## Sources of Development Resources

| | 2000 | 1999 as adjusted (Note A) |
|---|---|---|
| ***Member Subscriptions and Contributions*** (see Statement of Voting Power, and Subscriptions and Contributions, Note C) | | |
| Unrestricted | $105,635 | $ 95,463 |
| Restricted | 289 | 286 |
| **Subscriptions and Contributions Committed** | 105,924 | 95,749 |
| Less subscriptions and contributions receivable and unamortized discounts on contributions—Note C | 6,624 | 165 |
| **Subscriptions and Contributions Paid In** | 99,300 | 95,584 |
| ***Deferred Amounts Receivable to Maintain Value of Currency Holdings*** | (233) | (231) |
| ***Payments on Account of Pending Membership—Note C*** | 7 | 7 |
| | 99,074 | 95,360 |
| ***Transfers from the International Bank for Reconstruction and Development—Note D*** | 6,427 | 6,082 |
| ***Accumulated Other Comprehensive Income—Note J*** | (718) | (194) |
| ***Retained Earnings (see Statement of Changes in Retained Earnings)*** | (4,742) | 2,857 |
| ***Total Sources of Development Resources*** | $100,041 | $104,105 |

***The Notes to Special Purpose Financial Statements are an integral part of these Statements.***

## Statement of Income

*For the fiscal years ended June 30, 2000, June 30, 1999 and June 30, 1998*

*Expressed in millions of U.S. dollars*

| | 2000 | 1999 as adjusted (Note A) | 1998 as adjusted (Note A) |
|---|---|---|---|
| ***Income*** | | | |
| Income from development credits—Note E | $ 619 | $ 588 | $ 555 |
| Income from investments, net—Note B | 336 | 462 | 527 |
| Total income | 955 | 1,050 | 1,082 |
| ***Expenses*** | | | |
| Net management fee charged by the International Bank for Reconstruction and Development—Notes G and H | 438 | 368 | 222 |
| Amortization of discount on subscription advances | 3 | 2 | 6 |
| Total expenses | 441 | 370 | 228 |
| ***Operating Income*** | 514 | 680 | 854 |
| Effect of exchange rate changes on accumulated income excluding HIPC Debt Initiative | (284) | (70) | (283) |
| ***Income before HIPC Debt Initiative*** | 230 | 610 | 571 |
| ***Enhanced HIPC Framework*** | | | |
| Allowance for principal component of debt relief—Notes E and I | (7,958) | — | — |
| Contribution from the HIPC Debt Initiative Trust Fund—Note I | 584 | — | — |
| Total charges for Enhanced HIPC | (7,374) | — | — |
| ***Initial HIPC Framework*** | | | |
| Allowance for write-down on sale of development credits—Note E | (455) | — | (93) |
| Development grants | — | (154) | (75) |
| Total charges for Initial HIPC | (455) | (154) | (168) |
| ***(Loss) Income after HIPC Debt Initiative*** | $(7,599) | $ 456 | $ 403 |

***The Notes to Special Purpose Financial Statements are an integral part of these Statements.***

## Statement of Comprehensive Income

*For the fiscal years ended June 30, 2000, June 30, 1999 and June 30, 1998*

*Expressed in millions of U.S. dollars*

| | 2000 | 1999 | 1998 |
|---|---|---|---|
| ***(Loss) Income after HIPC Debt Initiative*** | $(7,599) | $456 | $ 403 |
| ***Other Comprehensive Income—Note J*** | | | |
| Currency translation adjustment on development credits | (524) | 197 | (2,764) |
| Total other comprehensive (loss) income | (524) | 197 | (2,764) |
| ***Comprehensive (Loss) Income*** | $(8,123) | $653 | $(2,361) |

## Statement of Changes in Retained Earnings

*For the fiscal years ended June 30, 2000 and June 30, 1999*

*Expressed in millions of U.S. dollars*

| | 2000 | | | 1999 | | |
|---|---|---|---|---|---|---|
| | *Balance at beginning of the fiscal year* | *Activity during the fiscal year* | *Balance at end of the fiscal year* | *Balance at beginning of the fiscal year* | *Activity during the fiscal year* | *Balance at end of the fiscal year* |
| Allowance for Enhanced HIPC | $ — | $(7,958) | $(7,958) | $ — | $ — | $ — |
| Contribution for Enhanced HIPC from HIPC Debt Initiative Trust Fund | — | 584 | 584 | — | — | — |
| Initial HIPC | (322) | (455) | (777) | (168) | (154) | (322) |
| Accumulated income excluding HIPC Debt Initiative | 3,179 | 230 | 3,409 | 2,569 | 610 | 3,179 |
| Total | $2,857 | $(7,599) | $(4,742) | $2,401 | $456 | $2,857 |

***The Notes to Special Purpose Financial Statements are an integral part of these Statements.***

# Statement of Cash Flows

*For the fiscal years ended June 30, 2000, June 30, 1999 and June 30, 1998*

*Expressed in millions of U.S. dollars*

| | 2000 | 1999 as adjusted (Note A) | 1998 as adjusted (Note A) |
|---|---|---|---|
| ***Cash Flows from Development Activities*** | | | |
| Development credit disbursements | $(4,886) | $(5,843) | $(5,432) |
| Development credit principal repayments | 920 | 814 | 682 |
| Development credits sold to the HIPC Debt Initiative Trust Fund—Note I | 354 | 84 | — |
| Reimbursement received for principal repayments forgiven—Note I | 11 | — | — |
| | (3,601) | (4,945) | (4,750) |
| Development grant disbursements | — | (149) | (74) |
| Net cash used in development activities | (3,601) | (5,094) | (4,824) |
| ***Cash Flows from Member Subscriptions and Contributions*** | 4,682 | 4,710 | 4,789 |
| ***Cash Flows from the International Bank for Reconstruction and Development Transfers*** | 50 | — | 298 |
| ***Cash Flows from Operating Activities*** | | | |
| Operating income | 514 | 680 | 854 |
| Net assets previously designated for other postretirement benefits received from the International Bank for Reconstruction and Development | — | 76 | — |
| Adjustments to reconcile operating income to net cash provided by operating activities: | | | |
| Amortization of discount on subscription advances | 3 | 2 | 6 |
| Net changes in other development resources | (135) | (184) | (311) |
| Net cash provided by operating activities | 382 | 574 | 549 |
| Effect of exchange rate changes on unrestricted cash and liquid investments | (258) | (83) | (283) |
| ***Net Increase in Unrestricted Cash and Liquid Investments*** | 1,255 | 107 | 529 |
| ***Unrestricted Cash and Liquid Investments at Beginning of the Fiscal Year*** | 8,286 | 8,179 | 7,650 |
| ***Unrestricted Cash and Liquid Investments at End of the Fiscal Year*** | $ 9,541 | $8,286 | $ 8,179 |
| Composed of: | | | |
| Unrestricted currencies | 63 | 71 | 33 |
| Investments | 9,478 | 8,215 | 8,146 |
| | $ 9,541 | $8,286 | $ 8,179 |
| ***Supplemental Disclosure*** | | | |
| (Decrease) increase in ending balances of development credits outstanding resulting from exchange rate fluctuations | $ (524) | $ 197 | $(2,764) |
| Total charges for Enhanced HIPC | (7,374) | — | — |
| Write-down on sale of development credits—Initial HIPC | (455) | — | (93) |

***The Notes to Special Purpose Financial Statements are an integral part of these Statements.***

# Summary Statement of Development Credits

*June 30, 2000*

*Expressed in millions of U.S. dollars*

| *Borrower or guarantor* | *Total development credits* | *Undisbursed development credits*[1] | *Development credits outstanding* | *Percentage of development credits outstanding* |
|---|---|---|---|---|
| Afghanistan | $ 75 | $ — | $ 75 | 0.09% |
| Albania | 517 | 213 | 304 | 0.35 |
| Angola | 277 | 54 | 223 | 0.26 |
| Armenia | 535 | 175 | 360 | 0.42 |
| Azerbaijan | 383 | 175 | 208 | 0.24 |
| Bangladesh | 7,524 | 1,122 | 6,402 | 7.46 |
| Benin | 702 | 130 | 572 | 0.67 |
| Bhutan | 61 | 36 | 25 | 0.03 |
| Bolivia | 1,435 | 348 | 1,087 | 1.27 |
| Bosnia and Herzegovina | 479 | 164 | 315 | 0.37 |
| Botswana | 9 | — | 9 | 0.01 |
| Burkina Faso | 812 | 71 | 741 | 0.86 |
| Burundi | 640 | 43 | 597 | 0.70 |
| Cambodia | 304 | 121 | 183 | 0.21 |
| Cameroon | 936 | 173 | 763 | 0.89 |
| Cape Verde | 142 | 46 | 96 | 0.11 |
| Central African Republic | 416 | 19 | 397 | 0.46 |
| Chad | 617 | 125 | 492 | 0.57 |
| Chile | 8 | — | 8 | 0.01 |
| China | 9,535 | 840 | 8,695 | 10.13 |
| Colombia | 8 | — | 8 | 0.01 |
| Comoros | 93 | 21 | 72 | 0.08 |
| Congo, Democratic Republic of | 1,205 | — | 1,205 | 1.40 |
| Congo, Republic of | 167 | 5 | 162 | 0.19 |
| Costa Rica | 2 | — | 2 | * |
| Côte d'Ivoire | 1,662 | 293 | 1,369 | 1.59 |
| Djibouti | 84 | 34 | 50 | 0.06 |
| Dominica | 17 | 3 | 14 | 0.02 |
| Dominican Republic | 14 | — | 14 | 0.02 |
| Ecuador | 21 | — | 21 | 0.02 |
| Egypt, Arab Republic of | 1,656 | 401 | 1,255 | 1.46 |
| El Salvador | 17 | — | 17 | 0.02 |
| Equatorial Guinea | 48 | — | 48 | 0.06 |
| Eritrea | 144 | 84 | 60 | 0.07 |
| Ethiopia | 2,582 | 835 | 1,747 | 2.03 |
| Gambia, The | 214 | 43 | 171 | 0.20 |
| Georgia | 530 | 188 | 342 | 0.40 |
| Ghana | 3,515 | 478 | 3,037 | 3.54 |
| Grenada | 11 | 1 | 10 | 0.01 |
| Guinea | 1,095 | 110 | 985 | 1.15 |
| Guinea-Bissau | 271 | 49 | 222 | 0.26 |
| Guyana | 211 | 31 | 180 | 0.21 |
| Haiti | 521 | 30 | 491 | 0.57 |
| Honduras | 941 | 108 | 833 | 0.97 |

## Summary Statement of Development Credits
*(continued)*

| Borrower or guarantor | Total development credits | Undisbursed development credits[1] | Development credits outstanding | Percentage of development credits outstanding |
|---|---|---|---|---|
| India | $22,663 | $3,810 | $18,853 | 21.96% |
| Indonesia | 911 | 209 | 702 | 0.82 |
| Jordan | 59 | — | 59 | 0.07 |
| Kenya | 2,463 | 286 | 2,177 | 2.54 |
| Korea, Republic of | 66 | — | 66 | 0.08 |
| Kyrgyz Republic | 460 | 139 | 321 | 0.37 |
| Lao People's Democratic Republic | 530 | 129 | 401 | 0.47 |
| Lesotho | 251 | 68 | 183 | 0.21 |
| Liberia | 101 | — | 101 | 0.12 |
| Macedonia, former Yugoslav Republic of | 271 | 27 | 244 | 0.28 |
| Madagascar | 1,654 | 387 | 1,267 | 1.48 |
| Malawi | 1,823 | 226 | 1,597 | 1.86 |
| Maldives | 61 | 17 | 44 | 0.05 |
| Mali | 1,235 | 234 | 1,001 | 1.17 |
| Mauritania | 588 | 172 | 416 | 0.48 |
| Mauritius | 14 | — | 14 | 0.02 |
| Moldova | 142 | 64 | 78 | 0.09 |
| Mongolia | 198 | 65 | 133 | 0.15 |
| Morocco | 27 | — | 27 | 0.03 |
| Mozambique | 1,128 | 512 | 616 | 0.72 |
| Myanmar | 718 | — | 718 | 0.84 |
| Nepal | 1,316 | 181 | 1,135 | 1.32 |
| Nicaragua | 831 | 213 | 618 | 0.72 |
| Niger | 826 | 138 | 688 | 0.8 |
| Nigeria | 741 | 101 | 640 | 0.75 |
| Pakistan | 4,554 | 697 | 3,857 | 4.49 |
| Papua New Guinea | 94 | — | 94 | 0.11 |
| Paraguay | 29 | — | 29 | 0.03 |
| Philippines | 230 | 23 | 207 | 0.24 |
| Rwanda | 814 | 134 | 680 | 0.79 |
| St. Kitts and Nevis | 1 | — | 1 | * |
| St. Lucia | 18 | 6 | 12 | 0.01 |
| St. Vincent and the Grenadines | 9 | 2 | 7 | 0.01 |
| Samoa | 56 | 11 | 45 | 0.05 |
| São Tomé and Principe | 63 | 4 | 59 | 0.07 |
| Senegal | 1,830 | 538 | 1,292 | 1.50 |
| Sierra Leone | 424 | 106 | 318 | 0.37 |
| Solomon Islands | 49 | 10 | 39 | 0.05 |
| Somalia | 401 | — | 401 | 0.47 |
| Sri Lanka | 1,913 | 300 | 1,613 | 1.88 |
| Sudan | 1,183 | — | 1,183 | 1.38 |
| Swaziland | 5 | — | 5 | 0.01 |
| Syrian Arab Republic | 30 | — | 30 | 0.03 |
| Tajikistan | 202 | 76 | 126 | 0.15 |
| Tanzania | 3,221 | 645 | 2,576 | 3.00 |
| Thailand | 91 | — | 91 | 0.11 |
| Togo | 709 | 101 | 608 | 0.71 |

| *Borrower or guarantor* | *Total development credits* | *Undisbursed development credits*[1] | *Development credits outstanding* | *Percentage of development credits outstanding* |
|---|---|---|---|---|
| Tonga | $ 4 | $ — | $ 4 | *% |
| Tunisia | 40 | — | 40 | 0.05 |
| Turkey | 104 | — | 104 | 0.12 |
| Uganda | 2,479 | 488 | 1,991 | 2.32 |
| Vanuatu | 13 | — | 13 | 0.02 |
| Vietnam | 2,195 | 1,199 | 996 | 1.16 |
| Yemen, Republic of | 1,565 | 360 | 1,205 | 1.40 |
| Zambia | 2,276 | 535 | 1,741 | 2.03 |
| Zimbabwe | 601 | 162 | 439 | 0.51 |
| Subtotal members [5] | 104,716 | 18,944 | 85,772 | 99.91 |
| West African Development Bank [2] | 49 | — | 49 | 0.06 |
| Caribbean Development Bank [3] | 26 | — | 26 | 0.03 |
| Subtotal regional development banks | 75 | — | 75 | 0.09 |
| Other [4] | 5 | — | 5 | * |
| Total—June 30, 2000[5] | $104,796 | $18,944 | $85,852 | 100.00% |
| Total—June 30, 1999 | $103,262 | $20,104 | $83,158 | |

* *Indicates amounts less than $0.05 million or less than 0.005 per cent.*

NOTES

1. *Of the undisbursed balance at June 30, 2000, IDA has entered into irrevocable commitments to disburse $153 million ($213 million—June 30, 1999).*
2. *These development credits are for the benefit of Benin, Burkina Faso, Côte d'Ivoire, Mali, Niger, Senegal, and Togo.*
3. *These development credits are for the benefit of Grenada and territories of the United Kingdom (Associated States and Dependencies) in the Caribbean region.*
4. *Represents development credits made at a time when the authorities on Taiwan represented China in IDA (prior to May 15, 1980).*
5. *May differ from the sum of individual figures shown because of rounding.*

***The Notes to Special Purpose Financial Statements are an integral part of these Statements.***

# Summary Statement of Development Credits

*(continued)*
*June 30, 2000*

*Expressed in millions of U.S. dollars*

## Maturity Structure of Development Credits Outstanding

| *Period* | |
|---|---|
| July 1, 2000 through June 30, 2001 | $ 1,486 |
| July 1, 2001 through June 30, 2002 | 1,388 |
| July 1, 2002 through June 30, 2003 | 1,575 |
| July 1, 2003 through June 30, 2004 | 1,758 |
| July 1, 2004 through June 30, 2005 | 1,954 |
| July 1, 2005 through June 30, 2010 | 12,64[illegible] |
| July 1, 2010 through June 30, 2015 | 15,949 |
| July 1, 2015 through June 30, 2020 | 17,586 |
| July 1, 2020 through June 30, 2025 | 15,816 |
| July 1, 2025 through June 30, 2030 | 10,784 |
| July 1, 2030 through June 30, 2035 | 4,397 |
| July 1, 2035 through June 30, 2040 | 518 |
| Total | $85,852 |

***The Notes to Special Purpose Financial Statements are an integral part of these Statements.***

# Statement of Voting Power, and Subscriptions and Contributions

*June 30, 2000*

*Expressed in millions of U.S. dollars*

| *Member* [1] | *Number of votes* | *Percentage of total votes* | *Subscriptions and contributions committed* |
|---|---|---|---|
| ***Part I Members*** | | | |
| Australia | 161,059 | 1.31% | $ 1,778.1 |
| Austria | 82,610 | 0.67 | 871.6 |
| Belgium | 138,249 | 1.13 | 1,572.3 |
| Canada | 367,216 | 2.99 | 4,634.6 |
| Denmark | 123,691 | 1.01 | 1,429.2 |
| Finland | 76,725 | 0.63 | 676.7 |
| France | 518,090 | 4.22 | 7,294.3 |
| Germany | 849,561 | 6.92 | 12,065.6 |
| Iceland | 29,224 | 0.24 | 22.4 |
| Ireland | 33,266 | 0.27 | 113.1 |
| Italy | 355,274 | 2.90 | 3,924.2 |
| Japan | 1,301,679 | 10.61 | 23,936.4 |
| Kuwait | 78,663 | 0.64 | 707.2 |
| Luxembourg | 31,350 | 0.26 | 63.2 |
| Netherlands | 267,021 | 2.18 | 3,839.0 |
| New Zealand | 36,102 | 0.29 | 126.4 |
| Norway | 123,429 | 1.01 | 1,318.5 |
| Portugal | 30,787 | 0.25 | 52.3 |
| Russian Federation | 34,397 | 0.28 | 165.1 |
| South Africa | 35,280 | 0.29 | 92.4 |
| Spain | 63,889 | 0.52 | 454.8 |
| Sweden | 243,108 | 1.98 | 2,732.6 |
| Switzerland [2] | 119,145 | 0.97 | 1,363.1 |
| United Arab Emirates | 1,367 | 0.01 | 5.6 |
| United Kingdom | 602,630 | 4.91 | 7,801.9 |
| United States | 1,818,989 | 14.83 | 25,841.8 |
| Subtotal Part I Members [3] | 7,522,801 | 61.32 | 102,882.3 |
| ***Part II Members*** | | | |
| Afghanistan | 13,557 | 0.11 | 1.3 |
| Albania | 26,089 | 0.21 | 0.3 |
| Algeria | 27,720 | 0.23 | 5.1 |
| Angola | 45,662 | 0.37 | 7.9 |
| Argentina | 127,638 | 1.04 | 65.7 |
| Armenia | 2,717 | 0.02 | 0.5 |
| Azerbaijan | 644 | 0.01 | 0.9 |
| Bangladesh | 67,075 | 0.55 | 7.2 |
| Barbados | 26,807 | 0.22 | 0.4 |
| Belize | 1,788 | 0.01 | 0.2 |
| Benin | 7,476 | 0.06 | 0.6 |
| Bhutan | 16,929 | 0.14 | 0.1 |
| Bolivia | 36,363 | 0.30 | 1.4 |
| Bosnia and Herzegovina | 19,571 | 0.16 | 2.3 |
| Botswana | 25,866 | 0.21 | 1.1 |
| Brazil | 208,638 | 1.70 | 301.1 |
| Burkina Faso | 21,166 | 0.17 | 0.7 |
| Burundi | 26,251 | 0.21 | 1.0 |

## Statement of Voting Power, and Subscriptions and Contributions *(continued)*

*June 30, 2000*

*Expressed in millions of U.S. dollars*

| *Member* [1] | *Number of votes* | *Percentage of total votes* | *Subscriptions and contributions committed* |
|---|---|---|---|
| Cambodia | 10,322 | 0.08% | $ 1.3 |
| Cameroon | 19,984 | 0.16 | 1.3 |
| Cape Verde | 4,916 | 0.04 | 0.1 |
| Central African Republic | 13,985 | 0.11 | 0.7 |
| Chad | 10,990 | 0.09 | 0.6 |
| Chile | 31,782 | 0.26 | 4.5 |
| China | 247,345 | 2.02 | 40.8 |
| Colombia | 43,080 | 0.35 | 24.4 |
| Comoros | 13,141 | 0.11 | 0.1 |
| Congo, Democratic Republic of | 12,164 | 0.10 | 3.8 |
| Congo, Republic of | 8,385 | 0.07 | 0.6 |
| Costa Rica | 12,480 | 0.10 | 0.3 |
| Côte d'Ivoire | 23,784 | 0.19 | 1.3 |
| Croatia | 36,430 | 0.30 | 5.5 |
| Cyprus | 33,817 | 0.28 | 1.1 |
| Czech Republic | 48,633 | 0.40 | 33.3 |
| Djibouti | 532 | * | 0.2 |
| Dominica | 16,749 | 0.14 | 0.1 |
| Dominican Republic | 27,780 | 0.23 | 0.6 |
| Ecuador | 23,800 | 0.19 | 0.8 |
| Egypt, Arab Republic of | 60,884 | 0.50 | 6.9 |
| El Salvador | 6,244 | 0.05 | 0.4 |
| Equatorial Guinea | 6,167 | 0.05 | 0.4 |
| Eritrea | 25,295 | 0.21 | 0.1 |
| Ethiopia | 23,053 | 0.19 | 0.7 |
| Fiji | 9,423 | 0.08 | 0.7 |
| Gabon | 2,093 | 0.02 | 0.6 |
| Gambia, The | 19,647 | 0.16 | 0.4 |
| Georgia | 22,523 | 0.18 | 0.9 |
| Ghana | 23,831 | 0.19 | 3.0 |
| Greece | 52,928 | 0.43 | 39.3 |
| Grenada | 20,627 | 0.17 | 0.1 |
| Guatemala | 27,754 | 0.23 | 0.5 |
| Guinea | 28,087 | 0.23 | 1.3 |
| Guinea-Bissau | 6,790 | 0.06 | 0.2 |
| Guyana | 18,160 | 0.15 | 1.0 |
| Haiti | 22,816 | 0.19 | 1.0 |
| Honduras | 24,493 | 0.20 | 0.4 |
| Hungary | 92,676 | 0.76 | 43.1 |
| India | 405,142 | 3.30 | 55.8 |
| Indonesia | 115,860 | 0.94 | 14.4 |
| Iran, Islamic Republic of | 15,455 | 0.13 | 5.7 |
| Iraq | 9,407 | 0.08 | 1.0 |

| Member [1] | Number of votes | Percentage of total votes | Subscriptions and contributions committed |
|---|---|---|---|
| Israel | 41,681 | 0.34% | $ 14.7 |
| Jordan | 24,865 | 0.20 | 0.4 |
| Kazakhstan | 806 | 0.01 | 1.9 |
| Kenya | 33,882 | 0.28 | 2.2 |
| Kiribati | 6,477 | 0.05 | 0.1 |
| Korea, Republic of | 60,220 | 0.49 | 310.9 |
| Kyrgyz Republic | 2,700 | 0.02 | 0.5 |
| Lao People's Democratic Republic | 14,788 | 0.12 | 0.6 |
| Latvia | 614 | 0.01 | 0.7 |
| Lebanon | 8,562 | 0.07 | 0.6 |
| Lesotho | 28,677 | 0.23 | 0.2 |
| Liberia | 22,467 | 0.18 | 1.1 |
| Libya | 7,771 | 0.06 | 1.3 |
| Macedonia, former Yugoslav Republic of | 15,759 | 0.13 | 1.0 |
| Madagascar | 11,600 | 0.09 | 1.2 |
| Malawi | 32,060 | 0.26 | 1.0 |
| Malaysia | 48,929 | 0.40 | 3.5 |
| Maldives | 27,547 | 0.22 | 0.1 |
| Mali | 24,808 | 0.20 | 1.2 |
| Marshall Islands | 4,902 | 0.04 | * |
| Mauritania | 15,650 | 0.13 | 0.7 |
| Mauritius | 34,730 | 0.28 | 1.2 |
| Mexico | 87,783 | 0.72 | 126.9 |
| Micronesia, Federated States of | 18,424 | 0.15 | * |
| Moldova | 612 | 0.01 | 0.7 |
| Mongolia | 24,389 | 0.20 | 0.3 |
| Morocco | 52,492 | 0.43 | 4.8 |
| Mozambique | 9,517 | 0.08 | 1.7 |
| Myanmar | 44,697 | 0.36 | 2.9 |
| Nepal | 31,410 | 0.26 | 0.7 |
| Nicaragua | 29,845 | 0.24 | 0.4 |
| Niger | 19,667 | 0.16 | 0.7 |
| Nigeria | 15,014 | 0.12 | 4.3 |
| Oman | 26,927 | 0.22 | 1.3 |
| Pakistan | 116,830 | 0.95 | 13.6 |
| Palau, Republic of | 504 | * | * |
| Panama | 7,550 | 0.06 | * |
| Papua New Guinea | 16,368 | 0.13 | 1.1 |
| Paraguay | 14,342 | 0.12 | 0.4 |
| Peru | 20,428 | 0.17 | 2.2 |
| Philippines | 16,583 | 0.14 | 6.4 |
| Poland | 270,192 | 2.20 | 53.9 |
| Rwanda | 17,067 | 0.14 | 1.0 |
| St. Kitts and Nevis | 7,888 | 0.06 | 0.2 |
| St. Lucia | 24,503 | 0.20 | 0.2 |
| St. Vincent and the Grenadines | 2,214 | 0.02 | 0.1 |
| Samoa | 15,836 | 0.13 | 0.1 |
| São Tomé and Principe | 6,414 | 0.05 | 0.1 |
| Saudi Arabia | 428,763 | 3.49 | 2,133.2 |
| Senegal | 35,224 | 0.29 | 2.2 |
| Sierra Leone | 14,367 | 0.12 | 1.0 |
| Slovak Republic | 27,324 | 0.22 | 11.2 |
| Slovenia | 18,956 | 0.15 | 3.0 |

# Statement of Voting Power, and Subscriptions and Contributions *(continued)*

*June 30, 2000*

*Expressed in millions of U.S. dollars*

| *Member* [1] | *Number of votes* | *Percentage of total votes* | *Subscriptions and contributions committed* |
|---|---|---|---|
| Solomon Islands | 518 | *% | $ 0.1 |
| Somalia | 10,506 | 0.09 | 1.0 |
| Sri Lanka | 53,316 | 0.43 | 4.0 |
| Sudan | 22,484 | 0.18 | 1.3 |
| Swaziland | 12,773 | 0.10 | 0.4 |
| Syrian Arab Republic | 7,651 | 0.06 | 1.2 |
| Tajikistan | 20,568 | 0.17 | 0.5 |
| Tanzania | 35,867 | 0.29 | 2.2 |
| Thailand | 48,488 | 0.40 | 4.1 |
| Togo | 23,243 | 0.19 | 1.0 |
| Tonga | 14,144 | 0.12 | 0.1 |
| Trinidad and Tobago | 770 | 0.01 | 1.6 |
| Tunisia | 2,793 | 0.02 | 1.9 |
| Turkey | 82,045 | 0.67 | 101.6 |
| Uganda | 24,308 | 0.20 | 2.2 |
| Uzbekistan | 746 | 0.01 | 1.5 |
| Vanuatu | 13,821 | 0.11 | 0.2 |
| Vietnam | 15,454 | 0.13 | 1.9 |
| Yemen, Republic of | 37,025 | 0.30 | 2.1 |
| Zambia | 28,568 | 0.23 | 3.4 |
| Zimbabwe | 17,937 | 0.15 | 5.1 |
| Subtotal Part II Members [3] | 4,746,061 | 38.68 | 3,553.8 |
| Total—June 30, 2000[2,3] | 12,268,862 | 100.00% | $106,436.1 |
| Total—June 30, 1999[2] | 11,672,648 | | $ 96,261.7 |

* *Indicates amounts less than $0.05 million or less than 0.005 percent.*

*Notes*

1. *See Notes to Special Purpose Financial Statements—Note A for an explanation of the two categories of membership*
2. *$512.3 million of Switzerland's subscription and contributions have not been included in the Statement of Sources and Applications of Development Resources at June 30, 2000 and June 30, 1999 since this represents the difference between the total cofinancing grants of $580.1 million provided by Switzerland directly to IDA borrowers as cofinancing grants between the fourth and the ninth replenishments of IDA resources, and the July 1992 contribution by Switzerland of $67.8 million.*
3. *May differ from the sum of individual figures shown because of rounding.*

***The Notes to Special Purpose Financial Statements are an integral part of these Statements.***

## NOTE A—ORGANIZATION, OPERATIONS AND SIGNIFICANT ACCOUNTING AND RELATED POLICIES

### *Purpose and Affiliated Organizations*

The International Development Association (IDA) is an international organization established on September 24, 1960. IDA's main goal is reducing poverty through promoting economic development in the less developed areas of the world included in IDA's membership, by providing financing on concessionary terms. IDA has three affiliated organizations, the International Bank for Reconstruction and Development (IBRD), the International Finance Corporation (IFC), and the Multilateral Investment Guarantee Agency (MIGA). IDA, IBRD, IFC and MIGA are collectively known as the World Bank Group. Each of these other organizations is legally and financially independent from IDA, with separate assets and liabilities, and IDA is not liable for their respective obligations. The principal purpose of IBRD is to promote the economic development of its member countries, primarily by providing loans and related technical assistance for specific projects and for programs of economic reform in developing member countries. IFC's purpose is to encourage the growth of productive private enterprises in its member countries through loans and equity investments in such enterprises without a member's guarantee. MIGA was established to encourage the flow of investments for productive purposes among member countries and, in particular, to help developing member countries by providing guarantees against noncommercial risks for foreign investment in its developing member countries.

### *Summary of Significant Accounting and Related Policies*

Due to the nature and organization of IDA, these financial statements have been prepared for the specific purpose of reflecting the sources and applications of member subscriptions and contributions and other development resources. These financial statements are not intended to be a presentation in accordance with generally accepted accounting principles in the United States of America or with International Accounting Standards. These special purpose financial statements have been prepared to comply with Article VI, Section 11(a) of the Articles of Agreement of IDA, and are prepared in accordance with the accounting policies outlined below.

The preparation of these special purpose financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates. Significant judgements have been used in the computation of estimated fair values of development credits and allowances for the HIPC Debt Initiative.

Certain reclassifications of the prior years' information have been made to conform to the current year's presentation.

#### Basis of Accounting

IDA's special purpose financial statements are prepared on the accrual basis of accounting. That is, the effects of transactions and other events are recognized when they occur (and not as cash or its equivalent is received or paid) and are recorded in the accounting records and reported in the financial statements of the periods to which they relate.

#### Translation of Currencies

IDA's special purpose financial statements are expressed in terms of U.S. dollars solely for the purpose of summarizing IDA's financial position and the results of its operations for the convenience of its members and other interested parties.

IDA is an international organization which conducts its operations in the currencies of all of its members. Applications of development resources and sources of development resources are translated at market exchange rates in effect at the end of the accounting period, except Member Subscriptions and Contributions which are translated in the manner described below. Income and expenses are translated at either the market exchange rates in effect on the dates of income and expense recognition, or at an average of the market exchange rates in effect during each month. Translation adjustments relating to the revaluation of development credits denominated in Special Drawing Rights (SDRs) are charged or credited to Accumulated Other Comprehensive Income. Other translation adjustments are shown in the Statement of Income.

#### Member Subscriptions and Contributions

##### *Recognition*

Member Subscriptions and Contributions committed for each IDA replenishment are recorded in full as Subscriptions and Contributions Committed upon effectiveness of the relevant replenishment. Replenishments become effective when IDA has received Instruments of Commitments (IoCs) from members for subscriptions and contributions of a specified portion of the full replenishment. Amounts not yet paid in, at the date of effectiveness, are recorded as Subscriptions and Contributions Receivable and shown as a reduction of Subscriptions and Contributions Committed. These receivables come due throughout the replenishment period (generally three years) in accordance with an agreed maturity schedule. The actual payment of receivables when they become due from certain members is conditional upon the respective member's budgetary appropriation processes.

The Subscriptions and Contributions Receivable are settled through payment of cash or deposit of nonnegotiable, noninterest-bearing demand notes. The notes are encashed by IDA as provided in the relevant replen-

ishment resolution over the disbursement period of the credits committed under the replenishment.

In certain replenishments, donors have had the option of paying all of their subscription and contribution amount in cash before it becomes due and receiving a discount. In addition, some replenishment arrangements have incorporated an accelerated encashment schedule. In these cases, IDA and the donor agree that IDA will invest the cash and retain the income. The related subscription and contribution is recorded at the full undiscounted amount. The discount is recorded in Subscriptions and Contributions Receivable and amortized over the projected encashment period.

Under the provisions governing replenishments, IDA must encash the notes or similar obligations of contributing members on an approximately *pro rata* basis. As discussed in the previous paragraph, donors sometimes contribute resources on an advanced or an accelerated basis. IDA holds these resources until they become available for disbursement on a *pro rata* basis.

Transfers to IDA from IBRD are recorded as Sources of Development Resources and are receivable upon approval by IBRD's Board of Governors.

For the purposes of its financial resources, the membership of IDA is divided into two categories: (1) Part I members, which make payments of subscriptions and contributions provided to IDA in convertible currencies which may be freely used or exchanged by IDA in its operations and (2) Part II members, which make payments of ten percent of their initial subscriptions in freely convertible currencies, and the remaining ninety percent of their initial subscriptions, and all additional subscriptions and contributions in their own currencies or in freely convertible currencies. Certain Part II members provide a portion of their subscriptions and contributions in the same manner as mentioned in (1) above. IDA's Articles of Agreement and subsequent replenishment agreements provide that the currency of any Part II member paid in by it may not be used by IDA for projects financed by IDA and located outside the territory of the member except by agreement between the member and IDA. The cash paid and notes deposited in nonconvertible local currencies for the subscriptions of Part II members are recorded either as currencies subject to restriction under due from banks, or as restricted notes included under nonnegotiable, noninterest-bearing demand obligations on account of member subscriptions and contributions. Restricted notes at June 30, 2000 were $35 million ($35 million, June 30, 1999).

***Valuation***

The subscriptions and contributions provided through the Third Replenishment are expressed in terms of "U.S. dollars of the weight and fineness in effect on January 1, 1960" (1960 dollars). Following the abolition of gold as a common denominator of the monetary system and the repeal of the provision of the U.S. law defining the par value of the U.S. dollar in terms of gold, the pre-existing basis for translating 1960 dollars into current dollars or any other currency disappeared. The Executive Directors of IDA have decided, with effect on that date and until such time as the relevant provisions of the Articles of Agreement are amended, that the words "U.S. dollars of the weight and fineness in effect on January 1, 1960" in Article II, Section 2(b) of the Articles of Agreement of IDA are interpreted to mean the SDR introduced by the International Monetary Fund as the SDR was valued in terms of U.S. dollars immediately before the introduction of the basket method of valuing the SDR on July 1, 1974, such value being equal to $1.20635 for one SDR (the 1974 SDR), and have also decided to apply the same standard of value to amounts expressed in 1960 dollars in the relevant resolutions of the Board of Governors.

The subscriptions and contributions provided through the Third Replenishment are expressed on the basis of the 1974 SDR. Prior to the decision of the Executive Directors, IDA had valued these subscriptions and contributions on the basis of the SDR at the current market value of the SDR.

The subscriptions and contributions provided under the Fourth Replenishment and thereafter are expressed in members' currencies or SDRs and are payable in members' currencies. Beginning July 1, 1986, subscriptions and contributions made available for disbursement in cash to IDA are translated at market exchange rates in effect on the dates they were made available. Prior to that date, subscriptions and contributions which had been disbursed or converted into other currencies were translated at market exchange rates in effect on dates of disbursement or conversion. Subscriptions and contributions not yet available for disbursements are translated at market exchange rates in effect at the end of the accounting period.

Article IV, Section 2(a) and (b) of IDA's Articles of Agreement provides for maintenance of value payments on account of the local currency portion of the initial subscription whenever the par value of the member's currency or its foreign exchange value has, in the opinion of IDA, depreciated or appreciated to a significant extent within the member's territories, so long as, and to the extent that, such currency shall not have been initially disbursed or exchanged for the currency of another member. The provisions of Article IV, Section 2(a) and (b) have by agreement been extended to cover additional subscriptions and contributions of IDA through the Third Replenishment, but are not applicable to those of the Fourth and subsequent replenishments.

The Executive Directors decided on June 30, 1987 that settlements of maintenance of value, which would result from the resolution of the valuation issue on the basis of the 1974 SDR, would be deferred until the Executive Directors decide to resume such settlements. These amounts are shown as Deferred Amounts Receivable to Maintain Value of Currency Holdings.

### Development Credits

All development credits are made to or guaranteed by member governments or to the government of a territory of a member (except for development credits which have been made to regional development banks for the benefit of members or territories of members of IDA). In order to qualify for lending on IDA terms, a country's per capita income must be below a certain level and the country may have only limited or no creditworthiness for IBRD lending. Development credits carry a service charge of 0.75 percent and generally have 35- or 40-year final maturities and a 10-year grace period for principal payments. Development credits are carried in the Special Purpose Financial Statements at the full face amount of the borrowers' outstanding obligations.

It is the practice of IDA to place in nonaccrual status all development credits made to a member government or to the government of a territory of a member if principal or charges with respect to any such development credit are overdue by more than six months, unless IDA's management determines that the overdue amount will be collected in the immediate future. In addition, if loans by IBRD to a member government are placed in nonaccrual status, all development credits to that member government will also be placed in nonaccrual status by IDA. On the date a member's development credits are placed in nonaccrual status, charges that had been accrued on development credits outstanding to the member which remained unpaid are deducted from the income from development credits of the current period. Charges on nonaccruing development credits are included in income only to the extent that payments have actually been received by IDA. If collectibility risk is considered to be particularly high at the time of arrears clearance, the member's credits may not automatically emerge from nonaccrual status, even though the member's eligibility for new credits may have been restored. A decision on the restoration of accrual status is made on a case-by-case basis after a suitable period of payment performance has passed from the time of arrears clearance.

In fulfilling its mission, IDA makes concessional loans to the poorest countries, therefore there is significant credit risk in the portfolio of development credits. Management continually monitors this credit risk. No provision for credit losses, other than allowances under the Heavily Indebted Poor Countries (HIPC) Debt Initiative, has been established. This is because it is not practicable to determine a provision for credit losses in view of the nature and maturity structure of the credit portfolio. Should probable losses occur, they would be included in the Statement of Income.

The repayment obligations of IDA's development credits funded from resources through the Fifth Replenishment are expressed in the development credit agreements in terms of 1960 dollars. In June 1987 the Executive Directors decided to value those development credits at the rate of $1.20635 per 1960 dollar on a permanent basis. Development credits funded from resources provided under the Sixth Replenishment and thereafter are denominated in SDRs; the principal amounts disbursed under such development credits are to be repaid in currency amounts currently equivalent to the SDRs disbursed.

### Development Grants

The Eleventh and Twelfth Replenishment Resolutions authorize the use of Eleventh and Twelfth Replenishment donor funds to finance IDA development grants in the context of the HIPC Debt Initiative. The net income transfers from IBRD for fiscal years 1997, 1998 and 1999 also authorizes the use of such funds for IDA development grants.

Development grants are accrued by IDA upon their commitment.

### Heavily Indebted Poor Countries Debt Initiative

The HIPC Debt Initiative was launched in 1996 as a joint effort by bilateral and multilateral creditors to ensure that reform efforts of HIPCs would not be put at risk by unsustainable external debt burdens. As a part of this process, the HIPC Debt Initiative Trust Fund was established on November 7, 1996, administered by IDA and constituted by funds of donors including the IBRD, to help beneficiaries reduce their overall debt, including IDA debt.

Under the Initial Framework of the initiative, eligible countries received relief on IBRD and IDA debt through three mechanisms: (i) partial financing of lending operations with development grants; (ii) purchase and cancellation of IDA credits by the World Bank component of the HIPC Debt Initiative Trust Fund; and (iii) in certain cases, the provision of debt service on selected IDA credits by the HIPC Debt Initiative Trust Fund.

Under the Enhanced Framework of the initiative, which was approved by IDA's Executive Directors on January 27, 2000, implementation mechanisms also include: (i) partial forgiveness of IDA and Interim Trust Fund debt service as it comes due, to be reimbursed to IDA by the World Bank Group component of the HIPC Debt Initiative Trust Fund; and (ii) in the case of countries with a substantial amount of outstanding IBRD debt, partial refinancing by IDA resources (excluding transfers from IBRD) of outstanding IBRD debt.

### Investments

IDA carries its investment securities and related financial instruments at market value. Both realized and unrealized gains and losses are included in Income from Investments.

### Accounting Changes

In the fourth quarter of fiscal year 2000, IDA changed its accounting policy related to the HIPC Debt Initiative and restated its financial statements of prior years to apply retroactively the new policy. A summary of the new accounting policy and details of debt relief provided under the HIPC Debt Initiatives are presented in Note I.

Under the new accounting policy, development grants and any impairments of IDA's outstanding development credits in connection with the HIPC Debt Initiative are recognized as charges to income. This recognition occurs when IDA either approves the development grants or determines that impairments to IDA's credits are probable and can be reasonably estimated. Previously, development grants and such impairments were not charged to income. Instead, they were directly reported in the Statement of Sources and Applications of Development Resources, as a separate line item titled Heavily Indebted Poor Countries Debt Initiative. The new accounting policy will better reflect the impact of the HIPC Debt Initiative on IDA's financial position and operating activities.

The effect of the accounting change on income of fiscal year 2000 and on income as previously reported for fiscal years 1999 and 1998 is a reduction of $7,829 million, $154 million and $168 million, respectively.

In the third quarter of fiscal year 2000, all investment securities were included as an element of liquidity in the Statements of Cash Flows due to their nature, and IDA's policies governing the level and use of such investments. As a result, Statements of Cash Flows of prior years have been restated to reflect this change, for which there is no income effect.

**Interim Trust Fund**

The Interim Trust Fund (ITF), established by IDA's Board of Governors in June 1996 as a part of the Eleventh Replenishment, is administered by IDA to help fund operations approved during the period July 1, 1996 to June 30, 1997, as well as certain additional operations approved after July 1, 1997. The development resources of the ITF have a separate legal, procurement and accounting status. Credits financed by the ITF are made on the same terms and conditions as those of IDA credits with two exceptions. First, eligibility for procurement under the Interim Fund Credits is extended only to nationals of countries that either have contributed to the ITF or are eligible to borrow from IBRD or IDA. Second, the Interim Fund Credits are approved by IDA's President after consultation with a committee of IDA's Executive Directors representing the donors and eligible borrowers. Effective December 31, 1997, procurement restrictions were lifted from SDR 700 million in ITF contributions that were unallocated.

Charges paid by borrowers on ITF credits are directly paid to IDA as compensation for its services as administrator of the ITF. These charges are included under Income from development credits. The ITF is expected to be terminated when the credits it financed have been substantially disbursed. Upon termination, the assets and liabilities of the ITF will be transferred to IDA.

## NOTE B—INVESTMENTS

As part of its portfolio management strategy, IDA invests in the following financial instruments.

***Currency Swaps:*** Currency swaps are agreements between two parties to exchange cash flows denominated in different currencies at one or more certain times in the future. The cash flows are based on a predetermined formula reflecting rates of interest and an exchange of principal. IDA is authorized to enter into currency swaps for periods not exceeding one year, including covered forwards.

***Forwards and Futures:*** Futures and forward contracts are contracts for delivery of securities or money market instruments in which the seller agrees to make delivery at a specified future date of a specified instrument, at a specified price or yield. Futures contracts are traded on regulated United States and international exchanges. IDA generally closes out most open positions in futures contracts prior to maturity. Therefore, cash receipts or payments are mostly limited to the change in market value of the futures contracts. Futures contracts generally entail daily settlement of the net cash margin.

***Government and Agency Obligations:*** These obligations include marketable bonds, notes and other obligations issued by governments. Obligations issued or unconditionally guaranteed by governments of countries require a minimum credit rating of AA if denominated in a currency other than the home currency of the issuer, otherwise no rating is required. Obligations issued by an agency or instrumentality of a government of a country, a multilateral organization or any other official entity require a credit rating of AAA.

***Interest Rate Swaps:*** Interest rate swaps are agreements involving the exchange of periodic interest payments of differing character, based on an underlying notional principal amount for a specified time.

***Options:*** Options are contracts that allow the holder of the option the right, but not the obligation, to purchase or sell a financial instrument at a specified price within a specified period of time from or to the seller of the option. The purchaser of an option pays a premium at the outset to the seller of the option, who then bears the risk of an unfavorable change in the price of the financial instrument underlying the option. IDA invests only in exchange-traded options. The initial price of an option contract is equal to the premium paid by the purchaser and is significantly less than the contract or notional amount. IDA does not write uncovered option contracts.

***Repurchase and Resale Agreements and Securities Loans:*** Repurchase agreements are contracts under which a party sells securities and simultaneously agrees to repurchase the same securities at a specified future date at a fixed price. The reverse of this transaction is called a resale agreement. A resale agreement involves the purchase of securities with a simultaneous agreement to sell back the same securities at a stated price on a stated date. Securities loans are contracts under which securities are lent for a specified period of time at a fixed price.

***Short Sales:*** Short sales are sales of securities not held in the seller's portfolio at the time of the sale. The seller must purchase the security at a later date and bears the risk that the market value of the security will move adversely between the time of the sale and the time the security must be delivered.

***Time Deposits:*** Time deposits include certificates of deposit, bankers' acceptances, and other obligations issued or unconditionally guaranteed by banks and other financial institutions.

A summary of IDA's investments, by instrument, at June 30, 2000 and June 30, 1999 is as follows:

*In millions of U.S. dollar equivalent*

| | *2000* | | | *1999* | | |
|---|---|---|---|---|---|---|
| | *Carrying value* | *Average balance during the fiscal year* | *Net gains (losses) for the fiscal year* | *Carrying value* | *Average balance during the fiscal year* | *Net gains (losses) for the fiscal year* |
| Government and agency obligations | $ 6,616 | $ 7,288 | $172 | $ 7,302 | $7,801 | $(100) |
| Time deposits | 6,002 | 6,633 | — | 4,859 | 5,822 | — |
| Currency swaps | 1 | 10 | — | 47 | 14 | — |
| Forwards, futures and options | 1 | 4 | 1 | 2 | 1 | 18 |
| Resale agreements | 248 | 366 | — | 97 | 395 | — |
| Repurchase agreements and securities loans | (3,108) | (4,797) | — | (4,101) | (4,810) | — |
| Total | $ 9,760 | $ 9,504 | $173 | $ 8,206 | $9,223 | $ (82) |
| Short sales[a] | $ (226) | $ (141) | $ — | $ (65) | $ (15) | $ — |

a. *Included in Net (payable) receivable on investment securities transactions in the Statement of Sources and Applications of Development Resources.*

A summary of the currency composition of investments at June 30, 2000 and June 30, 1999 is as follows:

*In millions of U.S. dollars equivalent*

| | *2000* | *1999* |
|---|---|---|
| Euro[a] | $2,524 | $2,587 |
| Japanese yen | 1,471 | 804 |
| Pounds sterling | 2,679 | 1,351 |
| U.S. dollars | 3,086 | 3,464 |
| Total | $9,760 | $8,206 |

a. *Effective January 1, 1999, the euro was introduced. For reporting purposes, holdings in the eleven national currencies that are considered national currency units of the euro have been aggregated with the euro and reported as euro, in both the current and prior year.*

For the purpose of risk management, IDA is party to a variety of financial instruments, certain of which involve elements of credit risk in excess of the amount reflected in the Statement of Sources and Applications of Development Resources. Credit risk exposure represents the maximum potential accounting loss due to possible nonperformance by obligors and counterparties under the terms of the contracts. Additionally, the nature of the instruments involve contract value and notional principal amounts that are not reflected in the basic financial statements. For both on- and off-balance sheet securities, IDA limits trading to a list of authorized dealers and counterparties. Credit limits have been established for each counterparty by type of instrument and maturity category.

The credit risk exposure and contract value, as applicable, of these financial instruments at June 30, 2000 and June 30, 1999 (prior to taking into account any master derivatives agreements or collateral arrangements that have been made) are given below:

*In millions of U.S. dollars equivalent*

| | *2000* | *1999* |
|---|---|---|
| Forwards, futures and options | | |
| • Long position | $781 | $2,127 |
| • Short position | 354 | 377 |
| • Credit exposure due to potential nonperformance by counterparties | 7 | 3 |
| Currency swaps | | |
| • Credit exposure due to potential nonperformance by counterparties | 9 | 48 |

## NOTE C—MEMBER SUBSCRIPTIONS AND CONTRIBUTIONS

***Subscriptions and Contributions Receivable:*** At June 30, 2000, receivables from subscriptions and contributions were $6,624 million ($165 million—June 30, 1999) of which $54 million ($12 million—June 30, 1999) was due and $6,570 million ($153 million—June 30, 1999) was not yet due.

Subscriptions and contributions due at June 30, 2000 were as follows:

*In millions of U.S. dollars equivalent*

| *Amounts initially due from* | |
|---|---|
| July 1, 1999 through June 30, 2000 | $42 |
| June 30, 1999 and earlier | 12 |
| Total | $54 |

Subscriptions and contributions not yet due at June 30, 2000 will become due as follows:

*In millions of U.S. dollars equivalent*

| *Period* | |
|---|---|
| July 1, 2000 through June 30, 2001 | $3,285 |
| July 1, 2001 through June 30, 2002 | 3,246 |
| Thereafter | 39 |
| Total | $6,570 |

***Twelfth Replenishment:*** On April 8, 1999, the Board of Governors of IDA adopted a resolution authorizing the Twelfth Replenishment of IDA's resources. The Twelfth Replenishment, which provides IDA with resources of SDR 15,343 million to fund concessional lending during the period July 1, 1999 to June 30, 2002, became effective on March 23, 2000. Of this amount, new contributions from donor countries, including supplementary contributions provided by certain members and discounts on accelerated encashments, total SDR 8,640 million. Certain procurement restrictions apply to Twelfth Replenishment credits financed by donor funds.

As of June 30, 2000, IDA had received Instruments of Commitments (IoCs) totaling SDR 7,431 million, and has yet to receive IoCs representing donor contributions totaling SDR 621 million, out of the total expected donor contributions of SDR 8,052 million.

***Membership:*** In February 1993 the Socialist Federal Republic of Yugoslavia ceased to be a member of IDA due to the cessation of its membership in IBRD. Four of the five successor Republics—Bosnia and Herzegovina, the Republic of Croatia, the Republic of Slovenia and the former Yugoslav Republic of Macedonia—have since become members of IDA. At June 30, 2000, the subscription and contributions allocated to the other successor country, the Federal Republic of Yugoslavia (Serbia and Montenegro), are included under Payments on Account of Pending Membership.

## NOTE D—TRANSFERS AND RECEIVABLES FROM IBRD

IBRD's Board of Governors has approved aggregate transfers to IDA totaling $6,435 million through June 30, 2000 ($6,087 million—June 30, 1999). The aggregate transfers reported in the Statement of Sources and Applications of Development Resources may differ from the amount of aggregate transfers approved due to exchange rate movements.

Of the aggregate transfers, $348 million in SDRs valued at June 30, 1999 was approved by IBRD's Board of Governors on September 30, 1999. Of this amount, $300 million will be drawn down in fiscal year 2005, which is the end of the defined encashment schedule for donor contributions to IDA's Twelfth Replenishment. The remaining $48 million in SDRs valued at June 30, 1999 was transferred on October 14,

1999. The transfer reported in the Statement of Cash Flows is different due to exchange rate movements.

Of the aggregate transfers, $352 million in SDRs valued at June 30, 1998, which was approved by IBRD's Board of Governors on October 8, 1998, will be drawn down by IDA after all other resources available to IDA for purposes of the Eleventh Replenishment have been drawn down.

The receivable of $650 million ($354 million—June 30, 1999) from IBRD reported in the Statement of Sources and Applications of Development Resources is different from the amounts approved due to exchange rate movements.

## NOTE E—DEVELOPMENT CREDITS

### *Accumulated Allowance for Heavily Indebted Poor Countries Debt Initiative*

Development credits outstanding are presented in the Statement of Sources and Applications of Development Resources before any allowance in connection with either the Enhanced or Initial HIPC Framework (see Note I).

The nominal value of the principal component of the debt relief to be provided under the Enhanced HIPC Framework is included under accumulated allowance for HIPC Debt Initiative in the Statement of Sources and Application of Development Resources. This amount is net of any debt relief delivered to date.

Upon approval by the Executive Directors of IDA in connection with the sales of IDA credits to the HIPC Debt Initiative Trust Fund, the estimated write-down, representing the difference between the carrying value and the net present value (see Note F) of the development credits identified for sale, is recorded under accumulated allowance for HIPC Debt Initiative in the Statement of Sources and Application of Development Resources.

Changes to the accumulated allowance for HIPC Debt Initiative for the fiscal years ended June 30, 2000, June 30, 1999 and June 30, 1998 are summarized below:

*In millions of U.S. dollars equivalent*

| | *2000* | *1999* | *1998* |
|---|---|---|---|
| Balance, beginning of the fiscal year | $ — | $— | $ — |
| ***Enhanced HIPC Framework*** | | | |
| Allowance for principal component of debt relief [a] | 7,958 | — | — |
| Principal component of debt relief delivered | (11) | — | — |
| | 7,947 | — | — |
| ***Initial HIPC Framework*** | | | |
| Allowance for write-down on sale of development credits | 455 | — | 93 |
| Credits written down on sale of development credits | (382) | — | (93) |
| | 73 | — | — |
| Balance, end of the fiscal year | $8,020 | $— | $ — |

a. *This allowance is the sum of the principal component of the best estimate available of the amount of debt relief which is expected to be provided by IDA to eligible countries, and the actual amount of debt relief committed by IDA to those countries that have reached their decision points, and in certain cases their completion points.*

### *Overdue Amounts*

At June 30, 2000, charges of $0.1 million (principal of $nil) payable to IDA on development credits, other than those referred to in the following paragraph, were overdue by more than three months. At June 30, 2000, the aggregate principal amounts outstanding on all development credits to any borrower, other than those referred to in the following paragraph, with any development credits overdue by more than three months was $443 million.

At June 30, 2000, development credits made to or guaranteed by certain member countries with an aggregate principal balance outstanding of $4,190 million ($4,213 million—June 30, 1999), of which $284 million ($222 million—June 30, 1999) was overdue, were

in nonaccrual status. At such date, overdue charges in respect of these development credits totaled $185 million ($157 million—June 30, 1999). If these development credits had not been in nonaccrual status, income from development credits net of charges received from such members during the period, for the fiscal year ended June 30, 2000 would have been higher by $29 million ($35 million—June 30, 1999 and $24 million—June 30, 1998).

A summary of borrowers with development credits or guarantees in nonaccrual status follows:

*In millions of U.S. dollars equivalent*

| | June 30, 2000 | | |
|---|---|---|---|
| *Borrower* | *Principal Outstanding* | *Principal and Charges Overdue* | *Nonaccrual Since* |
| With overdues | | | |
| Afghanistan | $ 75 | $ 21 | June 1992 |
| Congo, Democratic Republic of | 1,205 | 149 | November 1993 |
| Congo, Republic of | 162 | 7 | November 1997 |
| Liberia | 101 | 24 | April 1988 |
| Myanmar | 718 | 43 | September 1998 |
| Somalia | 401 | 68 | July 1991 |
| Sudan | 1,183 | 157 | January 1994 |
| Total | 3,845 | 469 | |
| Without overdues | | | |
| Bosnia and Herzegovina[a] | 315 | — | September 1992 |
| Syrian Arab Republic[b] | 30 | — | April 1988 |
| Total | $4,190 | $469 | |

a. *Development credits are in non-accrual status consistent with the policies of IBRD and IDA, by which all Bosnia and Herzegovina debt to these organizations is in nonaccrual status.*

b. *Development credits are in nonaccrual status due to overdues to IBRD.*

During fiscal year 1998, the Syrian Arab Republic and IDA entered into an agreement covering, among other things, the application of Syria's overdue principal and charges. Under this agreement, Syria paid all its overdue principal and charges by October 31, 1997.

During the fiscal year ended June 30, 2000, Comoros paid off all its arrears to IDA. Its development credits came out of nonaccrual status on January 6, 2000. As a result, income from development credits for the year ended June 30, 2000 increased by $1 million, corresponding to income that would have been accrued in the previous fiscal year had these development credits not been in nonaccrual status.

During fiscal year 1999, Sudan reached an understanding with IBRD and IDA under which Sudan agreed to make regular monthly payments of $1 million to clear its arrears beginning in July 1999. These payments are being applied first to IBRD arrears and then to arrears with IDA. As of June 30, 2000, Sudan had paid off all of its arrears to IBRD.

As a result of development credits coming out of nonaccrual status during the fiscal year ended June 30, 1999, the income for that year was increased by $3 million.

***Fifth Dimension Program***

Under the Fifth Dimension program established in September 1988, a portion of principal repayments to IDA is allocated on an annual basis to provide supplementary IDA development credits to IDA-eligible countries that are no longer able to borrow on IBRD terms but have outstanding IBRD loans approved prior to September 1988 and have in place an IDA-supported structural adjustment program. Such supplementary IDA credits are allocated to countries that meet specified conditions, in proportion to each country's interest payments due that year on its pre-September 1988 IBRD loans. To be eligible for such IDA supplemental credits, a member country must meet IDA's eligibility criteria for lending, must be ineligible for IBRD lending and must not have had an IBRD loan approved within the last twelve months. To receive a supplemental

credit from the program, a member country cannot be more than 60 days overdue on its debt-service payments to IBRD or IDA.

A summary of cumulative IDA credits committed and disbursed under this program from inception, at June 30, 2000 and June 30, 1999 is given below:

*In millions of U.S. dollars equivalent*

| | *2000* | *1999* |
|---|---|---|
| Commitments | $1,659 | $1,623 |
| Less undisbursed | 29 | 19 |
| Disbursed and Outstanding | $1,630 | $1,604 |

***Guarantees***

The guarantee of a development credit of $30 million at June 30, 2000 ($30 million—June 30, 1999) was not included in the Total Resources Used for Development Credits. At June 30, 2000, no amounts were subject to call.

***Concentration of Income***

For fiscal year 2000, development credits to two countries individually generated in excess of ten per cent of total income from these credits, amounting to $141 million and $66 million.

## NOTE F—FAIR VALUE OF FINANCIAL INSTRUMENTS

***Investments:*** Since IDA carries its investments at market value, the carrying amount represents the fair value of the portfolio. These fair values are based on quoted market prices, where available. If quoted market prices are not available, fair values are based on quoted market prices of comparable instruments. The fair value of short-term financial instruments approximates their carrying value.

***Development Credits:*** IDA's development credits have a significant grant element because of the concessional nature of IDA's terms. Discounting the future cash flows from IDA's development credits using government reference rates represented by interest rates of government securities having similar duration to the portfolio of development credits, provides an estimate for the grant element. Under the Initial HIPC Debt Initiative, development credits identified for sale to the HIPC Debt Initiative Trust Fund are written down to their estimated net present value using currency specific Commercial Interest Reference Rates (CIRRs) published monthly by the Organization for Economic Cooperation and Development (OECD). Using the six months average CIRR as a discount rate provides an alternative estimate for the grant element.

Since IDA's development credits are denominated either in U.S. dollars or SDRs, currency specific rates have been used to discount the corresponding future cash flows for each currency component of the development credits, before being aggregated to provide the composite results. The prior year's fair value of development credits has been restated using government reference rates to conform to the current year's presentation.

The grant element calculations consider interest rates, maturity structures and grace periods for the credits. They do not consider credit risk, portfolio seasoning, multilateral and sovereign credit preferences and other risks or indicators that would be relevant in calculating fair value. Estimating the impact of these factors is not practicable.

However, under either alternative, the estimated fair values of development credits outstanding are substantially lower than the $85,852 million reflected on the Statement of Sources and Applications of Development Resources at June 30, 2000 ($83,158 million—June 30, 1999), as shown in the following table:

*In millions of U.S. dollars equivalent*

| | *June 30, 2000* | | *June 30, 1999* | |
|---|---|---|---|---|
| | *Government reference rate-based fair value* | *CIRR-based fair value* | *Government reference rate-based fair value* | *CIRR-based fair value* |
| Development credits outstanding | $85,852 | $85,852 | $83,158 | $83,158 |
| Less grant equivalent | 38,497 | 44,618 | 38,236 | 37,247 |
| Estimated value of development credits outstanding | $47,355 | $41,234 | $44,922 | $45,911 |
| Estimated grant element | 45% | 52% | 46% | 45% |
| | *Discount Rates Used* | | *Discount Rates Used* | |
| Government reference rate securities | | | | |
| - US dollar | 6.01% | | 5.81% | |
| - SDR[a] | 4.90% | | 4.97% | |
| CIRRs: Average of six months to June | | | | |
| - U.S. dollar | | 7.46% | | 6.00% |
| - SDR | | 6.02% | | 4.87% |

a. *Implies weighted average government reference rates of the component currencies contained in the SDR.*

Discounting the future cash flows from IDA's development credits using the standard 10 percent discount rate of the Development Assistance Committee (DAC) of the OECD, provides another alternative for the grant element. The estimated grant element based on this standard DAC rate for IDA's development credits is 68 percent as of June 30, 2000 (69 percent—June 30, 1999).

## NOTE G—NET MANAGEMENT FEE

IDA receives charges paid by borrowers on Interim Fund Credits as compensation for its services as administrator of ITF, and pays a management fee to IBRD representing its share of the administrative expenses incurred jointly by IBRD and IDA.

The following table shows the management fee, net of IDA's share of income from pension plan and other postretirement benefits plans:

*In millions of U.S. dollars*

| | *2000* | *1999* | *1998* |
|---|---|---|---|
| Management fee charged by IBRD | $549 | $518 | $474 |
| Less IDA's share of income from pension plan and other postretirement benefits plans | 111 | 150 | 252 |
| Net management fee | $438 | $368 | $222 |

During the fiscal year ended June 30, 1998, the status of the other postretirement benefits was reviewed by IBRD and it was determined that the assets and liabilities associated with these postretirement benefits did not qualify for off-balance sheet accounting. At June 30, 1998, these assets and liabilities were recorded on IBRD's balance sheet. As a result of this change, the management fee for the fiscal year ended June 30, 1998 was reduced by $133 million.

## NOTE H—TRUST FUNDS ADMINISTRATION

IDA, alone or jointly with IBRD, administers on behalf of donors, including members, their agencies and other entities, funds restricted for specific uses which include the cofinancing of IDA lending projects, debt reduction operations for IDA members, technical assistance for borrowers including feasibility studies and project preparation, global and regional programs and research and training programs. These funds are placed in trust and are not included in the development resources of IDA.

At June 30, 2000 and June 30, 1999, the allocation of trust fund assets by executing agent were as follows:

| | *2000* | | *1999* | |
|---|---|---|---|---|
| | *Total trust assets (In millions)* | *Number of trust fund accounts* | *Total trust assets (In millions)* | *Number of trust fund accounts* |
| IDA executed | $1,303 | 636 | $1,059 | 712 |
| Recipient executed | 875 | 1,362 | 782 | 674 |
| Total | $2,178 | 1,998 | $1,841 | 1,386 |

The responsibilities of IDA under these arrangements vary and range from services normally provided under its own lending projects to full project implementation including procurement of goods and services. IDA receives fees for administering trust funds as a reduction of the management fee charged by IBRD. During the fiscal year ended June 30, 2000, IDA received $7.4 million ($5.6 million—June 30, 1999, $8.9 million—June 30, 1998) as fees for administering trust funds.

## NOTE I—IMPACT FROM HEAVILY INDEBTED POOR COUNTRIES DEBT INITIATIVE

### *Enhanced HIPC Framework*

On January 27, 2000, the Executive Directors of IDA gave approval for IDA to provide debt relief under the enhanced HIPC framework by forgiving a portion of an eligible country's IDA and ITF debt service obligations as they become due. Amounts of IDA and ITF debt service forgiven are expected to be reimbursed by the World Bank Group component of the HIPC Debt Initiative Trust Fund on a pay-as-you-go basis.

Upon approval of the Enhanced HIPC Framework by the Executive Directors of IDA, the nominal value of the principal component of the estimated debt relief costs is recorded as a reduction of the disbursed and outstanding development credits under accumulated allowance for HIPC Debt Initiative, and as a charge to income. This estimate is subject to periodic revision.

Upon signature by IDA of the country specific legal notification, immediately following the decisions by the Executive Directors of IDA to provide debt relief to the country (the decision point), a receivable from the HIPC Debt Initiative Trust Fund is created (to the extent that funds are available) and income is recognized. This receivable is limited to the nominal value equivalent of one-third of the net present value of the principal component of the total debt relief committed to the specific country. This is the maximum debt relief that can be provided before the country reaches its completion point (see below).

A receivable from the HIPC Debt Initiative Trust Fund is created and income is recognized when the country reaches its completion point (that is when the conditions specified in the legal notification are met), and the country's other creditors have confirmed their full participation in the debt relief initiative. This receivable represents the remaining principal component of the total debt relief committed which was not recognized at the decision point.

A summary of changes to the receivable from the HIPC Debt Initiative Trust Fund is presented below.

The accumulated allowance for HIPC Debt Initiative is reduced when debt relief is provided by IDA. A sum-

mary of changes to the accumulated allowance for HIPC Debt Initiative is presented under Note E.

Debt relief composed of $11 million in principal repayments and $6 million in charges has been delivered to date by IDA since the start of the Enhanced HIPC, all of which was reimbursed by the HIPC Debt Initiative Trust Fund.

***Receivable from the HIPC Debt Initiative Trust Fund***

*In millions of U.S. dollars*

| | *2000* |
|---|---|
| Balance, beginning of the fiscal year | $ — |
| Contribution to IDA for Enhanced HIPC (see Statement of Income) | 584 |
| Reimbursement received for principal repayments forgiven (see Statement of Cash Flows) | (11) |
| Balance, end of the fiscal year | $573 |

***Initial HIPC Framework***

Assistance under the Initial HIPC Framework has been provided by IDA by means of development grant funding in lieu of credit funding and sales of development credits to the HIPC Debt Initiative Trust Fund.

**IDA Development Grants**

At June 30, 2000, development grants provided by country and source of funding since inception of the Initial HIPC Framework are as follows:

*In millions of U.S. dollars equivalent*

| | *Source of Funds* | | |
|---|---|---|---|
| | *Transfers from IBRD* | *Eleventh Replenishment Donor Funds* | *Total* |
| Development grants provided: | | | |
| Uganda | $75 | $ — | $ 75 |
| Mozambique | — | 154 | 154 |
| Total | $75 | $154 | $229 |

Development grants disbursed as shown in the Statement of Cash Flows differ from the amounts shown above, due to any outstanding payables and exchange rate movements in the period between the date of approval and the subsequent transfer of the funds.

**Sales of IDA Development Credits**

IDA sells specific development credits to the HIPC Debt Initiative Trust Fund for cash at a price equivalent to the net present value (see Note F) of the development credits, as calculated using the methodology agreed under the Initial HIPC Framework. Upon approval by the Executive Directors of IDA, the estimated write-down, representing the difference between the carrying value and the net present value of the development credits identified for sale, is recorded under accumulated allowance for HIPC Debt Initiative in the Statement of Sources and Application of Development Resources. On the settlement date, the estimated write-down is adjusted to reflect the actual difference between the cash received and the carrying value of the development credit sold. The HIPC Debt Initiative Trust Fund subsequently cancels these development credits.

At June 30, 2000, the cumulative position of the sales of IDA development credits under the Initial HIPC Framework is as follows:

*In millions of U.S. dollars equivalent*

| | *Fiscal Year in Which Sold* | *Carrying Value* | *Net Present Value* | *Charge Against Income* |
|---|---|---|---|---|
| ***Development credits sold*** | | | | |
| Uganda | *1999* | $ 177 | $ 84 | $ 93 |
| Guyana | *2000* | 52 | 27 | 25 |
| Mozambique | *2000* | 684 | 327 | 357 |
| | | 736 | 354 | 382 |
| Total development credits sold | | 913 | 438 | 475 |
| ***Development credits approved for sale*** | | | | |
| Burkina Faso | | 163 | 90 | 73 |
| Total | | $1,076 | $528 | $548 |

**Debt Service on Development Credits**

The HIPC Debt Initiative Trust Fund also services selected IDA development credits as they come due over a period of years. From inception through June 30, 2000, $52 million for Uganda and $54 million for Bolivia had been approved for this purpose. These amounts are not recorded in the Statement of Sources and Applications of Development Resources of IDA, as the HIPC Debt Initiative Trust Fund is a legally separate and separately administered entity.

***Summary of HIPC Debt Initiative***

A summary table of debt relief provided as of June 30, 2000, and estimated to be provided, under both the Enhanced and Initial HIPC Framework follows:

*In millions of U.S. dollars equivalent*

| | *IDA* | *ITF* | *HIPC Debt Initiative Trust Fund* [a] | *Total* |
|---|---|---|---|---|
| ***Debt Relief under Enhanced HIPC*** | | | | |
| Provided to date | | | | |
| Principal | $ 11 | $— | $ — | $ 11 |
| Charges | 6 | — | 1 | 7 |
| | 17 | | 1 | 18 |
| Remainder to be provided | | | | |
| Principal | 7,947 | 51 | — | 7,998 |
| Charges | 1,411 | — | 4 | 1,415 |
| | 9,358 | 51 | 4 | 9,413 |
| Total Enhanced HIPC | | | | |
| Principal | 7,958 | 51 | — | 8,009 |
| Charges | 1,417 | — | 5 | 1,422 |
| | 9,375 | 51 | 5 | 9,431 |
| ***Debt Relief under Initial HIPC*** | | | | |
| Provided to date | 704 | — | 489 | 1,193 |
| Remainder to be provided | 73 | — | 155 | 228 |
| Total Initial HIPC | 777 | — | 644 | 1,421 |
| **Total Debt Relief** | $10,152 | $51 | $649 | $10,852 |

a. *The debt relief relates only to the World Bank Group component of this trust fund, and includes amounts approved up to June 30, 2000 by the Board of Executive Directors of IDA.*

## NOTE J—COMPREHENSIVE INCOME

Comprehensive income consists of net income and other gains and losses affecting sources of development resources that, under generally accepted accounting principles, are excluded from net income. For IDA, comprehensive income comprises currency translation adjustments on development credits and income after HIPC Debt Initiative. These items are presented in the Statement of Comprehensive Income. The following table presents the changes in Accumulated Other Comprehensive Income balances for the years ended June 30, 2000, 1999 and 1998:

*In millions of U.S. dollars equivalent*

| | *Accumulated Other Comprehensive Income* [a] | | |
|---|---|---|---|
| | *2000* | *1999* | *1998* |
| Balance, beginning of the fiscal year | $(194) | $(391) | $ 2,373 |
| Changes from period activity | (524) | 197 | (2,764) |
| Balance, end of the fiscal year | $(718) | $(194) | $ (391) |

a. *The total accumulated other comprehensive income represents the cumulative translation adjustment on development credits.*

# Report of Independent Accountants on Special Purpose Financial Statements

**Deloitte Touche Tohmatsu**
(International Firm)

555 12th Street NW
Washington, DC

President and Board of Governors
International Development Association

We have audited the accompanying special purpose statements of sources and applications of development resources of the International Development Association as of June 30, 2000 and 1999, including the summary statement of development credits and statement of voting power, and subscriptions and contributions as of June 30, 2000, and the related special purpose statements of income, comprehensive income, changes in retained earnings, and cash flows for each of the three fiscal years in the period ended June 30, 2000. These special purpose financial statements are the responsibility of the International Development Association's management. Our responsibility is to express an opinion on these special purpose financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

The accompanying special purpose financial statements were prepared to reflect the sources and applications of development resources, operations, and cash flows of the International Development Association to comply with Article VI, Section 11(a) of the Articles of Agreement of the International Development Association, as discussed in Note A to the special purpose financial statements, and are not intended to be a presentation in conformity with accounting principles generally accepted in the United States of America or International Accounting Standards.

As discussed in Note A to the financial statements, during fiscal year 2000 the International Development Association changed its accounting policy for the HIPC Debt Initiative and, retroactively, restated the financial statements for the change. Under the new accounting policy, development grants and any impairments of outstanding development credits in connection with the HIPC Debt Initiative are recognized as charges to income.

In our opinion, such special purpose financial statements referred to above present fairly, in all material respects, the sources and applications of development resources of the International Development Association as of June 30, 2000 and 1999, and the results of its operations and its cash flows for each of the three fiscal years in the period ended June 30, 2000 in conformity with the accounting principles described in Note A to the special purpose financial statements.

This report is intended solely for the information and use of the Board of Governors, management, and members of the International Development Association. However, under the International Development Association's Articles of Agreement, this report is a matter of public record and its distribution is not limited.

Deloitte Touche Tohmatsu (International Firm)

July 31, 2000

Beijing London Mexico City Moscow New York
Paris Tokyo Toronto

# Interim Trust Fund

## Special Purpose Financial Statements
## June 30, 2000

# Statement of Sources and Applications of Development Resources

*June 30, 2000 and June 30, 1999*

*Expressed in millions of U.S. dollars*

| | 2000 | 1999 |
|---|---|---|
| **Applications of Development Resources** | | |
| ***Net Resources Available For Development Activities*** | | |
| ***Due from Banks*** | | |
| Unrestricted currencies | $ 9.7 | $ 8.7 |
| ***Investments—Notes B and D*** | 1,346.2 | 935.8 |
| ***Receivable from the HIPC Debt Initiative Trust Fund—Note F*** | 17.3 | -- |
| ***Nonnegotiable, Noninterest-bearing Demand Obligations on Account of Contributions*** | 711.5 | 1,357.5 |
| ***Other Resources, net*** | 1.5 | -- |
| Total net resources available for development activities | 2,086.2 | 2,302.0 |
| ***Resources Used For Interim Fund Credits (see Summary Statement of Interim Fund Credits, Notes D and E)*** | | |
| Total Interim Fund Credits | 2,679.8 | 2,653.4 |
| Less undisbursed balance | 1,889.3 | 2,145.0 |
| Interim Fund Credits outstanding | 790.5 | 508.4 |
| Less accumulated allowance for HIPC Debt Initiative | 51.0 | -- |
| Total resources used for Interim Fund Credits outstanding | 739.5 | 508.4 |
| **Total Applications of Development Resources** | $2,825.7 | $2,810.4 |
| **Sources of Development Resources** | | |
| ***Contributions (see Statement of Contributions)*** | | |
| Contributions committed | $2,780.2 | $2,788.4 |
| Less contributions receivable—Note C | 2.3 | 2.3 |
| Less unamortized discount on contributions | 1.0 | 1.5 |
| Contributions paid in | 2,776.9 | 2,784.6 |
| ***Accumulated Other Comprehensive Income—Note G*** | (20.3) | (11.7) |
| ***Retained Earnings (see Statement of Changes in Retained Earnings)*** | 69.1 | 37.5 |
| **Total Sources of Development Resources** | $2,825.7 | $2,810.4 |

***The Notes to Special Purpose Financial Statements are an integral part of these Statements.***

## Statement of Income

*For the fiscal years ended June 30, 2000, June 30, 1999 and June 30, 1998*

*Expressed in millions of U.S. dollars*

| | 2000 | 1999 | 1998 |
|---|---|---|---|
| ***Income*** | | | |
| Income from investments—Note B | $ 70.1 | $36.9 | $14.4 |
| ***Expenses*** | | | |
| Amortization of discount on contribution advances | (0.3) | (0.4) | (0.3) |
| ***Operating Income*** | 69.8 | 36.5 | 14.1 |
| Effect of exchange rate changes on accumulated income excluding HIPC Debt Initiative | (4.5) | (2.3) | (10.1) |
| ***Income before HIPC Debt Initiative*** | 65.3 | 34.2 | 4.0 |
| ***Enhanced HIPC Framework*** | | | |
| Allowance for principal component of debt relief—Note E | (51.0) | — | — |
| Contribution from the HIPC Debt Initiative Trust Fund—Note F | 17.3 | — | — |
| Total charges for Enhanced HIPC | (33.7) | — | — |
| ***Income after HIPC Debt Initiative*** | $ 31.6 | $34.2 | $ 4.0 |

## Statement of Comprehensive Income

*For the fiscal years ended June 30, 2000, June 30, 1999 and June 30, 1998*

*Expressed in millions of U.S. dollars*

| | 2000 | 1999 | 1998 |
|---|---|---|---|
| ***Income after HIPC Debt Initiative*** | $31.6 | $34.2 | $ 4.0 |
| ***Other Comprehensive Income—Note G*** | | | |
| Currency translation adjustment on Interim Fund Credits | (8.6) | (2.2) | (10.3) |
| Total other comprehensive (loss) | (8.6) | (2.2) | (10.3) |
| ***Comprehensive Income (Loss)*** | $23.0 | $32.0 | $ (6.3) |

***The Notes to Special Purpose Financial Statements are an integral part of these Statements.***

# Statement of Changes in Retained Earnings

*For the fiscal years ended June 30, 2000 and June 30, 1999*

*Expressed in millions of U.S. dollars*

| | 2000 | | | 1999 | | |
|---|---|---|---|---|---|---|
| | *Balance at beginning of the fiscal year* | *Activity during the fiscal year* | *Balance at end of the fiscal year* | *Balance at beginning of the fiscal year* | *Activity during the fiscal year* | *Balance at end of the fiscal year* |
| Allowance for Enhanced HIPC | $ — | $(51.0) | $(51.0) | $ — | $ — | $ — |
| Contribution for Enhanced HIPC from HIPC Debt Initiative Trust Fund | — | 17.3 | 17.3 | — | — | — |
| Accumulated Income excluding HIPC Debt Initiative | 37.5 | 65.3 | 102.8 | 3.3 | 34.2 | 37.5 |
| Total | $37.5 | $ 31.6 | $ 69.1 | $3.3 | $34.2 | $37.5 |

# Statement of Cash Flows

*For the fiscal years ended June 30, 2000, June 30, 1999 and June 30, 1998*

*Expressed in millions of U.S. dollars*

| | *2000* | *1999* | *1998* |
|---|---|---|---|
| ***Cash Flows from Development Activities*** | | | |
| Interim Fund Credit disbursements | $ (290.7) | $(179.6) | $(197.6) |
| ***Cash Flows from Financing Activities*** | | | |
| Net short-term borrowings | — | — | (22.0) |
| Donor contributions | 638.0 | 682.5 | 579.8 |
| Net cash provided by financing activities | 638.0 | 682.5 | 557.8 |
| ***Cash Flows from Operating Activities*** | | | |
| Operating Income | 69.8 | 36.5 | 14.1 |
| Adjustments to reconcile operating income to net cash provided by operating activities | | | |
| Amortization of discount on contribution advances | 0.3 | 0.4 | 0.3 |
| Net changes in other development resources | (6.7) | 1.3 | (3.7) |
| Net cash provided by operating activities | 63.4 | 38.2 | 10.7 |
| Effect of exchange rate changes on unrestricted cash and liquid investments | 0.7 | (1.2) | (9.3) |
| ***Net Increase in Unrestricted Cash and Liquid Investments*** | 411.4 | 539.9 | 361.6 |
| ***Unrestricted Cash and Liquid Investments at Beginning of the Fiscal Year*** | 944.5 | 404.6 | 43.0 |
| ***Unrestricted Cash and Liquid Investments at End of the Fiscal Year*** | $1,355.9 | $ 944.5 | $ 404.6 |
| Composed of | | | |
| Unrestricted currencies | 9.7 | 8.7 | 14.3 |
| Investments | 1,346.2 | 935.8 | 390.3 |
| | $1,355.9 | $ 944.5 | $ 404.6 |
| ***Supplemental Disclosure*** | | | |
| Decrease in ending balances of Interim Fund Credits outstanding resulting from exchange rate fluctuations | S (8.6) | S (2.2) | $ (10.3) |
| Total charges for Enhanced HIPC | (33.7) | — | — |

# Summary Statement of Interim Fund Credits

*June 30, 2000*

*Expressed in millions of U.S. dollars*

| Borrower or guarantor | *Total credits* | *Undisbursed credits* | *Credits outstanding* | *Percentage of credits outstanding* |
|---|---|---|---|---|
| Armenia | $ 15.4 | $ 3.0 | $ 12.4 | 1.57% |
| Bangladesh | 417.8 | 374.4 | 43.4 | 5.49 |
| Bolivia | 14.4 | 7.4 | 7.0 | 0.88 |
| Bosnia and Herzegovina | 83.9 | 10.3 | 73.6 | 9.31 |
| Burkina Faso | 43.6 | 34.0 | 9.6 | 1.21 |
| Cambodia | 52.4 | 38.4 | 14.0 | 1.77 |
| Chad | 23.9 | — | 23.9 | 3.03 |
| China | 311.2 | 207.2 | 104.0 | 13.17 |
| Comoros | 6.8 | 6.8 | — | — |
| Côte d'Ivoire | 49.1 | 40.0 | 9.1 | 1.15 |
| Egypt, Arab Republic of | 68.5 | 51.2 | 17.3 | 2.19 |
| Ghana | 27.6 | 21.1 | 6.5 | 0.83 |
| Guinea | 23.9 | 18.6 | 5.3 | 0.67 |
| India | 738.1 | 672.5 | 65.6 | 8.30 |
| Kenya | 25.7 | 20.2 | 5.5 | 0.69 |
| Kyrgyz Republic | 42.5 | — | 42.5 | 5.38 |
| Madagascar | 92.0 | 10.1 | 81.9 | 10.35 |
| Malawi | 11.6 | 8.2 | 3.4 | 0.43 |
| Mali | 98.9 | 78.5 | 20.4 | 2.57 |
| Mozambique | 91.8 | — | 91.8 | 11.62 |
| Senegal | 6.5 | 2.8 | 3.7 | 0.47 |
| Sri Lanka | 14.2 | 9.6 | 4.6 | 0.59 |
| Uganda | 120.1 | 39.0 | 81.1 | 10.26 |
| Vietnam | 275.9 | 220.9 | 55.0 | 6.96 |
| Yemen, Republic of | 12.2 | 7.6 | 4.6 | 0.58 |
| Zimbabwe | 11.8 | 7.5 | 4.3 | 0.54 |
| Total—June 30, 2000[a] | $2,679.8 | $1,889.3 | $790.5 | 100.00% |
| Total—June 30, 1999 | $2,653.4 | $2,145.0 | $508.4 | |

NOTES

*a. May differ from the sum of individual figures shown because of rounding.*

***The Notes to Special Purpose Financial Statements are an integral part of these Statements.***

## SUMMARY STATEMENT OF INTERIM FUND CREDITS *(continued)*

*June 30, 2000*

*Expressed in millions of U.S. dollars*

### Maturity Structure of Interim Fund Credits Outstanding

| *Period* | |
|---|---|
| July 1, 2000 through June 30, 2005 | $ — |
| July 1, 2005 through June 30, 2010 | 149.9 |
| July 1, 2010 through June 30, 2015 | 218.0 |
| July 1, 2015 through June 30, 2020 | 166.0 |
| July 1, 2020 through June 30, 2025 | 110.7 |
| July 1, 2025 through June 30, 2030 | 89.4 |
| July 1, 2030 through June 30, 2035 | 42.1 |
| July 1, 2035 through June 30, 2040 | 14.4 |
| Total | $790.5 |

***The Notes to Special Purpose Financial Statements are an integral part of these Statements.***

# Statement of Contributions

*June 30, 2000*

*Expressed in millions of U.S. dollars*

| *Donor* | *Contributions deposited* |
|---|---|
| Argentina | $ 4.5 |
| Australia | 71.0 |
| Austria | 34.1 |
| Belgium | 52.6 |
| Botswana | 0.5 |
| Brazil | 6.5 |
| Canada | 148.4 |
| Czech Republic | 2.0 |
| Denmark | 47.2 |
| Finland | 20.8 |
| France | 266.2 |
| Germany | 376.3 |
| Greece | 2.0 |
| Hungary | 2.7 |
| Iceland | 1.3 |
| Ireland | 5.9 |
| Italy | 160.8 |
| Japan | 744.8 |
| Korea, Republic of | 9.2 |
| Luxembourg | 3.4 |
| Mexico | 4.6 |
| Netherlands | 216.7 |
| New Zealand | 5.5 |
| Norway | 64.9 |
| Poland | 1.2 |
| Portugal | 7.0 |
| Russian Federation | 10.8 |
| Saudi Arabia | 25.0 |
| Slovak Republic | 1.4 |
| South Africa | 2.2 |
| Spain | 34.5 |
| Sweden | 101.2 |
| Switzerland | 60.3 |
| Turkey | 3.0 |
| United Kingdom | 281.7 |
| Total—June 30, 2000[a] | $2,780.2 |
| Total—June 30, 1999 | $2,788.4 |

***NOTES***

*a. May differ from the sum of individual figures shown because of rounding.*

***The Notes to Special Purpose Financial Statements are an integral part of these Statements.***

## NOTE A—ORGANIZATION, OPERATIONS AND SIGNIFICANT ACCOUNTING AND RELATED POLICIES

### *Purpose*

The Interim Trust Fund (ITF) became effective on November 14, 1996.

The Interim Trust Fund, established by IDA's Board of Governors in June 1996, is administered by IDA to help fund operations approved during the period July 1, 1996 to June 30, 1997, as well as certain additional operations approved after July 1, 1997. The funds of the Interim Trust Fund have a separate legal, procurement and accounting status. Credits financed by the Interim Trust Fund are made on the same terms and conditions as those of IDA credits with two exceptions. First, eligibility for procurement under the Interim Fund Credits is extended only to nationals of countries that either have contributed to the Interim Trust Fund or are eligible to borrow from the International Bank for Reconstruction and Development (IBRD) or IDA. Second, the Interim Fund Credits are approved by IDA's President after consultation with a committee of IDA's Executive Directors representing the donors and eligible borrowers. Effective December 31, 1997, procurement restrictions were lifted from SDR 700 million in Interim Trust Fund contributions that were unallocated. Charges paid by borrowers on Interim Fund Credits, currently 0.75 percent on balances outstanding, are received directly by IDA to compensate it for its services as administrator.

The Interim Trust Fund is expected to be terminated when the credits it financed have been substantially disbursed. Upon termination, its assets and liabilities will be transferred to IDA. Voting rights in IDA on account of contributions made to the Interim Trust Fund will be allocated to contributors upon termination of the Interim Trust Fund.

### *Summary of Significant Accounting and Related Policies*

Due to the nature of the Interim Trust Fund, these financial statements have been prepared for the specific purpose of reflecting the sources and applications of contributions and other development resources. These financial statements are not intended to be a presentation in accordance with generally accepted accounting principles in the United States of America or with International Accounting Standards. These special purpose financial statements have been prepared consistent with Article VI, Section 11(a) of the Articles of Agreement of IDA, and Section 2(e) of the Board of Governors' Resolution establishing the Interim Trust Fund.

The preparation of these special purpose financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates. Significant judgements have been used in the computation of estimated fair values of development credits and allowances for the HIPC Debt Initiative.

Certain reclassifications of the prior years' information have been made to conform to the current year's presentation.

The Interim Trust Fund's special purpose financial statements are prepared in accordance with the accounting policies outlined below.

#### Basis of Accounting

The Interim Trust Fund's special purpose financial statements are prepared on the accrual basis of accounting. That is, the effects of transactions and other events are recognized when they occur (and not when cash or its equivalent is received or paid) and are recorded in the accounting records and reported in the financial statements of the periods to which they relate.

#### Translation of Currencies

The Interim Trust Fund's special purpose financial statements are expressed in terms of U.S. dollars solely for the purpose of summarizing the Interim Trust Fund's financial position and the results of its operations for the convenience of its donors and other interested parties.

The Interim Trust Fund conducts its operations in the various currencies contributed to it. Development resources are translated at market exchange rates in effect at the end of the accounting period. Contributions are translated in the manner described below. Income and expenses are translated either at the market exchange rates in effect on the dates of income and expense recognition, or at an average of the market exchange rates in effect during each month. Translation adjustments relating to the revaluation of Interim Fund Credits denominated in Special Drawing Rights (SDRs) are charged or credited to Accumulated Other Comprehensive Income. Other translation adjustments are shown in the Statement of Income.

#### Contributions

Contributions to the Interim Trust Fund are paid in cash and nonnegotiable, noninterest-bearing demand notes. The demand notes are encashed by IDA, on behalf of the Interim Trust Fund, on an approximately pro rata basis among donors, at reasonable intervals over the projected encashment period (approximately seven years) to meet the Interim Trust Fund's operational commitments.

Interim Trust Fund contributions are expressed and are payable in contributors' currencies, freely convertible currencies and SDRs. Contributions made available for disbursement in cash are translated at market exchange rates in effect on the dates they were made available. Contributions not yet available for disbursements are translated at market exchange rates in effect at the end of the accounting period.

**Interim Fund Credits**

Interim Fund Credits finance specific development projects or programs. The policies, practices and procedures governing the allocation of Interim Trust Fund resources, the selection and appraisal of projects or programs to be financed out of such resources and the approval and administration of Interim Fund Credits, including the terms and conditions thereof, are the same as those applicable with respect to development credits made under IDA's Eleventh Replenishment with the two aforementioned exceptions.

Interim Fund Credits are denominated in SDRs and are to be repaid in currency amounts currently equivalent to the SDRs disbursed. They are carried in the Special Purpose Financial Statements at the full face amount of the borrowers' outstanding obligations. Principal repayments of Interim Fund Credits will be part of the resources of the Interim Trust Fund until it is terminated.

In fulfilling its mission, ITF makes concessional loans to the poorest countries, therefore there is significant credit risk in the portfolio of development credits. Management continually monitors this credit risk. No provision for credit losses, other than allowances under the Heavily Indebted Poor Countries (HIPC) Debt Initiative, has been established. This is because it is not practicable to determine a provision for credit losses in view of the nature and maturity structure of the credit portfolio. Should probable losses occur, they would be included in the Statement of Income.

It is the practice to place in nonaccrual status all Interim Fund Credits made to a member government or to the government of a territory of a member if principal or charges with respect to any such Interim Fund Credits are overdue by more than six months, unless IDA management determines that the overdue amount will be collected in the immediate future. In addition, if loans by IBRD or development credits by IDA to a member government are placed in nonaccrual status, all Interim Fund Credits to that member government will also be placed in nonaccrual status by the Interim Trust Fund. On the date a member's Interim Fund Credits are placed in nonaccrual status, charges that had been accrued by IDA, as administrator, on Interim Fund Credits outstanding to the member which remained unpaid are deducted from IDA's income from development credits of the current period. Charges on nonaccruing development credits are included in IDA's income only to the extent that payments have actually been received by IDA. If collectibility risk is considered to be particularly high at the time of arrears clearance the member's Interim Fund Credits may not automatically emerge from nonaccrual status, even though its eligibility for new Interim Fund Credits may have been restored. A decision on the restoration of accrual status is made on a case-by-case basis after a suitable period of payment performance has passed from the time of arrears clearance.

**Heavily Indebted Poor Countries Debt Initiative**

The HIPC Debt Initiative was launched in 1996 as a joint effort by bilateral and multilateral creditors to ensure that reform efforts of HIPCs would not be put at risk by unsustainable external debt burdens. As a part of this process, the HIPC Debt Initiative Trust Fund was established on November 7, 1996, administered by IDA and constituted by funds of donors including the IBRD, to help beneficiaries reduce their overall debt, including IDA debt.

Under the Enhanced Framework of the initiative, which was approved by IDA's Executive Directors on January 27, 2000, implementation mechanisms also include: (i) partial forgiveness of IDA and ITF debt service as it comes due, to be reimbursed to IDA and ITF by the World Bank Group component of the HIPC Debt Initiative Trust Fund; and (ii) in the case of countries with a substantial amount of outstanding IBRD debt, partial refinancing by IDA resources (excluding transfers from IBRD) of outstanding IBRD debt.

A summary of the accounting policy and details of any debt relief provided under the Enhanced HIPC Framework are included in Note F.

**Investments**

The Interim Trust Fund carries its investment securities and related financial instruments at market value. Both realized and unrealized gains and losses are included in Income from Investments.

## NOTE B—INVESTMENTS

Interim Trust Fund resources are invested in time deposits including certificates of deposit, bankers' acceptances, and other obligations. A summary of the Interim Trust Fund's investment portfolio by instrument at June 30, 2000 and June 30, 1999 is as follows:

*In millions of U.S. dollars equivalent*

| | *2000* | | | *1999* | | |
|---|---|---|---|---|---|---|
| | *Carrying value* | *Average balance during the fiscal year* | *Net gains (losses) for the fiscal year* | *Carrying value* | *Average balance during the fiscal year* | *Net gains (losses) for the fiscal year* |
| Time deposits | $1,346.0 | $1,204.5 | $— | $935.8 | $718.5 | $— |
| Currency swaps | 0.2 | 2.1 | — | — | — | — |
| Total | $1,346.2 | $1,206.6 | $— | $935.8 | $718.5 | $— |

A summary of the currency composition of investments at June 30, 2000 and June 30, 1999 is as follows:

*In millions of U.S. dollars equivalent*

| | *2000* | *1999* |
|---|---|---|
| Euro[a] | $ 140.4 | $ 14.4 |
| Japanese yen | 253.5 | — |
| Pound sterling | 139.8 | — |
| U.S. dollars | 812.5 | 921.4 |
| Total | $1,346.2 | $935.8 |

a. *Effective January 1, 1999, the euro was introduced. For reporting purposes, holdings in the eleven national currencies that are considered national currency units of the euro have been aggregated with the euro and reported as euro, in both the current and prior year.*

## NOTE C—DONOR CONTRIBUTIONS

At June 30, 2000, receivables from donor contributions were $2.3 million ($2.3 million—June 30, 1999), of which $0.8 million ($nil June 30, 1999) was due and $1.5 million ($2.3 million June 30, 1999) was not yet due. The $0.8 million of contributions due at June 30, 2000 were subsequently received in July 2000. Contributions not yet due at June 30, 2000 will become due as follows:

*In millions of U.S. dollars equivalent*

| *Period* | |
|---|---|
| July 1, 2000 through June 30, 2001 | $0.8 |
| July 1, 2001 through June 30, 2002 | 0.7 |
| Total | $1.5 |

## NOTE D—FAIR VALUE OF FINANCIAL INSTRUMENTS

***Investments:*** Since the Interim Trust Fund carries its investments at market value, the carrying amount represents the fair value of the portfolio. These fair values are based on quoted market prices, where available. The fair value of short-term financial instruments approximates their carrying value.

***Interim Fund Credits:*** Interim Fund credits, which are denominated only in SDRs, have a significant grant element because of the concessional nature of ITF's terms. Discounting the future cash flows from Interim Fund credits using government reference rates represented by interest rates of government securities having similar duration to the portfolio of Interim Fund credits, provides an estimate for the grant element. Currency specific Commercial Interest Reference Rates (CIRRs) are published monthly by the Organization for Economic Cooperation and Development (OECD). Using the average of six months as a discount rate provides an alternative estimate for the grant element. CIRR currency specific rates for the SDR have been used to discount the future cash flows from the Interim Fund Credits. The prior year's fair value of Interim Fund credits has been restated using government reference rates to conform to the current year's presentation.

The grant element calculations consider interest rates, maturity structures and grace periods for the credits. They do not consider credit risk, portfolio seasoning, multilateral and sovereign credit preferences and other risks or indicators that would be relevant in calculating fair value. Estimating the impact of these factors is not practicable. However, under either alternative, the estimated fair values of Interim Fund credits outstanding are substantially lower than the $790.5 million reflected

on the Statement of Sources and Applications of Development Resources at June 30, 2000 ($508.4 million—June 30, 1999), as shown in the following table:

*In millions of U.S. dollars equivalent*

| | June 30, 2000 | | June 30, 1999 | |
|---|---|---|---|---|
| | *Government reference rate-based fair value* | *CIRR-based fair value* | *Government reference rate-based fair value* | *CIRR-based fair value* |
| Interim Fund credits outstanding | $790.5 | $790.5 | $508.4 | $508.4 |
| Less grant equivalent | 361.9 | 420.9 | 246.6 | 245.2 |
| Estimated value of Interim Fund credits outstanding | $428.6 | $369.6 | $261.8 | $263.2 |
| Estimated grant element | 46% | 53% | 48% | 48% |
| | *Discount Rates Used* | | *Discount Rates Used* | |
| Government reference rate - SDR[a] | 4.90% | | 4.99% | |
| CIRR: Average of Six months to June—SDR | | 6.02% | | 4.87% |

a. *Implies weighted average government reference rates of the component currencies contained in the SDR.*

Discounting the future cash flows from Interim Fund credits using the standard 10 percent discount rate of the Development Assistance Committee (DAC) of the OECD, provides another alternative for the grant element. The estimated grant element based on this standard DAC rate for Interim Fund credits is 71 percent as June 30, 2000 (73 percent—June 30, 1999).

## NOTE E—INTERIM FUND CREDITS

***Accumulated Allowance for Heavily Indebted Poor Countries Debt Initiative***

Interim Fund credits outstanding are presented in the Statement of Sources and Applications of Development Resources before any allowance in connection with the Enhanced HIPC Framework (see Note F).

The nominal value of the principal component of the debt relief to be provided under the Enhanced HIPC Framework is shown as accumulated allowance for HIPC Debt Initiative in the Statement of Sources and Application of Development Resources. This amount is net of any debt relief delivered to date.

Changes to the accumulated allowance for HIPC Debt Initiative for the fiscal year ended June 30, 2000 are summarized below:

*In millions of U.S. dollars equivalent*

| | 2000 |
|---|---|
| Balance, beginning of the fiscal year | $ — |
| ***Enhanced HIPC Framework*** | |
| Allowance for principal component of debt relief [a] | 51.0 |
| Principal component of debt relief delivered | — |
| Balance, end of the fiscal year | $51.0 |

a. *This allowance is the sum of the principal component of the best estimate available of the amount of debt relief which is expected to be provided by IDA to eligible countries, and the actual amount of debt relief committed by IDA to those countries that have reached their decision points, and in certain cases their completion points.*

### *Service Charges and Overdue Amounts*

Charges on Interim Fund Credits, currently 0.75 percent of balances outstanding, are directly received from borrowers by IDA as compensation for its services as administrator of the ITF. Therefore, the Statement of Income does not report any income from Interim Fund Credits, or expenses for management fee.

At June 30, 2000, Interim Fund Credits made to or guaranteed by Bosnia and Herzegovina with an aggregate principal balance outstanding of $73.6 million, ($65.0 million—June 30, 1999) none of which were overdue, were in nonaccrual status, consistent with the policies of IBRD and IDA by which all Bosnia and Herzegovina debt to these organizations is in nonaccrual status.

## NOTE F—IMPACT FROM HEAVILY INDEBTED POOR COUNTRIES DEBT INITIATIVE

### *Enhanced HIPC Framework*

On January 27, 2000, the Executive Directors of IDA gave approval for IDA to provide debt relief under the enhanced HIPC framework by forgiving a portion of an eligible country's IDA and ITF debt service obligations as they become due. Amounts of IDA and ITF debt service forgiven are expected to be reimbursed by the World Bank Group component of the HIPC Debt Initiative Trust Fund on a pay-as-you-go basis.

Upon approval of the Enhanced HIPC Framework by the Executive Directors of IDA, the nominal value of the principal component of the estimated debt relief costs is recorded as a reduction of the disbursed and outstanding Interim Fund credits under accumulated allowance for HIPC Debt Initiative, and as a charge to income. This estimate is subject to periodic revision.

Upon signature by IDA of the country specific legal notification, immediately following the decisions by the Executive Directors of IDA to provide debt relief to the country (the decision point), a receivable from the HIPC Debt Initiative Trust Fund is created (to the extent that funds are available) and income is recognized. This receivable is limited to the nominal value equivalent of one-third of the net present value of the principal component of the total debt relief committed to the specific country. This is the maximum debt relief that can be provided before the country reaches its completion point (see below).

A receivable from the HIPC Debt Initiative Trust Fund is created and income is recognized when the country reaches its completion point (that is when the conditions specified in the legal notification are met), and the country's other creditors have confirmed their full participation in the debt relief initiative. This receivable represents the remaining principal component of the total debt relief committed which was not recognized at the decision point.

A summary of changes to the receivable from the HIPC Debt Initiative Trust Fund is presented below.

The accumulated allowance for Enhanced HIPC Framework is reduced when debt relief is provided by ITF. A summary of changes to the accumulated allowance for HIPC Debt Initiative is presented under Note E.

Since no Interim Fund Credits outstanding are due for repayment at least until June 30, 2005, no debt relief composed of principal repayments has been delivered to date by ITF. Charges on Interim Fund Credits are directly received from borrowers by IDA and therefore any debt relief delivered on such charges are recorded in the financial statements of IDA.

***Receivable from the HIPC Debt Initiative Trust Fund***

*In millions of U.S. dollars*

| | *2000* |
|---|---|
| Balance, beginning of the fiscal year | $ — |
| Contribution to ITF for the Enhanced HIPC (see Statement of Income) | 17.3 |
| Amount reimbursed during the year | — |
| Balance, end of the fiscal year | $17.3 |

## NOTE G—COMPREHENSIVE INCOME

Comprehensive income consists of net income and other gains and losses affecting sources of development resources that, under generally accepted accounting principles, are excluded from net income. For ITF, comprehensive income comprises currency translation adjustments on Interim Fund Credits and income after HIPC Debt Initiative. These items are presented in the Statement of Comprehensive Income. The following table presents the changes in Accumulated Other Comprehensive Income balances for the years ended June 30, 2000, 1999 and 1998:

*In millions of U.S. dollars equivalent*

| | *Accumulated Other Comprehensive (Loss) Income* [a] | | |
|---|---|---|---|
| | *2000* | *1999* | *1998* |
| Balance, beginning of the fiscal year | $(11.7) | $ (9.5) | $ 0.8 |
| Changes from period activity | (8.6) | (2.2) | (10.3) |
| Balance, end of the fiscal year | $(20.3) | $(11.7) | $ (9.5) |

a. *The total accumulated other comprehensive income represents the cumulative translation adjustment on Interim Fund Credits.*

# Report of Independent Accountants on Special Purpose Financial Statements

**Deloitte Touche Tohmatsu**
(International Firm)

555 12th Street NW
Washington, DC

President and Board of Governors
International Development Association
as Administrator of the Interim Trust Fund

We have audited the accompanying special purpose statements of sources and applications of development resources of the Interim Trust Fund as of June 30, 2000 and 1999, including the summary statement of interim fund credits and statement of contributions as of June 30, 2000, and the related special purpose statements of income, comprehensive income, changes in retained earnings, and cash flows for each of the three fiscal years in the period ended June 30, 2000. These special purpose financial statements are the responsibility of the International Development Association's management as Administrator of the Interim Trust Fund. Our responsibility is to express an opinion on these special purpose financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

The accompanying special purpose financial statements were prepared to reflect the sources and applications of development resources, operations, and cash flows of the Interim Trust Fund to comply with Article VI, Section 11(a) of the Articles of Agreement of the International Development Association, as discussed in Note A to the special purpose financial statements, and are not intended to be a presentation in conformity with accounting principles generally accepted in the United States of America or International Accounting Standards.

In our opinion, such special purpose financial statements referred to above present fairly, in all material respects, the sources and applications of development resources of the Interim Trust Fund as of June 30, 2000 and 1999, and the results of its operations and its cash flows for each of the three fiscal years in the period ended June 30, 2000 in conformity with the accounting principles described in Note A to the special purpose financial statements.

This report is intended solely for the information and use of the Board of Governors, the International Development Association's management as Administrator of the Interim Trust Fund, and contributors to and borrowers from the Interim Trust Fund. However, under the International Development Association's Board of Governors' resolution establishing the Interim Trust Fund, this report is included in the Annual Report of the Executive Directors to the Board of Governors of the International Development Association and is therefore a matter of public record and its distribution is not limited.

Deloitte Touche Tohmatsu (International Firm)

July 31, 2000

Beijing London Mexico City Moscow New York
Paris Tokyo Toronto

# IBRD/IDA Appendixes

# Appendix 1: Governors and Alternates of the World Bank

*June 30, 2000*

| Member | Governor | Alternate |
|---|---|---|
| Afghanistan | (vacant) | (vacant) |
| Albania | Anastas Angjeli | Fatos Ibrahimi |
| Algeria | Abdellatif Benachenhou | Omar Bougara |
| Angola | Ana Dias Lourenco | Job Graca |
| Antigua and Barbuda + | John E. St. Luce | Ludolph Brown |
| Argentina | Jose Luis Machinea | Pedro Pou |
| Armenia | Levon Barkudaryan | Karen Chshmarityan |
| Australia | Peter Costello | Kay Patterson |
| Austria | Karl-Heinz Grasser | Thomas Wieser |
| Azerbaijan | Elman Siradjogly Rustamov | Fuad N. Akhundov |
| Bahamas, The + | William C. Allen | Ruth R. Millar |
| Bahrain + | Abdulla Hassan Saif | Zakaria Ahmed Hejres |
| Bangladesh | Shah A.M.S. Kibria | A.K.M. Masihur Rahman |
| Barbados | Owen S. Arthur | Erskine R. Griffith |
| Belarus + | Gennady V. Novitsky | Vladimir N. Shimov |
| Belgium | Didier Reynders | Guy Quaden |
| Belize | Said W. Musa | Yvonne S. Hyde |
| Benin | Bruno Amoussou | Pierre John Igue |
| Bhutan | Yeshey Zimba | (vacant) |
| Bolivia | Ronald MacLean Abaroa | Bernardo Requena Blanco |
| Bosnia and Herzegovina | Mirsad Kurtovic | Dragan Covic |
| Botswana | Baledzi Gaolathe | Serwalo S.G. Tumelo |
| Brazil | Pedro Sampaio Malan | Arminio Fraga Neto |
| Brunei Darussalam + | Haji Hassanal Bolkiah | Haji Selamat Haji Munap |
| Bulgaria + | Muravei Radev | Martin Mihaylov Zaimov |
| Burkina Faso | Tertius Zongo | Patrice Nikiema |
| Burundi | Charles Nihangaza | Dieudonne Nintunze |
| Cambodia | Keat Chhon | Ouk Rabun |
| Cameroon | Martin Okouda | Daniel Njankouo Lamere |
| Canada | Paul Martin | Leonard M. Good |
| Cape Verde | Antonio Gualberto do Rosario | Jose Ulisses Correia e Silva |
| Central African Republic | Anicet-Georges Dologuele | Jacob Mbaitadjim |
| Chad | Ahmed Lamine Ali | Etienne Moita Djimram |
| Chile | Nicolas Eyzaguirre | Mario Marcel |
| China | Xiang Huaicheng | Jin Liqun |
| Colombia | Juan Camilo Restrepo Salazar | Mauricio Cardenas Santamaria |
| Comoros | Mihidhoir Sagaf | Ibrahim Mohamed Soule |
| Congo, Democratic Republic of | Mawampanga Mwana Nanga | Jean-Claude Masangu Mulongo |
| Congo, Republic of | Mathias Dzon | Clement Mierassa |

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| Member | Governor | Alternate |
|---|---|---|
| Costa Rica | Leonel Baruch G. | Eduardo Lizano Fait |
| Côte d'Ivoire | Seydou Diarra | Mamadou Koulibaly |
| Croatia | Mato Crkvenac | Josip Kulisic |
| Cyprus | Takis Klerides | Andreas Tryfonides |
| Czech Republic | Pavel Mertlik | Oldrich Dedek |
| Denmark | Jan Trojborg | Ellen Margrethe Loj |
| Djibouti | Yacin Elmi Bouh | Nouh Omar Miguil |
| Dominica | Ambrose George | Ambrose M.J. Sylvester |
| Dominican Republic | Hector Manuel Valdez Albizu | Luis Manuel Piantini M. |
| Ecuador | Luis G. Iturralde M. | Alonso Perez-Kakabadse |
| Egypt, Arab Republic of | Medhat Hassanein | Ahmed Mahrous El-Darsh |
| El Salvador | Juan Jose Daboub | Jose Luis Trigueros |
| Equatorial Guinea | Fortunato Ofa Mbo | Rosendo Otogo Meneng |
| Eritrea | Gebreselassie Yosief | Gabriel Fassil Ogbazghy |
| Estonia + | Siim Kallas | Mihkel Parnoja |
| Ethiopia | Sufian Ahmed | Girma Birru |
| Fiji | Mahendra Pal Chaudhry | Savenaca Narube |
| Finland | Sauli Niinisto | Satu Hassi |
| France | Laurent Fabius | Jean-Pierre Jouyet |
| Gabon | Casimir Oye-Mba | Claude Ayo Iguendha |
| Gambia, The | Famara L. Jatta | Dodou B. Jagne |
| Georgia | Zurab Nogaideli | Vladimer Papava |
| Germany | Heidemarie Wieczorek-Zeul | Caio K. Koch-Weser |
| Ghana | Richard Kwame Peprah | Victor Selormey |
| Greece | Yannos Papantoniou | Christos Pachtas |
| Grenada | Anthony Boatswain | Timothy Antoine |
| Guatemala | Manuel Hiram Maza Castellanos | Lizardo Arturo Sosa Lopez |
| Guinea | Cheick Ahmadou Camara | Cellou Dalein Diallo |
| Guinea-Bissau | Purna Bia | Verissimo Nancassa |
| Guyana | Bharrat Jagdeo | Saisnarine Kowlessar |
| Haiti | Fred Joseph | Fritz Jean |
| Honduras | Gabriela Nunez de Reyes | Victoria Asfura de Diaz |
| Hungary | Zsigmond Jarai | Werner Riecke |
| Iceland | Halldor Asgrimsson | Geir Hilmar Haarde |
| India | Yashwant Sinha | E.A.S. Sarma |
| Indonesia | Bambang Sudibyo | Achjar Iljas |
| Iran, Islamic Republic of | Hossein Namazi | Mohammad Mehdi Navab Motlagh |
| Iraq | Issam Rashid Hwaish | Hashim Ali Obaid |
| Ireland | Charlie McCreevy | John Hurley |
| Israel | David Klein | Avi Ben-Bassat |

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| Member | Governor | Alternate |
|---|---|---|
| Italy | Antonio Fazio | Mario Draghi |
| Jamaica + | Omar Lloyd Davies | Wesley George Hughes |
| Japan | Kiichi Miyazawa | Masaru Hayami |
| Jordan | Jawad Hadid | Jamal M. Salah |
| Kazakhstan | Erzhan A. Utembayev | Zhaksybek A. Kulekeev |
| Kenya | Chrysanthus Barnabas Okemo | Martin Luke Oduor-Otieno |
| Kiribati | Beniamina Tinga | Bureti Williams |
| Korea, Republic of | Hun-Jai Lee | Chol-Hwan Chon |
| Kuwait | Ahmed Abdullah Al-Ahmed Al-Sabah | Bader Meshari Al-Humaidhi |
| Kyrgyz Republic | Sultan Mederov | Urkaly Isaev |
| Lao People's Democratic Republic | Boungnang Vorachith | Phouphet Khamphounvong |
| Latvia | Roberts Zile | Aigars Kalvitis |
| Lebanon | Georges Corm | Nasser Saidi |
| Lesotho | Kelebone Albert Maope | Molelekeng E. Rapolaki |
| Liberia | Lami Kawah | M. Nathaniel Barnes |
| Libya | Mohamed A. Bait Elmal | Ali Ramadan Shnebsh |
| Lithuania + | Vytautas Dudenas | Arvydas Kregzde |
| Luxembourg | Luc Frieden | Jean Guill |
| Macedonia, former Yugoslav Republic of | Nikola Gruevski | Trajko Slavevski |
| Madagascar | Pierrot J. Rajaonarivelo | Simon Constant Horace |
| Malawi | Mathews A.P. Chikaonda | Mapopa Chipeta |
| Malaysia | Daim Zainuddin | Samsudin bin Hitam |
| Maldives | Fathulla Jameel | Adam Maniku |
| Mali | Bacari Kone | Toure Alimata Traore |
| Malta + | John Dalli | Joseph Scicluna |
| Marshall Islands | Tony de Brum | David Blake |
| Mauritania | Mohamed Ould Nany | Abdallah Ould Hormtallah |
| Mauritius | Rundheersing Bheenick | Philippe Ong Seng |
| Mexico | Jose Angel Gurria Trevino | Carlos Noriega Curtis |
| Micronesia, Federated States of | John Ehsa | Sebastian L. Anefal |
| Moldova | Mihail Manoli | Dumitru Ursu |
| Mongolia | Yansanjav Ochirsukh | Jigjid Unenbat |
| Morocco | Fathallah Oualalou | Ahmed Lahlimi Alami |
| Mozambique | Adriano Afonso Maleiane | Manuel Chang |
| Myanmar | Khin Maung Thein | Soe Lin |
| Namibia + | Saara Kuugongelwa | Usutuaije Maamberua |
| Nepal | Mahesh Acharya | Bimal P. Koirala |
| Netherlands | Gerrit Zalm | Eveline Herfkens |
| New Zealand | Michael Cullen | Alan Bollard |
| Nicaragua | Esteban Duque Estrada | David Robleto |

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| Member | Governor | Alternate |
|---|---|---|
| Niger | Ali Badjo Gamatie | Maliki Barhouni |
| Nigeria | Adamu Ciroma | Samuel Chukwuma Nwokedi |
| Norway | Anne Kristin Sydnes | Sigrun Mogedal |
| Oman | Ahmed Bin Abdulnabi Macki | Mohammed bin Nasser Al-Khasibi |
| Pakistan | Shaukat Aziz | Nawid Ahsan |
| Palau | Tommy Remengesau, Jr. | Elbuchel Sadang |
| Panama | Victor Juliao | Ricardo Quijano |
| Papua New Guinea | Mekere Morauta | Koiari Tarata |
| Paraguay | Federico Antonio Zayas Chirife | Anibal Fernando Paciello Rodriguez |
| Peru | Efrain Goldenberg | Alfredo Jalilie Awapara |
| Philippines | Jose T. Pardo | Rafael B. Buenaventura |
| Poland | Hanna Gronkiewicz-Waltz | Ryszard Kokoszczynski |
| Portugal | Joaquim Pina Moura | Antonio Nogueira Leite |
| Qatar + | Yousef Hussain Kamal | Abdullah Bin Khalid Al-Attiyah |
| Romania + | Decebal Traian Remes | Emil Iota Ghizari |
| Russian Federation | Viktor Khristenko | Andrei Shapovaliants |
| Rwanda | Donald Kaberuka | Jean Marie Karekezi |
| St. Kitts and Nevis | Denzil Douglas | Timothy Harris |
| St. Lucia | Kenny D. Anthony | Bernard La Corbiniere |
| St. Vincent and the Grenadines | James F. Mitchell | Maurice Edwards |
| Samoa | Tuilaepa S. Malielegaoi | Hinauri Petana |
| São Tomé and Principe | Adelino Santiago Castelo David | Angela M. da Graca Viegas Santiago |
| Saudi Arabia | Ibrahim A. Al-Assaf | Jobarah Al-Suraisry |
| Senegal | Makhtar Diop | Oumar Khassimou Dia |
| Seychelles + | Jeremie Bonnelame | Alain Butler-Payette |
| Sierra Leone | James O.C. Jonah | James Bucknall |
| Singapore + | Richard Hu Tsu Tau | Lim Siong Guan |
| Slovak Republic | Ivan Miklos | Marian Jusko |
| Slovenia | Zvonko Ivanusic | Irena Sodin |
| Solomon Islands | Alpha Kimata | George Kiriau |
| Somalia | (vacant) | (vacant) |
| South Africa | Trevor Andrew Manuel | Mandisi Bongani Mpahlwa |
| Spain | Rodrigo de Rato Figaredo | Juan Costa Climent |
| Sri Lanka | Chandrika Bandaranaika Kumaratunga | P.B. Jayasundera |
| Sudan | Mohamed Kheir Ahmed El Zubeir | Sabir Mohamed Hassan |
| Suriname + | L.A.E. Alibux | Lesley Willem Winter |
| Swaziland | Majozi Sithole | Musa D. Fakudze |
| Sweden | Bosse Ringholm | Maj-Inger Klingvall |
| Switzerland | Pascal Couchepin | Joseph Deiss |
| Syrian Arab Republic | Mohammed Khaled Al-Mahayni | Mohamad Bittar |

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| Member | Governor | Alternate |
|---|---|---|
| Tajikistan | Safarali Najmuddinov | Sharif Rakhimov |
| Tanzania | Nassoro W. Malocho | Raphael O. Mollel |
| Thailand | Tarrin Nimmanahaeminda | Suphachai Phisitvanich |
| Togo | Simfeitcheou Pre | Kossi Assimaidou |
| Tonga | Kinikinilau Tutoatasi Fakafanua | 'Aisake V. Eke |
| Trinidad and Tobago | Brian Kuei Tung | Monica Clement |
| Tunisia | Fethi Merdassi | Abdelhamid Triki |
| Turkey | Selcuk Demiralp | Ferhat Emil |
| Turkmenistan + | Seitbay Kandymov | Serdar Bairiev |
| Uganda | Gerald M. Ssendaula | Emmanuel Tumusiime-Mutebile |
| Ukraine + | Yriy Yekhanurov | Sergiy L. Tigipko |
| United Arab Emirates | Hamdan bin Rashid Al-Maktoum | Mohammed Khalfan Bin Khirbash |
| United Kingdom | Clare Short | Gordon Brown |
| United States | Lawrence H. Summers | Alan P. Larson |
| Uruguay + | Alberto Bension | Ariel Davrieux |
| Uzbekistan | Bakhtiyar Sultanovich Khamidov | Akram Mukhidov |
| Vanuatu | Stevens Morking Iatika | Jeffry Wilfred |
| Venezuela, Republica Bolivariana de + | Jorge Antonio Giordani Cordero | Jose Alejandro Rojas Ramirez |
| Vietnam | Le Duc Thuy | Duong Thu Huong |
| Yemen, Republic of | Ahmed Mohamed Sofan | Anwar Rizq Al-Harazi |
| Zambia | James Mwalimu Mtonga | Stella M. Chibanda |
| Zimbabwe | Herbert M. Murerwa | Leonard Ladislas Tsumba |

+ Not a member of IDA

# Appendix 2: Executive Directors and Alternates of the World Bank and Their Voting Power

*June 30, 2000*

| Executive director | Alternate | Casting votes of | IBRD Total votes | IBRD % of total | IDA Total votes | IDA % of total |
|---|---|---|---|---|---|---|
| **Appointed** | | | | | | |
| Jan Piercy | (vacant) | United States | 265,219 | 16.50 | 1,818,989 | 14.86 |
| Yuzo Harada | Akira Kamitomai[b] | Japan | 127,250 | 7.92 | 1,301,679 | 10.63 |
| Helmut Schaffer | Eckhardt Biskup | Germany | 72,649 | 4.52 | 849,561 | 6.94 |
| Jean-Claude Milleron | Emmanuel Moulin | France | 69,647 | 4.33 | 518,090 | 4.23 |
| Stephen Pickford | Myles Wickstead | United Kingdom | 69,647 | 4.33 | 602,630 | 4.92 |
| **Elected** | | | | | | |
| Ruth Bachmayer (Austria) | Luc Hubloue (Belgium) | Austria, Belarus,[a] Belgium, Czech Republic, Hungary, Kazakhstan, Luxembourg, Slovak Republic, Slovenia, Turkey | 76,720 | 4.77 | 522,649 | 4.27 |
| Pieter Stek (Netherlands) | Tamara Solyanyk (Ukraine) | Armenia, Bosnia and Herzegovina, Bulgaria,[a] Croatia, Cyprus, Georgia, Israel, Macedonia (former Yugoslav Republic of), Moldova, Netherlands, Romania,[a] Ukraine[a] | 72,208 | 4.49 | 440,131 | 3.59 |
| Federico Ferrer (Spain) | Cecilia Ramos (Mexico) | Costa Rica, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Spain, Venezuela (Republica Bolivariana de) [a] | 68,475 | 4.26 | 252,488 | 2.06 |
| Terrie O'Leary (Canada) | Alan David Slusher (Belize) | Antigua and Barbuda,[a] The Bahamas,[a] Barbados, Belize, Canada, Dominica, Grenada, Guyana, Ireland, Jamaica,[a] St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines | 62,217 | 3.87 | 519,218 | 4.24 |
| Murilo Portugal (Brazil) | Patricio Rubianes (Ecuador) | Brazil, Colombia, Dominican Republic, Ecuador, Haiti, Panama, Philippines, Suriname,[a] Trinidad and Tobago | 58,124 | 3.62 | 351,017 | 2.87 |
| Neil Hyden (Australia) | Lewis D. Holden (New Zealand) | Australia, Cambodia, Kiribati, Korea (Republic of), Marshall Islands, Micronesia (Federated States of), Mongolia, New Zealand, Palau, Papua New Guinea, Samoa, Solomon Islands, Vanuatu | 55,800 | 3.47 | 368,942 | 3.01 |
| Godfrey Gaoseb (Namibia) | Girmai Abraham (Eritrea) | Angola, Botswana, Burundi, Eritrea, Ethiopia, The Gambia, Kenya, Lesotho, Liberia, Malawi, Mozambique, Namibia,[a] Nigeria, Seychelles,[a] Sierra Leone, South Africa, Sudan, Swaziland, Tanzania, Uganda, Zambia, Zimbabwe | 55,190 | 3.43 | 498,975 | 4.07 |

*(continued next page)*

| Executive director | Alternate | Casting votes of | IBRD Total votes | IBRD % of total | IDA Total votes | IDA % of total |
|---|---|---|---|---|---|---|
| Franco Passacantando (Italy) | Helena Cordeiro (Portugal) | Albania, Greece, Italy, Malta,[a] Portugal | 55,093 | 3.43 | 465,078 | 3.80 |
| B. P. Singh (India) | Syed Ahmed (Bangladesh) | Bangladesh, Bhutan, India, Sri Lanka | 54,945 | 3.42 | 542,462 | 4.43 |
| Inaamul Haque (Pakistan) | Mohamed Dhif (Algeria) | Algeria, Ghana, Iran (Islamic Republic of), Iraq, Morocco, Pakistan, Tunisia | 54,052 | 3.36 | 248,528 | 2.03 |
| Ilkka Niemi[c] (Finland) | Anna M. Brandt (Sweden) | Denmark, Estonia,[a] Finland, Iceland, Latvia, Lithuania,[a] Norway, Sweden | 54,039 | 3.36 | 596,791 | 4.87 |
| Matthias Meyer (Switzerland) | Jerzy Hylewski (Poland) | Azerbaijan, Kyrgyz Republic, Poland, Switzerland, Tajikistan, Turkmenistan,[a] Uzbekistan | 46,096 | 2.87 | 413,995 | 3.38 |
| Zhu Xian (China) | Chen Huan (China) | China | 45,049 | 2.80 | 247,345 | 2.02 |
| Yahya Alyahya (Saudi Arabia) | Abdulrahman Almofadhi (Saudi Arabia) | Saudi Arabia | 45,045 | 2.80 | 428,763 | 3.50 |
| Andrei Bugrov (Russian Federation) | Eugene Miagkov (Russian Federation) | Russian Federation | 45,045 | 2.80 | 34,397 | .28 |
| Khalid M. Al-Saad (Kuwait) | Mohamd Kamel Amr (Arab Republic of Egypt) | Bahrain,[a] Egypt (Arab Republic of), Jordan, Kuwait, Lebanon, Libya, Maldives, Oman, Qatar,[a] Syrian Arab Republic, United Arab Emirates, Yemen (Republic of) | 43,984 | 2.74 | 281,262 | 2.30 |
| Jannes Hutagalung (Indonesia) | Wan Abdul Aziz Wan Abdullah (Malaysia) | Brunei Darussalam,[a] Fiji, Indonesia, Lao People's Democratic Republic, Malaysia, Myanmar, Nepal, Singapore,[a] Thailand, Tonga, Vietnam | 41,096 | 2.56 | 343,193 | 2.80 |
| Valeriano F. Garcia (Argentina) | Ivan Rivera (Peru) | Argentina, Bolivia, Chile, Paraguay, Peru, Uruguay[a] | 37,499 | 2.33 | 230,553 | 1.88 |
| Bassary Toure (Mali) | Paulo F. Gomes (Guinea-Bissau) | Benin, Burkina Faso, Cameroon, Cape Verde, Central African Republic, Chad, Comoros, Congo (Democratic Republic of), Congo (Republic of), Côte d'Ivoire, Djibouti, Equatorial Guinea, Gabon, Guinea, Guinea-Bissau, Madagascar, Mali, Mauritania, Mauritius, Niger, Rwanda, São Tomé and Principe, Senegal, Togo | 32,252 | 2.01 | 368,063 | 3.01 |

*(continued next page)*

In addition to the executive directors and alternates shown in the foregoing list, the following also served after June 30, 1999:

| Executive director | End of period of service | Alternate director | End of period of service |
|---|---|---|---|
| Khalid H. Alyahya (Saudi Arabia) | October 31, 1999 | Khaled Al-Aboodi (Saudi Arabia) | January 31, 2000 |
| Young-Hoi Lee (Republic of Korea) | July 31, 1999 | Michael Marek (United States) | December 3, 1999 |
| Satoru Miyamura (Japan) | May 21, 2000 | Jean Pesme (France) | June 2, 2000 |
| Surendra Singh (India) | July 31, 1999 | Zou Jiayi (China) | January 31, 2000 |

*Note: Afghanistan (550 votes in IBRD and 13,557 votes in IDA) ana Somalia (802 votes in IBRD and 10,506 votes in IDA) did not participate in the 1998 Regular Election of Executive Directors.*
*a. Member of the IBRD only.*
*b. To be succeeded by Masanori Yoshida (Japan) effective August 7, 2000.*
*c. To be succeeded by Finn Jønck (Denmark) effective August 7, 2000.*

# Appendix 3: Officers of the World Bank

*June 30, 2000*

| | |
|---|---|
| President | James D. Wolfensohn |
| Managing Director | Sven Sandström |
| Managing Director | Shengman Zhang |
| Managing Director | Jeffrey A. Goldstein |
| Managing Director | Mamphela Ramphele |
| Managing Director | Peter Woicke |
| Senior Vice President and Chief Financial Officer | Gary Perlin |
| Senior Vice President, Development Economics, and Chief Economist | Nicholas Stern (effective July 1, 2000) |
| Vice President, Financial Sector | Manuel Conthe |
| Vice President, Latin America and the Caribbean | David de Ferranti |
| Vice President and Network Head, Poverty Reduction and Economic Management | Kemal Dervis |
| Vice President and Network Head, Human Development | Eduardo Doryan |
| Vice President and Corporate Secretary | Cheikh Ibrahima Fall |
| Vice President and Network Head, Environmentally and Socially Sustainable Development | Ian Johnson |
| Vice President, External Affairs and U.N. Affairs | Mats Karlsson |
| Vice President, East Asia and Pacific | Jemal-ud-din Kassum |
| Vice President, Resource Mobilization and Cofinancing | Motoo Kusakabe |
| Vice President, Europe and Central Asia | Johannes Linn |
| Vice President, Africa | Callisto Madavo |
| Vice President and Treasurer | Afsaneh Mashayekhi-Beschloss |
| Vice President and Chief Information Officer | Mohamed Muhsin |
| Vice President and Controller | Jules W. Muis |
| Vice President, South Asia | Mieko Nishimizu |
| Vice President, External Affairs, Europe | Jean-François Rischard |
| Vice President, Development Policy | Josef Ritzen |
| Vice President, Operations Policy and Strategy | Joanne Salop |
| Vice President, Middle East and North Africa | Jean-Louis Sarbib |
| Vice President, Private Sector Development and Infrastructure and Network Head, Private Sector and Infrastructure | Nemat Shafik |
| Vice President and Network Head, Operational Core Services | Katherine Sierra |
| Vice President, Strategy and Resource Management | Anil Sood |
| Vice President, Human Resources | Richard Stern |
| Vice President and General Counsel | Ko-Yung Tung |
| Vice President, World Bank Institute | Vinod Thomas |
| Director-General, Operations Evaluation | Robert Picciotto |

# Appendix 4: Offices of the World Bank

*June 30, 2000*

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

**New York Office:** The World Bank, Office of the Special Representative to the U.N., 809 United Nations Plaza, Suite 900, New York, N.Y. 10017, U.S.A.

**Europe:** Banque Mondiale, 66 avenue d'Iéna, 75116 Paris, France

**Brussels:** Banque Mondiale, 10 rue Montoyer, B-1000 Brussels, Belgium

**Frankfurt:** The World Bank, Bockenheimer Landstrasse 109, 60325 Frankfurt am Main, Germany

**Geneva:** The World Bank, c/o International Labour Office, 4, route des Morillons, CH-1211 Geneva 22, Switzerland

**London:** The World Bank, New Zealand House, 15th Floor, Haymarket, London SW1 Y4TE, England

**Tokyo:** The World Bank, 10th Floor, Fukoku Seimei Building, 2-2-2 Uchisaiwai-cho, Chiyoda-ku, Tokyo 100-0011 Japan

**Albania:** The World Bank, Deshmoret e 4 Shkurtit, No. 34, Tirana, Albania

**Angola:** Banco Mundial, Rua Alfredo Troni (Edificio BPC), No. 15, 14 Andar (14th Floor), Luanda, Angola (postal address: Caixa Postal 1331)

* **Argentina:** Banco Mundial, Edificio Bouchard, Bouchard 547, 3er Piso, 1106 Buenos Aires, Argentina

**Armenia:** The World Bank, Republic Square, 2 Khorhertarani Street, Yerevan 375010, Armenia

**Azerbaijan:** The World Bank, 91-95 Mirza Mansur Street, Icheri Sheher, Baku, 370004, Azerbaijan

* **Bangladesh:** The World Bank, 3A, Paribagh, Dhaka 1000, Bangladesh (postal address: G.P.O. Box 97)

**Belarus:** The World Bank, 2A Gertsen Street, 2nd Floor, Minsk, 220030, Republic of Belarus

**Benin:** Banque Mondiale, Zone Résidentielle de la Radio, Cotonou, Bénin (postal address: B.P. 03-2112)

**Bolivia:** Banco Mundial, Edificio BISA, piso 9, Av. 16 de Julio 1628, La Paz, Bolivia (postal address: Casilla 8692)

**Bosnia and Herzegovina:** The World Bank, Hamdije Kresevljakovica 19/5, 71000 Sarajevo, Bosnia and Herzegovina

* **Brazil:** Banco Mundial, Setor Comercial Norte, Quadra 02, Lote A - Edificio, Corporate Financial Center, Conjuntos 303/304, 603, Brasilia, DF 70712-900, Brazil

**Brazil:** Banco Mundial, Edificio SUDENE, Sala 1S-108, Cidade Universitaria, 50670-900 Recife, PE, Brazil

**Bulgaria:** The World Bank, World Trade Center - Interpred, 36 Dragan Tsankov Blvd., Sofia 1057, Bulgaria

**Burkina Faso:** Banque Mondiale, Immeuble BICIA, 3ème étage, Ouagadougou, Burkina Faso (postal address: B.P. 622)

**Burundi:** Banque Mondiale, avenue du 18 septembre, Bujumbura, Burundi (postal address: B.P. 2637)

**Cambodia:** The World Bank, 164 Pasteur Street (STR 51), Phnom Penh, Cambodia (postal address: P.O. Box 877)

**Cameroon:** Banque Mondiale, rue 1. 792, No. 186, Yaoundé, Cameroon (postal address: B.P. 1128)

**Central African Republic:** Banque Mondiale, rue des Missions, Bangui, République Centrafricaine (postal address: B.P. 819)

* Country Directors are located in the country offices.

*(continued next page)*

**Chad:** Banque Mondiale, avenue Charles de Gaulle et avenue du Commandant Lamy, Quartier Bololo, N'Djamena, Chad (postal address: B.P. 146)

* **China:** The World Bank, 9th Floor, Building A, Fuhua Mansion, No. 8, Chaoyangmen Beidajie, Dongcheng District, Beijing 100027, China

**Colombia:** Banco Mundial, Diagonal 35 No. 5-98, Bogota, Colombia

* **Côte d'Ivoire:** Banque Mondiale, Corner of Booker Washington and Jacques Aka Streets, Cocody, Abidjan 01, Côte d'Ivoire (postal address: B.P. 1850)

**Croatia:** The World Bank, Trg J.F. Kennedya 6b/lll, HR-10000 Zagreb, Croatia

**Dominican Republic:** Banco Mundial, Calle Virgilio Díaz Ordoñez #36, esq. Gustavo Mejía Ricart, Edificio Mezzo Tempo, Suite 401, 4ta. Planta, Santo Domingo, R.D.

**East Timor:** The World Bank, Rua Dos Direito Humanos, Dili, East Timor (postal address: World Bank Mission, East Timor, GPO Box 3548, Darwin, NT 0801, Australia)

**Ecuador:** Banco Mundial, Calle 12 de Octubre 1830 y Cordero, World Trade Center, Torre B, Piso 13, Quito, Ecuador

* **Egypt, Arab Republic of :** The World Bank, World Trade Center, 1191 Corniche El-Nil, 15th Floor, Boulaq, Cairo, Arab Republic of Egypt, 11221

**Eritrea:** The World Bank, 15/17, Tsegai Adig Street, Zone 03, Subzone 01, Asmara, Eritrea

**Estonia:** The World Bank, Suur-Ameerika 1, 13th Floor, Tallinn EE0100, Estonia

**Ethiopia:** The World Bank, Africa Avenue, Bole Road, Addis Ababa, Ethiopia (postal address: P.O. Box 5515)

**Georgia:** The World Bank, 18A Chonkadze Street, Tbilisi, 380 007 Georgia

* **Ghana:** The World Bank, 69 Dr. Isert Road, North Ridge Residential Area, Accra, Ghana (postal address: P.O. Box M. 27)

**Guatemala:** Banco Mundial, 13 Calle 3-40, Zona 10, Edificio Atlantis, Piso 14, Guatemala City, Guatemala

**Guinea:** Banque Mondiale, Immeuble de l'Archevêché, Face Baie des Anges, Conakry, Guinée (postal address: B.P. 1420)

**Haiti:** Banque Mondiale, 18 rue Emeric (Montana), Port-au-Prince, Haiti

**Honduras:** Banco Mundial, Centro Financiero BANEXPO, Boulevard San Juan Bosco, Colonia Payaquí, Apartado Postal 3591, Tegucigalpa, Honduras

* **Hungary:** The World Bank, Bajcsy-Zsilinszky ut 42-46, 5th floor, 1054 Budapest, Hungary

* **India:** The World Bank, 70 Lodi Estate, New Delhi 110 003, India (postal address: P.O. Box 416, New Delhi 110 001)

* **Indonesia:** The World Bank, Jakarta Stock Exchange Building, Tower 2, 12th Floor, Sudirman Central Business District (SCBD), Jl. Jendral Sudirman Kav. 52-53, Jakarta 12190, Indonesia (postal address: P.O. Box 324/JKT)

**Jamaica:** The World Bank, Island Life Center, 6 St. Lucia Avenue, Third Floor, Kingston 5, Jamaica

**Kazakhstan:** The World Bank Almaty Office, 41 Kazybek bi Street, 4th Floor, 480100 Almaty, Republic of Kazakhstan

**Kazakhstan:** The World Bank, 21 Beibitshilik (Mira), (National Bank Building), 4th Floor, 473000 Astana, Republic of Kazakhstan

* **Kenya:** The World Bank, Hill Park Building, Upper Hill, Nairobi, Kenya (postal address: P. O. Box 30577)

* Country Directors are located in the country offices.

*(continued next page)*

* **Korea, Republic of:** The World Bank, 11th Floor, Youngpoong Building, # 33 Suhrin-Dong, Chongro-Ku, Seoul 110-110, Republic of Korea

**Kyrgyz Republic:** The World Bank, 214 Moskovskaya Street., Bishkek 720010, Kyrgyz Republic

**Lao People's Democratic Republic:** The World Bank, Pathou Xay - Nehru Road, Vientiane, Lao PDR

**Latvia:** The World Bank, 2, Smilsu Street, Riga, LV-1162, Latvia

**Lebanon:** The World Bank, UN-House, 6th Floor, Riad El Solh Square, Beirut, Lebanon (postal address: P.O. Box 11-8577)

**Lesotho:** The World Bank, UN House, United Nations Road, Maseru, Lesotho

**Lithuania:** The World Bank, Vilniaus Str. 28, 2600 Vilnius, Lithuania

**Macedonia, Former Yugoslav Republic of:** The World Bank, 34 Leninova Street, 91000 Skopje, FYR Macedonia

* **Madagascar:** Banque Mondiale, 1 bis, rue Patrice Lumumba, Antananarivo 101, Madagascar (postal address: B. P. 4140)

**Malawi:** The World Bank, Development House, Capital City, Lilongwe 3, Malawi (postal address: P.O. Box 30557)

**Mali:** Banque Mondiale, Immeuble SOGEFIH, Centre Commercial Rue 321, Quartier du Fleuve, Bamako, Mali (postal address: B. P. 1864)

**Mauritania:** Banque Mondiale, Villa No. 30, Lot A, Quartier Socogim, Nouakchott, Mauritanie (postal address: B. P. 667)

* **Mexico:** Banco Mundial, Insurgentes Sur 1605, Piso 24, San Jose Insurgentes, 03900 Mexico, D. F., Mexico

**Moldova:** The World Bank, Sciusev str., 76/6, MD 2012, Chisinau, Republic of Moldova

**Mongolia:** The World Bank, 11-A Peace Avenue, Ulaanbaatar 210648, Mongolia

**Morocco:** The World Bank, 7, rue Larbi Ben Abdellah, Rabat-Souissi, Morocco

**Mozambique:** The World Bank, Ave. Kenneth Kaunda, 1224, Maputo, Mozambique (postal address: Caixa Postal 4053)

* **Nepal:** The World Bank, Yak & Yeti Hotel Complex, Lal Durbar, Kathmandu, Nepal (postal address: P.O. Box 798)

**Nicaragua:** Banco Mundial, De los Semaforos de la Centroamerica, 400 mts. abajo, Segundo Piso Edificio SYSCOM, Managua, Nicaragua

**Niger:** Banque Mondiale, 42 rue des Dallols, Niamey, Niger (postal address: B. P. 12402)

**Nigeria:** The World Bank, Plot 433 Yakubu Gowon Crescent, Opposite ECOWAS Secretariat, Asokoro District, Abuja, Nigeria (postal address: P.O. Box 2826, Garki)

* **Pakistan:** The World Bank, 20 A Shahrah-e-Jamhuriyat, Ramna 5, G-5/1, Islamabad, Pakistan (postal address: P.O. Box 1025)

**Papua New Guinea:** The World Bank, c/o Islander Travelodge Hotel, Suite 102, P.O. Box 1877, Port Moresby, National Capital District, Papua New Guinea

**Paraguay:** Banco Mundial, 14 de Mayo No. 535, Asunción, Paraguay

**Peru:** Banco Mundial, Avenida Pardo y Aliaga 640, Piso 16, San Isidro, Lima, Peru

* **Philippines:** The World Bank, 23/F, The Taipan Place Building, Emerald Avenue, Ortigas Center, Pasig City, Metro Manila, Philippines

* Country Directors are located in the country offices.

*(continued next page)*

* **Poland:** The World Bank, 53, Emilii Plater St., Warsaw Financial Center, 9th Floor, 00-113 Warsaw, Poland

**Romania:** The World Bank, Boulevard Dacia 83, Sector 2, Bucharest, Romania

* **Russian Federation:** The World Bank, Sadovaya-Kudrinskaya No. 3, Moscow 123242, Russian Federation

**Rwanda:** The World Bank, Boulevard de la Révolution, SORAS Building, Kigali, Rwanda
(postal address: P.O. Box 609)

**Saudi Arabia:** The World Bank, UNDP Building King Faisal Street (Olaya), Riyadh, Saudi Arabia
(postal address: P.O. Box 5900, Riyadh 11432, Saudi Arabia)

**Senegal:** Banque Mondiale, 3, place de l'indépendance, Dakar, Sénégal
(postal address: B. P. 3296)

**Sierra Leone:** The World Bank, Regent House, 14 Wilberforce Street, Freetown, Sierra Leone

**Singapore:** The World Bank, #15-08, MAS Building, 10 Shenton Way, Singapore, 079117

**South Africa:** The World Bank, Pro Equity Court Building, First Floor, 1250 Pretorius Street, Hatfield, Pretoria, Republic of South Africa
(postal address: P.O. Box 12629, Hatfield 0028, Pretoria)

* **Sri Lanka:** The World Bank, 1st Floor, DFCC Bank Building, 73/5, Galle Road, Colombo 3, Sri Lanka
(postal address: P.O. Box 1761)

**Tajikistan:** The World Bank, Rudaki Avenue 105, Dushanbe, Tajikistan

* **Tanzania:** The World Bank, 50 Mirambo Street, Dar-es-Salaam, Tanzania
(postal address: P.O. Box 2054)

* **Thailand:** The World Bank, Diethelm Towers, Tower A, 17th Floor, 93/1 Wireless Road, Bangkok 10330, Thailand

**Togo:** The World Bank, 169 Boulevard du 13 Janvier, Immeuble BTCI, 8eme Etage, Lomé, Togo
(postal address: Boite Postale 3915)

* **Turkey:** The World Bank, Ugur Mumcu Caddesi 88, Kat: 2, 06700 Gaziosmanpasa, Ankara, Turkey

**Turkmenistan:** The World Bank, United Nations Building, Atabaev Street, 40, Ashgabat 744000, Turkmenistan

**Uganda:** The World Bank, 1 Lumumba Avenue, Rwenzori House, 4th Floor, Kampala, Uganda
(postal address: P.O. Box 4463)

**Ukraine:** The World Bank, 2 Lysenko Street, Kiev 252034, Ukraine

**Uzbekistan:** The World Bank, 43 Academician Suleimanova Street, Tashkent, Uzbekistan 700017

**Venezuela, Republica Bolivariana de:** Banco Mundial, Av. Francisco de Miranda, con Av. del Parque, Torre Edicampo, Piso 9, Campo Alegre, Caracas, Republica Bolivariana de Venezuela

* **Vietnam:** The World Bank, 63 Ly Thai To Street, Hanoi, Vietnam

* **West Bank and Gaza:** The World Bank, P.O. Box 54842, Jerusalem

**Yemen, Repubic of:** The World Bank, Hadda Street No. 40; off Damascus Road, Sana'a, Republic of Yemen
(postal address: P.O. Box 18152)

**Zambia:** The World Bank, Anglo American Building, 74 Independence Avenue, 3rd Floor, Lusaka, Zambia 10101
(postal address: P.O. Box 35410)

**Zimbabwe:** The World Bank, Finsure House, 5th Floor, 84-86 Union Avenue, Harare, Zimbabwe
(postal address: P.O. Box 2960)

* Country Directors are located in the country offices.

# Appendix 5: World Bank Expenditures, by Program, Fiscal 1996–00

*(amounts in millions of U.S. dollars)*

| | Actual | | | | |
|---|---|---|---|---|---|
| | FY96 | FY97 | FY98 | FY99 | FY00 |
| ***Program*** | | | | | |
| Regional | 669.5 | 650.5 | 710.1 | 740.8 | 780.4 |
| Networks | 61.6 | 61.4 | 88.0 | 111.4 | 129.4 |
| Other Operational Programs | 1.1 | 2.3 | 5.6 | 10.7 | 10.4 |
| Development Economics and World Bank Institute | 80.5 | 87.8 | 95.3 | 101.8 | 92.4 |
| Financial | 74.9 | 74.4 | 74.9 | 83.3 | 85.7 |
| Administrative | 124.6 | 122.0 | 139.5 | 139.9 | 147.0 |
| Corporate Management and Services | 85.1 | 88.4 | 90.6 | 93.5 | 95.1 |
| Centrally Managed Overheads and Benefits | 202.6 | 195.0 | 69.8 | 46.8 | 39.4 |
| Administrative Budget | 1,299.8 | 1,281.8 | 1,273.7 | 1,328.2 | 1,379.8 |
| Less: | | | | | |
| Reimbursements and Fee Income | (102.4) | (107.6) | (102.9) | (115.1) | (117.0) |
| Net Administrative Budget | 1,197.4 | 1,174.3 | 1,170.8 | 1,213.1 | 1,262.7 |
| Development Grant Facility | 112.7 | 120.0 | 110.3 | 129.4 | 126.1 |
| Corporate Secretariat | 51.0 | 53.0 | 57.1 | 58.1 | 61.8 |
| Operations Evaluation | 14.9 | 15.2 | 16.0 | 16.8 | 18.5 |
| Less: | | | | | |
| Reimbursements and Fee Income | (0.1) | (0.5) | (1.0) | (1.3) | (1.3) |
| Total Administrative Budget | 1,375.8 | 1,362.0 | 1,353.3 | 1,416.2 | 1,467.9 |

# Appendix 6: Country Eligibility for Borrowing from the World Bank

*(as of July 1, 2000)*

| Income group and country | 1999 GNP per capita[a] |
|---|---|
| **COUNTRIES ELIGIBLE FOR IBRD FUNDS ONLY** | |
| ***Per capita income over $5,225*** | |
| Slovenia | 9,890 |
| Korea, Republic of | 8,490 |
| Argentina | 7,600 |
| Seychelles | 6,540 |
| St. Kitts and Nevis | 6,420 |
| Uruguay | 5,900 |
| Antigua and Barbuda | n.a. |
| ***Per capita income $2,996 – $5,225*** | |
| Czech Republic | 5,060 |
| Chile | 4,740 |
| Hungary | 4,650 |
| Croatia | 4,540 |
| Brazil | 4,420 |
| Mexico | 4,400 |
| Trinidad and Tobago | 4,390 |
| Poland | 3,960 |
| Lebanon | 3,700 |
| Venezuela, Republica Bolivariana de | 3,670 |
| Mauritius | 3,590 |
| Slovak Republic | 3,590 |
| Estonia | 3,480 |
| Malaysia | 3,400 |
| Botswana | 3,380 |
| Gabon | 3,350 |
| South Africa | 3,160 |
| Panama | 3,070 |
| Palau | n.a. |
| ***Per capita income $1,446 – $2,995*** | |
| Turkey | 2,900 |
| Costa Rica | 2,740 |
| Belize | 2,730 |
| Belarus | 2,630 |
| Lithuania | 2,620 |
| Latvia | 2,470 |
| Peru | 2,390 |
| Jamaica | 2,330 |
| Russian Federation | 2,270 |
| Colombia | 2,250 |
| Fiji | 2,210 |
| Tunisia | 2,100 |
| Thailand | 1,960 |
| Dominican Republic | 1,910 |
| El Salvador | 1,900 |
| Namibia | 1,890 |
| Micronesia, Federated States of | 1,810 |
| Iran, Islamic Republic of | 1,760 |
| Guatemala | 1,660 |
| Paraguay | 1,580 |
| Marshall Islands | 1,560 |
| Algeria | 1,550 |
| Romania | 1,520 |
| Jordan | 1,500 |
| Suriname | n.a. |
| ***Per capita income $756 – $1,445*** | |
| Egypt, Arab Republic of | 1,400 |
| Bulgaria | 1,380 |
| Swaziland | 1,360 |
| Ecuador | 1,310 |
| Kazakhstan | 1,230 |
| Morocco | 1,200 |
| Equatorial Guinea | 1,170 |
| Philippines | 1,020 |
| Syrian Arab Republic | 970 |
| Papua New Guinea | 800 |
| China | 780 |
| Iraq | n.a. |
| ***Per capita income $755 or less*** | |
| Ukraine | 750 |
| Uzbekistan | 720 |
| Turkmenistan | 660 |

| Income group and country | 1999 GNP per capita |
|---|---|
| **COUNTRIES ELIGIBLE FOR A BLEND OF IBRD and IDA FUNDS[b]** | |
| ***Per capita income $2,996 – $5,225*** | |
| St. Lucia[c] | 3,770 |
| Grenada[c] | 3,450 |
| Dominica[c] | 3,170 |
| ***Per capita income $1,446 – $2,995*** | |
| St. Vincent and the Grenadines[c] | 2,700 |
| Macedonia, Former Yugoslav Republic of | 1,690 |
| ***Per capita income $756 – $1,445*** | |
| Bosnia and Herzegovina | n.a. |
| ***Per capita income $755 or less*** | |
| Indonesia | 580 |
| Azerbaijan | 550 |
| Zimbabwe | 520 |
| Pakistan | 470 |
| India | 450 |
| Nigeria | 310 |

*(continued next page)*

| Income group and country | 1999 GNP per capita[a] |
|---|---|
| COUNTRIES ELIGIBLE FOR IDA FUNDS ONLY[b] | |
| ***Per capita income $1,446 – $2,995*** | |
| Tonga[c] | 1,720 |
| | |
| ***Per capita income $756 – $1,445*** | |
| Cape Verde[c] | 1,330 |
| Maldives[c] | 1,200 |
| Vanuatu[c] | 1,170 |
| Samoa[c] | 1,060 |
| Bolivia | 1,010 |
| Kiribati[c] | 910 |
| Albania | 870 |
| Sri Lanka | 820 |
| Djibouti | 790 |
| Guyana | 760 |
| Honduras | 760 |
| | |
| ***Per capita income $755 or less*** | |
| Solomon Islands | 750 |
| Côte d'Ivoire | 710 |
| Congo, Republic of | 670 |
| Georgia | 620 |
| Cameroon | 580 |
| Lesotho | 550 |
| Bhutan | 510 |
| Guinea | 510 |
| Senegal | 510 |
| Armenia | 490 |
| Haiti | 460 |
| Nicaragua | 430 |
| Ghana | 390 |
| Benin | 380 |
| Mauritania | 380 |
| Bangladesh | 370 |
| Moldova | 370 |
| Vietnam | 370 |
| Kenya | 360 |
| Comoros | 350 |
| Mongolia | 350 |
| Yemen, Republic of | 350 |
| Gambia, The | 340 |
| Sudan | 330 |
| Togo | 320 |
| Uganda | 320 |
| Zambia | 320 |
| Kyrgyz Republic | 300 |
| Central African Republic | 290 |
| Tajikistan | 290 |
| Lao People's Democratic Republic | 280 |
| São Tomé and Principe | 270 |
| Cambodia | 260 |
| Madagascar | 250 |
| Rwanda | 250 |
| Burkina Faso | 240 |
| Mali | 240 |
| Tanzania | 240 |
| Mozambique | 230 |
| Angola | 220 |
| Nepal | 220 |
| Chad | 200 |
| Eritrea | 200 |
| Malawi | 190 |
| Niger | 190 |
| Guinea-Bissau | 160 |
| Sierra Leone | 130 |
| Burundi | 120 |
| Ethiopia | 100 |
| Afghanistan | n.a. |
| Congo, Democratic Republic of | n.a. |
| Liberia | n.a. |
| Myanmar | n.a. |
| Somalia | n.a. |

*n.a. Precise figures not available.*

*a. World Bank Atlas methodology; per capita GNP figures are in 1999 U.S. dollars.*

*b. Countries are eligible for IDA on the basis of (a) relative poverty and (b) lack of creditworthiness. The operational cutoff for IDA eligibility for fiscal 2001 is a 1999 GNP per capita of US$885, using Atlas methodology. To receive IDA resources, countries also meet tests of performance. In exceptional circumstances, IDA extends eligibility temporarily to countries that are above the operational cutoff and are undertaking major adjustment efforts but are not creditworthy for IBRD lending. An exception has been made for small island economies (see footnote c).*

*c. During the IDA-12 period (fiscal 2000–02), an exception to the GNP per capita operational cutoff for IDA eligibility (US$885 for fiscal 2001) has been made for some small island economies, which otherwise would have little or no access to Bank Group assistance because they lack creditworthiness. For such countries, IDA funding is considered case by case for the financing of projects and adjustment programs designed to strengthen creditworthiness.*

## DISBURSEMENTS AND PROCUREMENT

The procurement rules and procedures to be followed in the execution of each project depend on individual circumstances. Four considerations generally guide the Bank's requirements:

- economy and efficiency in the execution of a project;
- opportunity for all eligible bidders from borrowing and nonborrowing member countries to compete in providing goods, works, and services financed by the Bank;
- development of local contractors, manufacturers, and consulting services in borrowing countries; and
- transparency in the procurement process.

*Appendix 7A* shows consolidated foreign and local disbursements for the IBRD and IDA through the end of fiscal 1995 and for period fiscal 1996 through fiscal 2000. Advance disbursements consist of payments made into special accounts of borrowers, from which funds are paid to specific suppliers as expenditures are incurred. Because balances in these accounts cannot be attributed to any specific supplying country until expenditures have been reported to the Bank, these are shown as a separate category.

*Appendix 7B* provides details on foreign disbursements by countries eligible to borrow from the World Bank and nonborrowing countries[1] for the IBRD and IDA separately.

*Appendix 7C* shows disbursements made in fiscal 2000 by the IBRD and IDA for local procurement by current borrowing countries and disbursements made for goods, works, and services procured from them by other Bank borrowers (foreign procurement) for projects funded by the Bank.

*Appendix 8* shows the amounts disbursed from the IBRD and IDA separately for foreign procurement of goods, works, and services from selected member countries in fiscal 2000 and cumulatively through fiscal 2000.

*Appendix 9* shows the proportion of foreign disbursements from the IBRD and IDA for specific categories of goods and services provided by selected member countries in fiscal 2000.

*Appendix 10* provides a summary listing of the amounts paid to eligible World Bank borrowing country suppliers and nonborrowing country suppliers in each fiscal year from 1998 to 2000 under investment projects. Amounts disbursed are compared with respect to significant categories of goods procured from foreign suppliers. The extent to which eligible borrowing countries and nonborrowing countries participated in supplying these major categories of goods in each of the past three fiscal years is also compared.

Under simplified procedures for structural and sectoral adjustment loans approved by the executive directors in fiscal 1996, disbursements are no longer directly linked to procurement under adjustment loans disbursed using simplified procedures. Thus, while appendixes 7b to 10 report on disbursements from the IBRD and IDA, they do not include disbursements under adjustment loans disbursed using simplified procedures. The information in *Appendix 11* reflects simplified adjustment loan disbursements to each borrower as pro-rata shares of that borrower's eligible imports from supplying countries using import data drawn from United Nations trade statistics.

In all these tables and appendixes, IBRD figures exclude disbursements for loans to the IFC and "B" loans. IDA figures include Special Facility for SubSaharan Africa and Interim Trust Fund credits. Disbursements for Project Preparation Facility advances are excluded for both the IBRD and IDA.

1. Appendix 6 lists countries eligible for borrowing from the World Bank.

# Appendix 7A: IBRD and IDA Disbursements for Foreign and Local Expenditures

*(amounts in millions of U.S. dollars)*

| | IBRD and IDA | | | | | | |
|---|---|---|---|---|---|---|---|
| | Foreign[a] | | Local | | Net advance disbursements[b] | | Total |
| | Amount | % | Amount | % | Amount | % | Amount |
| Cumulative to June 30, 1995 | 140,388 | 57 | 101,783 | 41 | 4,234 | 2 | 246,405 |
| 1996 | 10,013[c] | 52 | 8,787 | 46 | 456 | 2 | 19,256 |
| 1997 | 8,733 | 44 | 10,543 | 53 | 487 | 2 | 19,763 |
| 1998 | 14,292 | 57 | 10,112 | 41 | 449 | 2 | 24,853 |
| 1999 | 14,781 | 60 | 8,859 | 37 | 736 | 3 | 24,376 |
| 2000 | 8,742 | 47 | 9,013 | 49 | 753 | 4 | 18,508 |
| Cumulative to June 30, 2000 | 196,951 | 56 | 149,097 | 42 | 7,113 | 2 | 353,161 |

*Note: Foreign expenditures are expenditures in the currency of any country other than that of the borrower or guarantor, for goods or services supplied from the territory of any country other than the territory of the borrower or guarantor. Local expenditures are expenditures in the currency of the borrower or guarantor or for goods or services supplied from the territory of the borrower or the guarantor. Amounts may not add to totals because of rounding.*

*a. Amounts exclude debt-reduction disbursements of $3,693 million through fiscal 1995, $213 million in fiscal 1997 and $82 million in fiscal 1998. Amounts include disbursements under simplified procedures for structural and sectoral adjustment loans of $556 million in fiscal 1996, $3,333 million in fiscal 1997, $9,540 million in fiscal 1998, $10,423 million in fiscal 1999, and $5,329 million in fiscal 2000. Amounts include HIPC initiative grant disbursements of $74 million in fiscal 1998 and $149 million in fiscal 1999.*

*b. Net advance disbursements are advances made to special accounts net of amounts recovered (amounts for which the Bank has applied evidence of expenditures to recovery of the outstanding advance).*

*c. Disbursements for fiscal 1996 include the refinancing/rescheduled overdue charges of $168 million for Bosnia and Herzegovina.*

# Appendix 7B: IBRD and IDA Disbursements for Foreign Expenditures, by Source of Supply

*(amounts in millions of U.S. dollars)*

| | IBRD | | | | | IDA | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Countries not eligible to borrow | | Countries eligible to borrow | | Total | Countries not eligible to borrow | | Countries eligible to borrow | | Total |
| Period | Amount | % | Amount | % | Amount | Amount | % | Amount | % | Amount |
| Cumulative to June 30, 1995 | 89,020 | 87 | 13,186 | 13 | 102,206 | 30,316 | 79 | 7,866 | 21 | 38,181 |
| 1996 | 5,264 | 77 | 1,541 | 23 | 6,806 | 1,762 | 66 | 891 | 34 | 2,652 |
| 1997 | 3,082 | 86 | 521 | 14 | 3,602 | 1,374 | 76 | 425 | 24 | 1,798 |
| 1998 | 2,734 | 85 | 468 | 15 | 3,202 | 1,103 | 75 | 374 | 25 | 1,477 |
| 1999 | 2,228 | 89 | 275 | 11 | 2,503 | 1,164 | 68 | 542 | 32 | 1,706 |
| 2000 | 1,842 | 84 | 343 | 16 | 2,186 | 851 | 69 | 376 | 31 | 1,228 |
| Cumulative to June 30, 2000 | 104,169 | 86 | 16,334 | 14 | 120,503 | 36,570 | 78 | 10,474 | 22 | 47,044 |

*Note: Amounts exclude disbursements for debt reduction, net advance disbursements, and disbursements under simplified procedures for structural and sectoral adjustment loans and disbursements under HIPC Initiative grants. Countries eligible to borrow from IBRD and IDA are listed in Appendix 6. For consistency of comparison, the Republic of Korea is included as a country eligible to borrow for all periods covered by this table. Korea (a former graduate) again became eligible to borrow in December 1997. Amounts may not add to totals because of rounding.*

# Appendix 7C: IBRD and IDA Payments to Supplying Eligible Borrowing Countries for Local and Foreign Procurement in Fiscal 2000[a]

*(amounts in millions of U.S. dollars)*

| Borrowing countries | Local procurement | Foreign procurement | Total amount | Percentage of total disbursements[b] |
|---|---|---|---|---|
| Afghanistan | — | — | — | * |
| Albania | 11 | — | 11 | 0.06 |
| Algeria | 54 | 3 | 57 | 0.31 |
| Angola | 8 | 1 | 9 | 0.05 |
| Antigua and Barbuda | — | 2 | 2 | * |
| Argentina | 592 | 38 | 630 | 3.41 |
| Armenia | 33 | 1 | 34 | 0.18 |
| Azerbaijan | 12 | — | 12 | 0.06 |
| Bangladesh | 201 | 2 | 203 | 1.1 |
| Barbados | + | + | + | * |
| Belarus | — | + | + | * |
| Belize | 2 | 1 | 3 | * |
| Benin | 21 | 7 | 28 | 0.15 |
| Bhutan | 2 | — | 2 | * |
| Bolivia | 64 | 1 | 65 | 0.35 |
| Bosnia and Herzegovina | 24 | + | 24 | 0.13 |
| Botswana | — | + | + | * |
| Brazil | 523 | 19 | 542 | 2.93 |
| Bulgaria | 15 | 5 | 20 | 0.11 |
| Burkina Faso | 32 | + | 32 | 0.17 |
| Burundi | 6 | + | 6 | * |
| Cambodia | 11 | — | 11 | 0.06 |
| Cameroon | 14 | + | 14 | 0.08 |
| Cape Verde | 6 | — | 6 | * |
| Central African Republic | + | + | + | * |
| Chad | 16 | — | 16 | 0.09 |
| Chile | 50 | 13 | 63 | 0.34 |
| China | 1,375 | 179[c] | 1,554 | 8.4 |
| Colombia | 385 | 5 | 390 | 2.11 |
| Comoros | + | — | + | * |
| Congo, Republic of | — | — | — | * |
| Congo, Democratic Republic of | — | + | + | * |
| Costa Rica | 9 | 5 | 13 | 0.07 |
| Côte d'Ivoire | 43 | 1 | 44 | 0.24 |
| Croatia | 36 | 5 | 41 | 0.22 |
| Cyprus | 1 | 16 | 17 | 0.09 |
| Czech Republic | — | 8 | 8 | * |
| Djibouti | 2 | — | 2 | * |
| Dominica | 1 | + | 1 | * |
| Dominican Republic | 19 | 1 | 20 | 0.11 |
| Ecuador | 65 | 2 | 67 | 0.36 |
| Egypt, Arab Republic of | 72 | 7 | 79 | 0.43 |
| El Salvador | 8 | 1 | 9 | * |
| Equatorial Guinea | + | — | + | * |
| Eritrea | 6 | — | 6 | * |
| Estonia | 8 | 1 | 8 | * |
| Ethiopia | 34 | + | 34 | 0.18 |
| Fiji | 2 | + | 2 | * |
| Gabon | 3 | 1 | 4 | * |
| Gambia, The | 6 | + | 6 | * |

*(continued next page)*

| Borrowing countries | Local procurement | Foreign procurement | Total amount | Percentage of total disbursements[b] |
|---|---|---|---|---|
| Georgia | 11 | 2 | 13 | 0.07 |
| Ghana | 79 | 2 | 81 | 0.44 |
| Grenada | 1 | — | 1 | * |
| Guatemala | 53 | 4 | 57 | 0.31 |
| Guinea | 18 | + | 18 | 0.1 |
| Guinea-Bissau | 4 | — | 4 | * |
| Guyana | 3 | + | 3 | * |
| Haiti | 7 | + | 7 | * |
| Honduras | 17 | + | 18 | 0.1 |
| Hungary | 30 | 7 | 37 | 0.2 |
| India | 1,152 | 31 | 1,183 | 6.39 |
| Indonesia | 498 | 1 | 499 | 2.69 |
| Iran, Islamic Republic of | 66 | 7 | 73 | 0.39 |
| Jamaica | 60 | 1 | 61 | 0.33 |
| Jordan | 25 | 11 | 36 | 0.2 |
| Kazakhstan | 8 | 7 | 15 | 0.08 |
| Kenya | 41 | 9 | 50 | 0.27 |
| Korea, Republic of | 37 | 76 | 113 | 0.61 |
| Kyrgyz Republic | 8 | + | 8 | * |
| Lao People's Democratic Republic | 12 | — | 12 | 0.06 |
| Latvia | 13 | 1 | 13 | 0.07 |
| Lebanon | 18 | 1 | 19 | 0.11 |
| Lesotho | 4 | + | 4 | * |
| Liberia | — | + | + | * |
| Lithuania | 10 | + | 10 | 0.06 |
| Macedonia, Former Yugoslav Republic of | 13 | 2 | 15 | 0.08 |
| Madagascar | 49 | + | 49 | 0.26 |
| Malawi | 44 | + | 44 | 0.24 |
| Malaysia | 20 | 3 | 22 | 0.12 |
| Maldives | + | — | + | * |
| Mali | 21 | + | 21 | 0.11 |
| Mauritania | 13 | — | 13 | 0.07 |
| Mauritius | + | 1 | 2 | * |
| Mexico | 661 | 12 | 673 | 3.64 |
| Moldova | 10 | + | 10 | 0.05 |
| Mongolia | 6 | — | 6 | * |
| Morocco | 89 | 1 | 89 | 0.48 |
| Mozambique | 40 | + | 41 | 0.22 |
| Myanmar | — | — | — | * |
| Namibia | — | + | + | * |
| Nepal | 25 | 1 | 26 | 0.14 |
| Nicaragua | 54 | + | 54 | 0.29 |
| Niger | 24 | 4 | 27 | 0.15 |
| Nigeria | 68 | 1 | 69 | 0.37 |
| Pakistan | 194 | 2 | 196 | 1.06 |
| Panama | 13 | 12 | 25 | 0.13 |
| Papua New Guinea and Pacific Islands | 3 | — | 3 | * |
| Paraguay | 30 | 2 | 32 | 0.17 |
| Peru | 168 | 1 | 169 | 0.91 |
| Philippines | 141 | 1 | 142 | 0.77 |

*(continued next page)*

| Borrowing countries | Local procurement | Foreign procurement | Total amount | Percentage of total disbursements[b] |
|---|---|---|---|---|
| Poland | 215 | 22 | 237 | 1.28 |
| Romania | 33 | 3 | 36 | 0.2 |
| Russian Federation | 105 | 41 | 146 | 0.79 |
| Rwanda | 6 | + | 7 | * |
| Samoa | + | — | + | * |
| São Tomé and Principe | + | — | + | * |
| Senegal | 42 | 10 | 52 | 0.28 |
| Seychelles | 1 | — | 1 | * |
| Sierra Leone | 9 | + | 9 | * |
| Slovak Republic | 1 | 1 | 3 | * |
| Slovenia | 2 | 11 | 13 | 0.07 |
| Solomon Islands | 8 | — | 8 | * |
| Somalia | — | — | — | * |
| South Africa | — | 51 | 51 | 0.27 |
| Sri Lanka | 28 | 1 | 28 | 0.15 |
| St. Kitts and Nevis | + | — | + | * |
| St. Lucia | 1 | — | 1 | * |
| St. Vincent and the Grenadines | — | — | — | * |
| Sudan | — | + | + | * |
| Swaziland | + | 2 | 3 | * |
| Syrian Arab Republic | — | 1 | 1 | * |
| Tajikistan | 7 | — | 7 | * |
| Tanzania | 41 | 1 | 41 | 0.22 |
| Thailand | 194 | 6 | 200 | 1.08 |
| Togo | 10 | + | 10 | 0.05 |
| Tonga | — | + | + | * |
| Trinidad and Tobago | 10 | + | 11 | 0.06 |
| Tunisia | 133 | 2 | 135 | 0.73 |
| Turkey | 205 | 22 | 226 | 1.22 |
| Turkmenistan | + | + | + | * |
| Uganda | 45 | 2 | 47 | 0.25 |
| Ukraine | 3 | 4 | 7 | * |
| Uruguay | 44 | + | 44 | 0.24 |
| Uzbekistan | 2 | 1 | 3 | * |
| Vanuatu | — | + | + | * |
| Venezuela, Republica Bolivariana de | 53 | 17 | 70 | 0.38 |
| Vietnam | 89 | + | 89 | 0.48 |
| Yemen, Republic of | 46 | 1 | 47 | 0.25 |
| Zambia | 34 | + | 34 | 0.19 |
| Zimbabwe | 18 | 6 | 24 | 0.13 |
| Total | 9,013 | 735 | 9,748 | 52.67 |

*— Zero, + less than $0.5 million, * less than 0.05 percent.*
*Note: Amounts may not add to totals because of rounding.*
*a. Countries eligible to borrow from IBRD and IDA are listed in Appendix 6. In addition, payments under disbursing loans to Barbados and Cyprus, which are no longer eligible borrowing countries (having graduated), are included. Amounts exclude disbursements for debt reduction, net advance disbursements, and disbursements under simplified procedures for structural and sectoral adjustment loans and disbursements under HIPC Initiative grants.*
*b. Refers to the share of all IBRD and IDA payments for fiscal 2000, which totaled $18,508 million.*
*c. Includes supplies from Hong Kong, China.*

# Appendix 8: IBRD and IDA Payments to Supplying Countries for Foreign Procurement

*(amounts in millions of U.S. dollars)*

| | IBRD cumulative to June 30, 2000 | | IBRD fiscal 2000 | | IDA cumulative to June 30, 2000 | | IDA fiscal 2000 | |
|---|---|---|---|---|---|---|---|---|
| **Supplying Country** | **Amount** | **%** | **Amount** | **%** | **Amount** | **%** | **Amount** | **%** |
| Algeria | 45 | * | 3 | 0.13 | 14 | * | + | * |
| Angola | 10 | * | 1 | * | 7 | * | 1 | 0.05 |
| Antigua and Barbuda | 4 | * | 2 | 0.11 | 1 | * | — | * |
| Argentina | 897 | 0.74 | 33 | 1.5 | 137 | 0.29 | 6 | 0.47 |
| Armenia | + | * | + | * | 2 | * | 1 | 0.05 |
| Australia | 1,239 | 1.03 | 24 | 1.09 | 742 | 1.58 | 22 | 1.81 |
| Austria | 1,895 | 1.57 | 77 | 3.52 | 278 | 0.59 | 6 | 0.45 |
| Bahamas, The | 101 | 0.08 | 2 | 0.07 | 8 | * | — | * |
| Bahrain | 68 | 0.06 | + | * | 132 | 0.28 | 1 | 0.11 |
| Bangladesh | 18 | * | + | * | 50 | 0.11 | 2 | 0.12 |
| Barbados | 15 | * | — | * | 5 | * | + | * |
| Belarus | 55 | 0.05 | + | * | 2 | * | — | * |
| Belgium | 1,608 | 1.33 | 9 | 0.42 | 1,084 | 2.3 | 8 | 0.68 |
| Belize | 2 | * | + | * | 7 | * | + | * |
| Benin | 5 | * | 1 | 0.06 | 23 | 0.05 | 6 | 0.46 |
| Bolivia | 29 | * | 1 | * | 3 | * | + | * |
| Bosnia and Herzegovina | + | * | — | * | + | * | + | * |
| Botswana | 6 | * | — | * | 8 | * | + | * |
| Brazil | 1,970 | 1.63 | 9 | 0.43 | 356 | 0.76 | 9 | 0.74 |
| Bulgaria | 54 | * | 4 | 0.2 | 55 | 0.12 | + | * |
| Burkina Faso | 1 | * | — | * | 13 | * | + | * |
| Burundi | 1 | * | — | * | 12 | * | — | * |
| Cameroon | 5 | * | — | * | 27 | 0.06 | + | * |
| Canada | 2,833 | 2.35 | 73 | 3.32 | 872 | 1.85 | 22 | 1.78 |
| Central African Republic | 4 | * | — | * | 6 | * | + | * |
| Chile | 398 | 0.33 | 12 | 0.54 | 41 | 0.09 | 2 | 0.13 |
| China | 1,640 | 1.36 | 69 | 3.14 | 1,530 | 3.25 | 110 | 8.97 |
| Colombia | 254 | 0.21 | 3 | 0.13 | 28 | 0.06 | 2 | 0.18 |
| Congo, Democratic Republic of | 6 | * | — | * | 41 | 0.09 | + | * |
| Costa Rica | 67 | 0.06 | 4 | 0.18 | 45 | 0.1 | + | * |
| Côte d'Ivoire | 50 | * | — | * | 259 | 0.55 | 1 | 0.05 |
| Croatia | 18 | * | + | * | 14 | * | 5 | 0.37 |
| Cyprus | 109 | 0.09 | 15 | 0.7 | 38 | 0.08 | 1 | * |
| Czech Republic | 106 | 0.09 | 7 | 0.3 | 11 | * | 1 | 0.11 |
| Denmark | 816 | 0.68 | 21 | 0.97 | 371 | 0.79 | 12 | 1.02 |
| Dominica | 5 | * | — | * | 2 | * | + | * |
| Dominican Republic | 6 | * | + | * | 8 | * | 1 | 0.05 |
| Ecuador | 198 | 0.16 | 1 | 0.05 | 12 | * | 1 | 0.06 |
| Egypt, Arab Republic of | 62 | 0.05 | 1 | * | 49 | 0.11 | 6 | 0.5 |
| El Salvador | 18 | * | + | * | 10 | * | 1 | 0.07 |
| Estonia | 4 | * | + | * | 5 | * | + | * |
| Ethiopia | 2 | * | — | * | 7 | * | + | * |
| Fiji | 1 | * | — | * | 4 | * | + | * |
| Finland | 611 | 0.51 | 22 | 1.01 | 155 | 0.33 | 4 | 0.29 |
| France | 8,607 | 7.14 | 133 | 6.07 | 5,008 | 10.64 | 104 | 8.48 |
| Gabon | 18 | * | 1 | 0.06 | 11 | * | — | * |
| Gambia, The | 4 | * | — | * | 1 | * | + | * |
| Georgia | 13 | * | 1 | 0.05 | 8 | * | 1 | 0.06 |
| Germany | 13,668 | 11.34 | 241 | 11.03 | 3,805 | 8.09 | 47 | 3.79 |
| Ghana | 11 | * | + | * | 19 | * | 2 | 0.15 |
| Greece | 223 | 0.19 | 3 | 0.16 | 96 | 0.2 | 2 | 0.15 |

*(continued next page)*

| Supplying Country | IBRD cumulative to June 30, 2000 Amount | % | IBRD fiscal 2000 Amount | % | IDA cumulative to June 30, 2000 Amount | % | IDA fiscal 2000 Amount | % |
|---|---|---|---|---|---|---|---|---|
| Guatemala | 20 | * | 1 | * | 29 | 0.06 | 3 | 0.25 |
| Guinea | 5 | * | — | * | 41 | 0.09 | + | * |
| Guyana | 9 | * | + | * | 1 | * | — | * |
| Haiti | 6 | * | + | * | 4 | * | — | * |
| Honduras | 15 | * | + | * | 8 | * | + | * |
| Hungary | 350 | 0.29 | 7 | 0.3 | 28 | 0.06 | 1 | 0.05 |
| Iceland | 12 | * | — | * | 2 | * | + | * |
| India | 465 | 0.39 | 2 | 0.07 | 1,040 | 2.21 | 30 | 2.41 |
| Indonesia | 179 | 0.15 | + | * | 137 | 0.29 | + | * |
| Iran, Islamic Republic of | 148 | 0.12 | 2 | 0.09 | 205 | 0.44 | 5 | 0.39 |
| Ireland | 207 | 0.17 | 25 | 1.16 | 139 | 0.29 | 6 | 0.52 |
| Israel | 277 | 0.23 | 7 | 0.31 | 136 | 0.29 | 3 | 0.28 |
| Italy | 7,403 | 6.14 | 188 | 8.61 | 2,172 | 4.62 | 120 | 9.79 |
| Jamaica | 17 | * | + | * | 2 | * | 1 | 0.06 |
| Japan | 15,295 | 12.69 | 134 | 6.14 | 4,423 | 9.4 | 50 | 4.05 |
| Jordan | 50 | * | — | * | 164 | 0.35 | 11 | 0.9 |
| Kazakhstan | 82 | 0.07 | 7 | 0.31 | 33 | 0.07 | + | * |
| Kenya | 28 | * | + | * | 305 | 0.65 | 9 | 0.74 |
| Korea, Republic of | 1,822 | 1.51 | 44 | 2 | 1,023 | 2.18 | 32 | 2.61 |
| Kyrgyz Republic | 11 | * | — | * | + | * | + | * |
| Latvia | 15 | * | + | * | 1 | * | + | * |
| Lebanon | 100 | 0.08 | 1 | 0.05 | 26 | 0.05 | + | * |
| Lesotho | + | * | — | * | + | * | + | * |
| Liberia | 26 | * | + | * | 21 | 0.05 | — | * |
| Lithuania | 24 | * | + | * | 2 | * | — | * |
| Luxembourg | 74 | 0.06 | + | * | 37 | 0.08 | + | * |
| Macedonia, FYR of | + | * | — | * | 5 | * | 2 | 0.19 |
| Madagascar | 8 | * | — | * | 2 | * | + | * |
| Malawi | 2 | * | — | * | 11 | * | + | * |
| Malaysia | 347 | 0.29 | + | * | 263 | 0.56 | 2 | 0.19 |
| Mali | + | * | — | * | 14 | * | + | * |
| Malta | 21 | * | + | * | + | * | — | * |
| Mauritius | 1 | * | — | * | 23 | 0.05 | 1 | 0.09 |
| Mexico | 583 | 0.48 | 6 | 0.26 | 115 | 0.25 | 6 | 0.51 |
| Moldova | 3 | * | + | * | 1 | * | — | * |
| Morocco | 178 | 0.15 | — | * | 64 | 0.14 | 1 | * |
| Mozambique | 4 | * | + | * | 7 | * | + | * |
| Namibia | + | * | — | * | 1 | * | — | * |
| Nepal | 2 | * | 1 | * | 7 | * | + | * |
| Netherlands | 2,269 | 1.88 | 31 | 1.44 | 1,361 | 2.89 | 50 | 4.06 |
| New Zealand | 194 | 0.16 | 4 | 0.17 | 122 | 0.26 | 9 | 0.72 |
| Nicaragua | 10 | * | + | * | 7 | * | + | * |
| Niger | 7 | * | 1 | * | 17 | * | 3 | 0.22 |
| Nigeria | 391 | 0.32 | 1 | * | 408 | 0.87 | + | * |
| Norway | 547 | 0.45 | 11 | 0.49 | 178 | 0.38 | 4 | 0.36 |
| Oman | 38 | * | — | * | 15 | * | + | * |
| Pakistan | 127 | 0.11 | 1 | 0.07 | 186 | 0.39 | 1 | 0.05 |
| Panama | 405 | 0.34 | 7 | 0.34 | 60 | 0.13 | 4 | 0.34 |
| Paraguay | 120 | 0.1 | 1 | 0.05 | 15 | * | 1 | 0.08 |
| Peru | 129 | 0.11 | + | * | 22 | 0.05 | 1 | 0.08 |
| Philippines | 76 | 0.06 | + | * | 85 | 0.18 | + | * |

*(continued next page)*

| Supplying Country | IBRD cumulative to June 30, 2000 | | IBRD fiscal 2000 | | IDA cumulative to June 30, 2000 | | IDA fiscal 2000 | |
|---|---|---|---|---|---|---|---|---|
| | Amount | % | Amount | % | Amount | % | Amount | % |
| Poland | 321 | 0.27 | 20 | 0.93 | 54 | 0.12 | 1 | 0.12 |
| Portugal | 78 | 0.06 | 1 | * | 398 | 0.85 | 30 | 2.43 |
| Romania | 327 | 0.27 | 3 | 0.13 | 76 | 0.16 | + | * |
| Russian Federation | 756 | 0.63 | 27 | 1.26 | 101 | 0.21 | 14 | 1.11 |
| Rwanda | 3 | * | — | * | 3 | * | + | * |
| Saudi Arabia | 589 | 0.49 | 1 | * | 250 | 0.53 | 5 | 0.43 |
| Senegal | 28 | * | 1 | * | 118 | 0.25 | 9 | 0.76 |
| Sierra Leone | 5 | * | — | * | 3 | * | + | * |
| Singapore | 1,202 | 1 | 32 | 1.46 | 750 | 1.59 | 5 | 0.42 |
| Slovak Republic | 19 | * | 1 | * | 2 | * | 1 | * |
| Slovenia | 56 | 0.05 | 3 | 0.15 | 13 | * | 8 | 0.66 |
| South Africa | 469 | 0.39 | 16 | 0.73 | 1,095 | 2.33 | 35 | 2.82 |
| Spain | 1,486 | 1.23 | 35 | 1.59 | 347 | 0.74 | 18 | 1.5 |
| Sri Lanka | 27 | * | + | * | 19 | * | 1 | 0.06 |
| Sudan | 9 | * | — | * | 22 | 0.05 | + | * |
| Swaziland | 36 | * | 2 | 0.09 | 32 | 0.07 | 1 | * |
| Sweden | 1,762 | 1.46 | 57 | 2.59 | 499 | 1.06 | 9 | 0.73 |
| Switzerland | 4,665 | 3.87 | 40 | 1.85 | 1,234 | 2.62 | 13 | 1.02 |
| Syrian Arab Republic | 38 | * | — | * | 17 | * | 1 | 0.07 |
| Tanzania | 7 | * | — | * | 36 | 0.08 | 1 | 0.05 |
| Thailand | 148 | 0.12 | + | * | 397 | 0.84 | 5 | 0.43 |
| Togo | 31 | * | — | * | 30 | 0.06 | + | * |
| Tonga | + | * | — | * | 1 | * | + | * |
| Trinidad and Tobago | 21 | * | + | * | 24 | 0.05 | + | * |
| Tunisia | 92 | 0.08 | — | * | 44 | 0.09 | 2 | 0.16 |
| Turkey | 598 | 0.5 | 14 | 0.63 | 136 | 0.29 | 8 | 0.64 |
| Turkmenistan | 5 | * | — | * | 51 | 0.11 | + | * |
| Uganda | 3 | * | — | * | 10 | * | 2 | 0.18 |
| Ukraine | 169 | 0.14 | 1 | 0.07 | 55 | 0.12 | 3 | 0.21 |
| United Arab Emirates | 571 | 0.47 | — | * | 379 | 0.81 | 4 | 0.29 |
| United Kingdom | 8,975 | 7.45 | 140 | 6.41 | 6,001 | 12.76 | 112 | 9.09 |
| United States | 23,067 | 19.14 | 288 | 13.16 | 4,625 | 9.83 | 93 | 7.54 |
| Uruguay | 114 | 0.09 | + | * | 6 | * | + | * |
| Uzbekistan | 5 | * | 1 | 0.06 | 14 | * | + | * |
| Vanuatu | 5 | * | — | * | + | * | + | * |
| Venezuela, Republica Bolivariana de | 587 | 0.49 | 14 | 0.63 | 212 | 0.45 | 3 | 0.26 |
| Vietnam | 46 | * | + | * | 55 | 0.12 | + | * |
| Yemen, Republic of | + | * | — | * | 1 | * | + | * |
| Zambia | 52 | * | — | * | 115 | 0.24 | + | * |
| Zimbabwe | 34 | * | + | * | 123 | 0.26 | 6 | 0.48 |
| Others | 4,216 | 3.5 | 229 | 10.46 | 1,305 | 2.77 | 94 | 7.65 |
| Total | 120,503 | 100 | 2,186 | 100 | 47,044 | 100 | 1,228 | 100 |

*— Zero, + less than $0.5 million, * less than 0.05 percent.*

*Note: Amounts exclude disbursements for debt reduction, net advance disbursements, and disbursements under simplified procedures for structural and sectoral adjustment loans and disbursements under HIPC initiative grants. Amounts may not add to totals because of rounding.*

# Appendix 9: IBRD and IDA Payments to Supplying Countries for Foreign Procurement, by Description of Goods, Fiscal 2000

*(amounts in millions of U.S. dollars)*

| | Equipment | | Civil works | | Consultants | | All other goods | | Total disbursements | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Supplying Country** | **Amount** | **%** | **Amount** | **%** | **Amount** | **%** | **Amount** | **%** | **Amount** | **%** |
| Algeria | 3 | 0.15 | — | * | + | 0.05 | — | * | 3 | 0.09 |
| Angola | — | * | — | * | 1 | 0.23 | — | * | 1 | * |
| Antigua and Barbuda | 2 | 0.13 | — | * | — | * | — | * | 2 | 0.07 |
| Argentina | 6 | 0.3 | 30 | 4.09 | 3 | 0.42 | — | * | 38 | 1.13 |
| Armenia | — | * | — | * | 1 | 0.1 | — | * | 1 | * |
| Australia | 11 | 0.61 | + | * | 35 | 5.46 | + | * | 46 | 1.35 |
| Austria | 64 | 3.48 | 15 | 2.07 | 3 | 0.45 | + | 0.17 | 83 | 2.42 |
| Bahamas, The | 2 | 0.08 | — | * | — | * | — | * | 2 | * |
| Bahrain | 1 | 0.07 | — | * | + | * | — | * | 1 | * |
| Bangladesh | + | * | 1 | 0.13 | 1 | 0.14 | — | * | 2 | 0.06 |
| Barbados | — | * | — | * | + | * | — | * | + | * |
| Belarus | — | * | — | * | + | * | — | * | + | * |
| Belgium | 11 | 0.59 | 1 | 0.1 | 6 | 0.94 | + | * | 18 | 0.52 |
| Belize | + | * | — | * | + | 0.06 | — | * | 1 | * |
| Benin | + | * | 5 | 0.72 | 1 | 0.22 | — | * | 7 | 0.21 |
| Bolivia | + | * | — | * | 1 | 0.16 | — | * | 1 | * |
| Bosnia and Herzegovina | — | * | + | * | — | * | — | * | + | * |
| Botswana | — | * | — | * | + | * | — | * | + | * |
| Brazil | 11 | 0.6 | 6 | 0.85 | 1 | 0.17 | — | * | 19 | 0.54 |
| Bulgaria | 3 | 0.14 | 2 | 0.27 | + | * | — | * | 5 | 0.14 |
| Burkina Faso | — | * | + | * | + | * | — | * | + | * |
| Burundi | — | * | — | * | — | * | — | * | — | * |
| Cameroon | — | * | — | * | + | * | + | * | + | * |
| Canada | 53 | 2.89 | 3 | 0.36 | 38 | 5.97 | 1 | 0.32 | 94 | 2.77 |
| Central African Republic | — | * | — | * | + | * | — | * | + | * |
| Chile | 12 | 0.66 | — | * | 1 | 0.2 | — | * | 13 | 0.39 |
| China | 60 | 3.28 | 113 | 15.22 | 5 | 0.76 | 1 | 0.35 | 179 | 5.24 |
| Colombia | 4 | 0.2 | + | * | 1 | 0.19 | — | * | 5 | 0.15 |
| Congo, Democratic Republic of | — | * | — | * | + | * | — | * | + | * |
| Costa Rica | 1 | * | — | * | 3 | 0.43 | 1 | 0.51 | 5 | 0.13 |
| Côte d'Ivoire | — | * | + | * | 1 | 0.09 | — | * | 1 | * |
| Croatia | 2 | 0.13 | 2 | 0.32 | + | * | — | * | 5 | 0.14 |
| Cyprus | 15 | 0.8 | — | * | 1 | 0.17 | + | * | 16 | 0.47 |
| Czech Republic | 8 | 0.43 | — | * | + | * | — | * | 8 | 0.23 |
| Denmark | 16 | 0.86 | 9 | 1.19 | 8 | 1.3 | 1 | 0.36 | 34 | 0.99 |
| Dominica | — | * | — | * | + | * | — | * | + | * |
| Dominican Republic | + | * | — | * | 1 | 0.1 | + | * | 1 | * |
| Ecuador | + | * | — | * | 2 | 0.26 | — | * | 2 | 0.05 |
| Egypt, Arab Republic of | 1 | * | 5 | 0.71 | 1 | 0.15 | — | * | 7 | 0.2 |
| El Salvador | 1 | 0.05 | — | * | + | * | — | * | 1 | * |
| Estonia | + | * | + | * | + | * | + | * | 1 | * |
| Ethiopia | — | * | — | * | + | * | — | * | + | * |
| Fiji | + | * | — | * | + | * | — | * | + | * |
| Finland | 23 | 1.24 | + | 0.05 | 2 | 0.37 | + | 0.09 | 26 | 0.75 |
| France | 136 | 7.37 | 52 | 6.95 | 49 | 7.64 | 1 | 0.53 | 237 | 6.94 |
| Gabon | 1 | 0.07 | — | * | — | * | — | * | 1 | * |
| Gambia, The | + | * | — | * | — | * | — | * | + | * |
| Georgia | 1 | 0.06 | — | * | 1 | 0.1 | — | * | 2 | 0.05 |
| Germany | 201 | 10.9 | 54 | 7.24 | 28 | 4.36 | 6 | 2.93 | 288 | 8.43 |
| Ghana | — | * | 2 | 0.2 | + | * | + | 0.05 | 2 | 0.05 |

*(continued next page)*

| Supplying Country | Equipment | | Civil works | | Consultants | | All other goods | | Total disbursements | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % |
| Greece | 5 | 0.28 | + | * | + | * | + | * | 5 | 0.16 |
| Guatemala | 3 | 0.17 | — | * | 1 | 0.14 | — | * | 4 | 0.12 |
| Guinea | — | * | — | * | + | * | — | * | + | * |
| Guyana | — | * | — | * | + | * | — | * | + | * |
| Haiti | — | * | — | * | + | 0.07 | — | * | + | * |
| Honduras | + | * | — | * | — | * | — | * | + | * |
| Hungary | 4 | 0.24 | 2 | 0.23 | + | 0.07 | 1 | 0.37 | 7 | 0.21 |
| Iceland | — | * | + | * | — | * | — | * | + | * |
| India | 21 | 1.16 | 5 | 0.65 | 5 | 0.79 | + | * | 31 | 0.92 |
| Indonesia | 1 | * | — | * | + | * | + | * | 1 | * |
| Iran, Islamic Republic of | 5 | 0.26 | 2 | 0.25 | + | * | — | * | 7 | 0.2 |
| Ireland | 23 | 1.27 | + | * | 8 | 1.28 | + | 0.06 | 32 | 0.93 |
| Israel | 7 | 0.38 | 1 | 0.08 | 3 | 0.42 | — | * | 10 | 0.3 |
| Italy | 80 | 4.34 | 208 | 28.04 | 18 | 2.86 | 2 | 1.12 | 308 | 9.04 |
| Jamaica | — | * | 1 | 0.09 | + | * | — | * | 1 | * |
| Japan | 163 | 8.83 | 16 | 2.15 | 5 | 0.86 | + | * | 184 | 5.39 |
| Jordan | 11 | 0.6 | — | * | + | * | — | * | 11 | 0.32 |
| Kazakhstan | 7 | 0.37 | — | * | + | * | — | * | 7 | 0.2 |
| Kenya | 4 | 0.23 | 3 | 0.44 | 2 | 0.24 | + | * | 9 | 0.27 |
| Korea, Republic of | 30 | 1.65 | 44 | 5.87 | + | 0.07 | 1 | 0.69 | 76 | 2.22 |
| Kyrgyz Republic | + | * | — | * | — | * | — | * | + | * |
| Latvia | 1 | * | — | * | + | 0.05 | — | * | 1 | * |
| Lebanon | — | * | + | * | 1 | 0.17 | — | * | 1 | * |
| Lesotho | — | * | + | * | + | * | — | * | + | * |
| Liberia | — | * | — | * | + | * | — | * | + | * |
| Lithuania | + | * | — | * | — | * | — | * | + | * |
| Luxembourg | + | * | — | * | + | 0.06 | + | * | + | * |
| Macedonia, FYR of | — | * | 2 | 0.32 | — | * | — | * | 2 | 0.07 |
| Madagascar | — | * | — | * | + | * | — | * | + | * |
| Malawi | — | * | — | * | + | * | — | * | + | * |
| Malaysia | 1 | * | 1 | 0.16 | 1 | 0.1 | — | * | 3 | 0.07 |
| Mali | — | * | — | * | + | * | — | * | + | * |
| Malta | + | * | — | * | — | * | — | * | + | * |
| Mauritius | 1 | * | — | * | 1 | 0.08 | — | * | 1 | * |
| Mexico | 5 | 0.28 | 4 | 0.5 | 3 | 0.48 | — | * | 12 | 0.35 |
| Moldova | — | * | — | * | — | * | + | * | + | * |
| Morocco | — | * | — | * | 1 | 0.08 | — | * | 1 | * |
| Mozambique | — | * | — | * | + | 0.07 | — | * | + | * |
| Namibia | — | * | — | * | — | * | — | * | — | * |
| Nepal | 1 | * | + | 0.05 | + | * | — | * | 1 | * |
| Netherlands | 56 | 3.02 | 2 | 0.25 | 24 | 3.74 | + | * | 81 | 2.38 |
| New Zealand | + | * | 1 | 0.17 | 11 | 1.74 | — | * | 12 | 0.36 |
| Nicaragua | + | * | — | * | + | * | — | * | + | * |
| Niger | 1 | * | + | * | 3 | 0.47 | — | * | 4 | 0.11 |
| Nigeria | — | * | 1 | 0.09 | + | * | — | * | 1 | * |
| Norway | 10 | 0.57 | 3 | 0.44 | 1 | 0.22 | — | * | 15 | 0.44 |
| Oman | + | * | — | * | — | * | — | * | + | * |
| Pakistan | 1 | 0.08 | + | 0.05 | + | * | — | * | 2 | 0.06 |
| Panama | 9 | 0.49 | 1 | 0.08 | 2 | 0.29 | — | * | 12 | 0.34 |
| Paraguay | — | * | 2 | 0.27 | — | * | — | * | 2 | 0.06 |

*(continued next page)*

| Supplying Country | Equipment | | Civil works | | Consultants | | All other goods | | Total disbursements | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % |
| Peru | 1 | * | — | * | 1 | 0.13 | — | * | 1 | * |
| Philippines | + | * | — | * | 1 | 0.11 | — | * | 1 | * |
| Poland | 5 | 0.27 | 2 | 0.25 | 13 | 2.11 | 1 | 0.76 | 22 | 0.64 |
| Portugal | 3 | 0.16 | 20 | 2.66 | 8 | 1.24 | + | * | 31 | 0.9 |
| Romania | 3 | 0.14 | 1 | 0.11 | + | * | + | * | 3 | 0.1 |
| Russian Federation | 40 | 2.18 | — | * | 1 | 0.15 | + | 0.05 | 41 | 1.21 |
| Rwanda | + | * | — | * | — | * | — | * | + | * |
| Saudi Arabia | 1 | * | 5 | 0.71 | + | * | — | * | 6 | 0.18 |
| Senegal | + | * | 9 | 1.15 | 1 | 0.19 | — | * | 10 | 0.29 |
| Sierra Leone | + | * | — | * | + | * | — | * | + | * |
| Singapore | 35 | 1.88 | + | * | 2 | 0.35 | + | 0.11 | 37 | 1.09 |
| Slovak Republic | 1 | 0.05 | + | * | — | * | + | * | 1 | * |
| Slovenia | 11 | 0.61 | — | * | + | * | — | * | 11 | 0.33 |
| South Africa | 18 | 0.97 | 25 | 3.43 | 7 | 1.09 | + | 0.13 | 51 | 1.48 |
| Spain | 14 | 0.78 | 22 | 2.93 | 12 | 1.85 | 5 | 2.62 | 53 | 1.56 |
| Sri Lanka | 1 | * | — | * | + | 0.05 | — | * | 1 | * |
| Sudan | + | * | — | * | — | * | — | * | + | * |
| Swaziland | 2 | 0.13 | — | * | + | * | — | * | 2 | 0.07 |
| Sweden | 60 | 3.27 | + | * | 5 | 0.83 | + | * | 66 | 1.92 |
| Switzerland | 40 | 2.2 | 5 | 0.61 | 5 | 0.86 | 3 | 1.29 | 53 | 1.55 |
| Syrian Arab Republic | + | * | — | * | 1 | 0.11 | — | * | 1 | * |
| Tanzania | — | * | + | 0.06 | + | * | — | * | 1 | * |
| Thailand | 5 | 0.27 | — | * | 1 | 0.11 | — | * | 6 | 0.17 |
| Togo | + | * | — | * | — | * | — | * | + | * |
| Tonga | — | * | + | * | — | * | — | * | + | * |
| Trinidad and Tobago | + | * | — | * | + | * | — | * | + | * |
| Tunisia | + | * | 1 | 0.16 | + | 0.07 | — | * | 2 | 0.06 |
| Turkey | 16 | 0.86 | 5 | 0.71 | 1 | 0.11 | + | * | 22 | 0.63 |
| Turkmenistan | + | * | — | * | — | * | — | * | + | * |
| Uganda | + | * | 2 | 0.29 | + | * | — | * | 2 | 0.06 |
| Ukraine | 4 | 0.22 | — | * | + | * | — | * | 4 | 0.12 |
| United Arab Emirates | 2 | 0.09 | 2 | 0.24 | — | * | — | * | 4 | 0.1 |
| United Kingdom | 148 | 8.06 | 17 | 2.28 | 85 | 13.45 | 1 | 0.52 | 252 | 7.37 |
| United States | 257 | 13.96 | 6 | 0.81 | 116 | 18.26 | 2 | 0.78 | 380 | 11.14 |
| Uruguay | + | * | — | * | + | * | — | * | + | * |
| Uzbekistan | 1 | 0.08 | — | * | + | * | — | * | 1 | * |
| Vanuatu | — | * | — | * | + | * | — | * | + | * |
| Venezuela, Republica Bolivariana de | 3 | 0.18 | + | * | 14 | 2.15 | — | * | 17 | 0.5 |
| Vietnam | + | * | — | * | + | * | — | * | + | * |
| Yemen, Republic of | — | * | — | * | + | * | — | * | + | * |
| Zambia | + | * | + | * | + | * | — | * | + | * |
| Zimbabwe | + | * | 4 | 0.5 | 2 | 0.31 | + | * | 6 | 0.17 |
| Others | 68 | 3.72 | 16 | 2.17 | 69 | 10.94 | 169 | 85.9 | 322 | 9.45 |
| Total | 1,840 | 100 | 742 | 100 | 635 | 100 | 196 | 100 | 3,414 | 100 |

*— Zero, + less than $0.5 million, * less than 0.05 percent.*

*Note: Amounts exclude disbursements for debt reduction, net advance disbursements, and disbursements under simplified procedures for structural and sectoral adjustment loans. Amounts may not add to totals because of rounding.*

# Appendix 10: IBRD and IDA Disbursements for Foreign Expenditures, by Description of Goods (for Investment Lending), Fiscal 1998–00[a]

| Item | Fiscal 1998 | | | Fiscal 1999 | | | Fiscal 2000 | | |
|---|---|---|---|---|---|---|---|---|---|
| | Countries not eligible to borrow | Countries eligible to borrow | Total | Countries not eligible to borrow | Countries eligible to borrow | Total | Countries not eligible to borrow | Countries eligible to borrow | Total |
| | | | | | *Millions of U.S. dollars* | | | | |
| Civil works | 652 | 227 | 880 | 586 | 286 | 871 | 456 | 286 | 742 |
| Consultants | 795 | 84 | 879 | 615 | 87 | 702 | 541 | 91 | 632 |
| Goods | 2,124 | 504 | 2,628 | 1,977 | 441 | 2,417 | 1,504 | 336 | 1,840 |
| All other | 131 | 18 | 149 | 107 | 3 | 110 | 133 | 6 | 139 |
| Total | 3,702 | 833 | 4,536 | 3,285 | 817 | 4,100 | 2,634 | 719 | 3,353 |
| | | | | | *Percent*[b] | | | | |
| Civil works | 74 | 26 | 19 | 67 | 33 | 21 | 61 | 39 | 22 |
| Consultants | 90 | 10 | 19 | 88 | 12 | 17 | 86 | 14 | 19 |
| Goods | 81 | 19 | 58 | 82 | 18 | 59 | 82 | 18 | 55 |
| All other | 88 | 12 | 3 | 98 | 2 | 3 | 96 | 4 | 4 |
| Total | 82 | 18 | 100 | 80 | 20 | 100 | 79 | 21 | 100 |

*Note: Countries eligible to borrow from IBRD and IDA are listed in Appendix 6. For consistency of comparison, the Republic of Korea is included as a country eligible to borrow for all periods covered by this table. The Republic of Korea (a former graduate) again became eligible to borrow in December 1997. Amounts may not add to totals because of rounding.*

*a. Amounts exclude disbursements for debt-reduction and net advance disbursements. Amounts also exclude disbursements for structural and sectoral adjustment loans and hybrids (loans that support policy and institutional reforms in a specific sector by financing both a policy component disbursed against imports and investment component), and disbursements under HIPC Initiative grants.*

*b. Percentages are based on the dollar amounts shown under the total disbursements section. These percentages show both the breakdown between countries eligible to borrow from the IBRD and/or IDA, and countries not eligible to borrow, for individual goods categories and the share of each goods category compared with total disbursements.*

# Appendix 11: Estimates of IBRD and IDA Payments to Supplying Countries for Foreign Procurement under Adjustment Lending, Fiscal 2000[a]

*(amounts in millions of U.S. dollars)*

| Supplying Countries | Amount | Percent |
|---|---|---|
| Albania | + | 0.0% |
| Algeria | 15.2 | 0.3% |
| Argentina | 171.5 | 3.2% |
| Armenia | 0.3 | 0.0% |
| Aruba | + | 0.0% |
| Australia | 67.8 | 1.3% |
| Austria | 49.6 | 0.9% |
| Barbados | + | 0.0% |
| Belgium | 110.1 | 2.1% |
| Bolivia | 7.2 | 0.1% |
| Bangladesh | 0.7 | 0.0% |
| Belarus | 2.9 | 0.1% |
| Brazil | 247.5 | 4.6% |
| Bulgaria | 12.0 | 0.2% |
| Canada | 54.0 | 1.0% |
| Chile | 47.7 | 0.9% |
| China | 110.0 | 2.1% |
| Colombia | 6.7 | 0.1% |
| Costa Rica | 1.4 | 0.0% |
| Croatia | 18.6 | 0.3% |
| Cyprus | 0.6 | 0.0% |
| Czech Rep. | 20.7 | 0.4% |
| Denmark | 26.7 | 0.5% |
| Dominican | 0.1 | 0.0% |
| Ecuador | 5.1 | 0.1% |
| Egypt | 5.1 | 0.1% |
| El Salvador | 0.2 | 0.0% |
| Estonia | 8.8 | 0.2% |
| Finland | 49.9 | 0.9% |
| France | 231.8 | 4.3% |
| Germany | 518.9 | 9.7% |
| Greece | 41.5 | 0.8% |
| Grenada | + | 0.0% |
| Guatemala | 0.8 | 0.0% |
| Honduras | + | 0.0% |
| Hong Kong | 4.9 | 0.1% |
| Hungary | 33.7 | 0.6% |
| Iceland | 0.5 | 0.0% |
| India | 34.7 | 0.7% |
| Indonesia | 26.0 | 0.5% |
| Ireland | 15.5 | 0.3% |
| Israel | 24.8 | 0.5% |
| Italy | 341.0 | 6.4% |
| Jamaica | 0.3 | 0.0% |
| Japan | 256.4 | 4.8% |
| Jordan | 2.3 | 0.0% |
| Kazakhstan | 1.3 | 0.0% |
| Kenya | 21.2 | 0.4% |
| Korea, Republic of | 150.4 | 2.8% |
| Kuwait | 0.1 | 0.0% |
| Latvia | 3.6 | 0.1% |
| Libya | 1.4 | 0.0% |
| Lithuania | 16.3 | 0.3% |
| Macau | 0.1 | 0.0% |
| Macedonia, FYR of | 0.3 | 0.0% |
| Madagascar | 0.0 | 0.0% |
| Malaysia | 51.9 | 1.0% |
| Malta | 0.3 | 0.0% |
| Mauritius | 0.5 | 0.0% |
| Mexico | 37.3 | 0.7% |
| Moldova | 1.7 | 0.0% |
| Morocco | 2.9 | 0.1% |
| Nepal | 0.0 | 0.0% |
| Netherlands | 95.1 | 1.8% |
| New Zealand | 10.4 | 0.2% |
| Nicaragua | 0.2 | 0.0% |
| Nigeria | 9.0 | 0.2% |
| Norway | 12.7 | 0.2% |
| Oman | 5.3 | 0.1% |
| Pakistan | 11.3 | 0.2% |
| Panama | 0.1 | 0.0% |
| Paraguay | 11.9 | 0.2% |
| Peru | 9.7 | 0.2% |
| Philippines | 3.6 | 0.1% |
| Poland | 38.9 | 0.7% |
| Portugal | 17.6 | 0.3% |
| Romania | 13.1 | 0.2% |
| Russian Federation | 278.0 | 5.2% |
| Saudi Arabia | 6.4 | 0.1% |
| South Africa | 85.4 | 1.6% |
| Singapore | 63.0 | 1.2% |
| Slovak Republic | 9.9 | 0.2% |
| Slovenia | 14.9 | 0.3% |
| Spain | 109.1 | 2.0% |
| Suriname | 0.6 | 0.0% |
| Sweden | 63.2 | 1.2% |
| Switzerland | 54.9 | 1.0% |
| Syrian Arab Republic | 4.1 | 0.1% |
| Taiwan | 13.1 | 0.2% |
| Thailand | 31.3 | 0.6% |
| Trinidad and Tobago | 1.1 | 0.0% |
| Tunisia | 3.3 | 0.1% |
| Turkey | 63.9 | 1.2% |
| United Kingdom | 200.2 | 3.8% |
| Uruguay | 28.1 | 0.5% |
| United States | 1,148.1 | 21.5% |
| Venezuela, Republica Bolivariana de | 29.8 | 0.6% |
| Zimbabwe | 18.6 | 0.3% |
| TOTAL | 5,328.5 | 100% |

*+ Amount below $0.5 million.*

*Note: Amounts exclude disbursements under investment lending. See Appendix 8 for payments to supplying countries for foreign procurement under investment lending, fiscal 2000. Details may not add to total because of rounding.*

*a. Based on import data drawn from the latest information available on borrowers' trade statistics compiled by the United Nations trade system COMTRADE.*

# Appendix 12: IBRD and IDA Cumulative Lending since Fiscal 1990 by Major Purpose and Region, June 30, 2000

*(amounts in millions of U.S. dollars)*

| | IBRD loans to borrowers, by region[a] | | | | | | |
|---|---|---|---|---|---|---|---|
| Purpose[b] | Africa | East Asia and Pacific | Europe and Central Asia | Latin America and the Caribbean | Middle East and North Africa | South Asia | Total |
| Agriculture | 183.5 | 5,839.2 | 2,434.0 | 4,591.8 | 2,119.0 | 533.0 | 15,700.4 |
| Economic policy | 155.0 | 3,865.0 | 8,574.6 | 5,066.8 | 1,465.0 | 900.0 | 20,026.4 |
| Education | 161.0 | 3,193.5 | 965.3 | 5,466.6 | 965.6 | | 10,752.0 |
| Electric power and energy | 105.0 | 8,600.8 | 3,291.2 | 1,022.8 | 644.0 | 3,490.0 | 17,153.8 |
| Environment | | 2,072.5 | 384.0 | 1,783.2 | 244.5 | 290.0 | 4,774.2 |
| Finance | 154.8 | 7,083.8 | 2,461.3 | 7,032.9 | 959.0 | 1,366.0 | 19,057.8 |
| Health, nutrition, and population | 95.0 | 646.9 | 1,203.0 | 3,502.4 | 585.1 | 10.0 | 6,042.5 |
| Industry | | 235.0 | | | 365.0 | 56.4 | 656.4 |
| Mining | | 10.0 | 1,985.3 | 533.5 | | 530.0 | 3,058.8 |
| Multisector | | 375.0 | 1,378.5 | 1,270.4 | 383.5 | | 3,407.4 |
| Oil and gas | 310.9 | 843.0 | 1,630.8 | 484.2 | 264.0 | 1,093.0 | 4,625.9 |
| Private sector development | 17.7 | 256.5 | 2,485.3 | 1,530.5 | 264.7 | 26.0 | 4,580.7 |
| Public sector management | 75.0 | 1,877.2 | 1,334.7 | 3,913.8 | 115.2 | 276.3 | 7,592.2 |
| Social protection | 51.4 | 1,427.5 | 1,860.8 | 3,888.5 | 183.0 | 301.3 | 7,712.5 |
| Telecommunications | | 1,218.5 | 465.0 | 15.9 | 129.0 | 97.0 | 1,925.4 |
| Transportation | 93.7 | 8,923.9 | 3,635.1 | 6,939.9 | 498.1 | 1,305.9 | 21,396.5 |
| Urban development | 46.4 | 2,166.4 | 1,854.0 | 1,861.8 | 1,553.2 | 105.0 | 7,586.8 |
| Water supply and sanitation | 423.4 | 1,268.1 | 1,109.8 | 2,615.8 | 820.1 | 502.4 | 6,739.6 |
| Total | 1,872.8 | 49,902.8 | 37,052.8 | 51,520.8 | 11,557.9 | 10,882.3 | 162,789.3 |

*Note: Figures are cumulative since fiscal 1990, the first year for which reclassified sector data is available (see Table 1.1, page 33 in the* World Bank Annual Report 2000: Annual Review and Summary Financial Information*). Details may not add to totals because of rounding.*

*a. No account is taken of cancellations subsequent to original commitment. IBRD loans to the IFC are excluded.*

*b. Operations have been classified by the major purpose they finance. Many projects include activity in more than one sector or subsector.*

*(continued next page)*

# APPENDIX 12 *(continued)*

*(amounts in millions of U.S. dollars)*

| | IDA credits to borrowers, by region[a] | | | | | | |
|---|---|---|---|---|---|---|---|
| **Purpose[b]** | **Africa** | **East Asia and Pacific** | **Europe and Central Asia** | **Latin America and the Caribbean** | **Middle East and North Africa** | **South Asia** | **Total** |
| Agriculture | 2,775.8 | 3,399.1 | 552.3 | 272.1 | 459.9 | 3,844.1 | 11,303.4 |
| Economic policy | 4,495.7 | 414.0 | 1,221.3 | 379.3 | 80.0 | 325.2 | 6,915.5 |
| Education | 2,235.9 | 982.4 | 83.2 | 335.5 | 310.8 | 2,951.6 | 6,899.5 |
| Electric power and energy | 1,584.2 | 842.7 | 242.1 | 86.5 | 54.0 | 539.2 | 3,348.7 |
| Environment | 402.3 | 514.9 | 42.3 | 157.0 | 15.0 | 726.6 | 1,858.1 |
| Finance | 1,336.2 | 197.9 | 136.9 | 142.6 | 80.0 | 391.8 | 2,285.4 |
| Health, nutrition and population | 1,626.9 | 974.8 | 124.2 | 99.4 | 160.6 | 3,763.5 | 6,749.4 |
| Mining | 105.4 | 35.0 | | 11.0 | | 77.0 | 228.4 |
| Multisector | 1,105.8 | 62.7 | 50.0 | 310.0 | | 407.5 | 1,936.0 |
| Oil and gas | 300.0 | | 52.4 | 61.2 | 15.0 | 188.0 | 616.6 |
| Private sector development | 1,553.2 | 77.0 | 176.3 | 181.2 | 10.9 | 474.5 | 2,473.0 |
| Public sector management | 1,107.4 | 100.0 | 274.3 | 205.6 | 93.0 | 618.5 | 2,398.9 |
| Social protection | 1,127.5 | 289.7 | 309.0 | 349.8 | 473.0 | 929.9 | 3,478.9 |
| Telecommunications | 122.8 | | 18.0 | 18.3 | | 112.0 | 271.1 |
| Transportation | 3,245.0 | 943.2 | 263.1 | 426.4 | 89.8 | 1,658.6 | 6,626.2 |
| Urban development | 1,006.4 | 607.2 | 190.8 | 84.8 | 50.0 | 317.3 | 2,256.5 |
| Water supply and sanitation | 853.6 | 617.9 | 124.6 | 72.5 | 35.2 | 670.8 | 2,374.6 |
| Total | 24,984.2 | 10,058.6 | 3,860.7 | 3,193.2 | 1,927.2 | 17,996.1 | 62,020.1 |

*Note: Figures are cumulative since fiscal 1990, the first year for which reclassified sector data is available (see Table 1.1, page 33 in the* World Bank Annual Report 2000: Annual Review and Summary Financial Information*). Details may not add to totals because of rounding.*

*a. No account is taken of cancellations subsequent to original commitment. IBRD loans to the IFC are excluded.*

*b. Operations have been classified by the major purpose they finance. Many projects include activity in more than one sector or subsector.*

# Appendix 13: IBRD and IDA Cumulative Lending by Country, June 30, 2000

*(amounts in millions of U.S. dollars)*

| | IBRD loans | | IDA credits | | Total | |
|---|---|---|---|---|---|---|
| Country | Number | Amount | Number | Amount | Number | Amount |
| Afghanistan | | | 20 | 230.1 | 20 | 230.1 |
| Africa | 11 | 259.8 | 1 | 45.5 | 12 | 305.3 |
| Albania | | | 39 | 541.4 | 39 | 541.4 |
| Algeria | 65 | 5,656.0 | | | 65 | 5,656.0 |
| Angola | | | 11 | 310.8 | 11 | 310.8 |
| Argentina | 106 | 17,771.8 | | | 106 | 17,771.8 |
| Armenia | 1 | 12.0 | 21 | 583.4 | 22 | 595.4 |
| Australia | 7 | 417.7 | | | 7 | 417.7 |
| Austria | 9 | 106.4 | | | 9 | 106.4 |
| Azerbaijan | | | 13 | 411.2 | 13 | 411.2 |
| Bahamas, The | 5 | 42.8 | | | 5 | 42.8 |
| Bangladesh | 1 | 46.1 | 163 | 9,262.8 | 164 | 9,308.9 |
| Barbados | 11 | 103.2 | | | 11 | 103.2 |
| Belarus | 3 | 170.2 | | | 3 | 170.2 |
| Belgium | 4 | 76.0 | | | 4 | 76.0 |
| Belize | 8 | 71.8 | | | 8 | 71.8 |
| Benin | | | 50 | 733.5 | 50 | 733.5 |
| Bhutan | | | 9 | 64.3 | 9 | 64.3 |
| Bolivia | 14 | 299.3 | 61 | 1,569.2 | 75 | 1,868.5 |
| Bosnia and Herzegovina | | | 28 | 585.2 | 28 | 585.2 |
| Botswana | 19 | 280.7 | 6 | 15.8 | 25 | 296.5 |
| Brazil | 256 | 28,702.8 | | | 256 | 28,702.8 |
| Bulgaria | 22 | 1,430.8 | | | 22 | 1,430.8 |
| Burkina Faso | | 1.9 | 51 | 927.2 | 51 | 929.1 |
| Burundi | 1 | 4.8 | 48 | 741.0 | 49 | 745.8 |
| Cambodia | | | 15 | 385.1 | 15 | 385.1 |
| Cameroon | 45 | 1,347.8 | 26 | 1,062.7 | 71 | 2,410.5 |
| Cape Verde | | | 15 | 149.4 | 15 | 149.4 |
| Caribbean | 4 | 83.0 | 2 | 43.0 | 6 | 126.0 |
| Central African Republic | | | 26 | 431.5 | 26 | 431.5 |
| Chad | 1 | 39.5 | 38 | 704.9 | 39 | 744.4 |
| Chile | 61 | 3,585.9 | | 19.0 | 61 | 3,604.9 |
| China | 156 | 24,778.8 | 71 | 9,946.7 | 227 | 34,725.5 |
| Colombia | 158 | 9,831.6 | | 19.5 | 158 | 9,851.1 |
| Comoros | | | 16 | 101.7 | 16 | 101.7 |
| Congo, Democratic Republic of | 7 | 330.0 | 59 | 1,151.5 | 66 | 1,481.5 |
| Congo, Republic of | 10 | 216.7 | 10 | 183.6 | 20 | 400.3 |
| Costa Rica | 39 | 921.5 | | 5.5 | 39 | 927.0 |
| Côte d'Ivoire | 62 | 2,887.9 | 24 | 1,830.5 | 86 | 4,718.4 |
| Croatia | 15 | 762.7 | | | 15 | 762.7 |
| Cyprus | 30 | 418.8 | | | 30 | 418.8 |
| Czech Republic | 3 | 776.0 | | | 3 | 776.0 |
| Denmark | 3 | 85.0 | | | 3 | 85.0 |
| Djibouti | | | 12 | 90.6 | 12 | 90.6 |
| Dominica | 1 | 3.1 | 3 | 14.1 | 4 | 17.1 |
| Dominican Republic | 29 | 868.3 | 3 | 22.0 | 32 | 890.3 |
| Eastern Africa | | | 1 | 45.0 | 1 | 45.0 |
| Ecuador | 68 | 2,624.3 | 5 | 36.9 | 73 | 2,661.2 |
| Egypt, Arab Republic of | 63 | 4,497.5 | 41 | 1,984.0 | 104 | 6,481.5 |
| El Salvador | 32 | 820.6 | 2 | 25.6 | 34 | 846.2 |
| Equatorial Guinea | | | 9 | 45.0 | 9 | 45.0 |
| Eritrea | | | 6 | 150.4 | 6 | 150.4 |

*(continued next page)*

# APPENDIX 13 *(continued)*
*(amounts in millions of U.S. dollars)*

| Country | IBRD loans | | IDA credits | | Total | |
|---|---|---|---|---|---|---|
| | Number | Amount | Number | Amount | Number | Amount |
| Estonia | 8 | 150.7 | | | 8 | 150.7 |
| Ethiopia | 12 | 108.6 | 60 | 2,902.7 | 72 | 3,011.3 |
| Fiji | 12 | 152.9 | | | 12 | 152.9 |
| Finland | 18 | 316.8 | | | 18 | 316.8 |
| France | 1 | 250.0 | | | 1 | 250.0 |
| Gabon | 14 | 227.0 | | | 14 | 227.0 |
| Gambia, The | | | 25 | 213.2 | 25 | 213.2 |
| Georgia | | | 24 | 557.2 | 24 | 557.2 |
| Ghana | 9 | 207.0 | 97 | 3,544.9 | 106 | 3,751.9 |
| Greece | 17 | 490.8 | | | 17 | 490.8 |
| Grenada | 1 | 3.8 | 1 | 8.8 | 2 | 12.7 |
| Guatemala | 33 | 1,058.1 | | | 33 | 1,058.1 |
| Guinea | 3 | 75.2 | 54 | 1,148.2 | 57 | 1,223.4 |
| Guinea-Bissau | | | 22 | 259.9 | 22 | 259.9 |
| Guyana | 12 | 80.0 | 17 | 307.6 | 29 | 387.6 |
| Haiti | 1 | 2.6 | 36 | 626.5 | 37 | 629.1 |
| Honduras | 33 | 717.3 | 23 | 1,011.9 | 56 | 1,729.2 |
| Hungary | 40 | 4,333.6 | | | 40 | 4,333.6 |
| Iceland | 10 | 47.1 | | | 10 | 47.1 |
| India | 177 | 26,762.4 | 235 | 27,027.8 | 412 | 53,790.2 |
| Indonesia | 242 | 27,056.3 | 48 | 1,188.2 | 290 | 28,244.5 |
| Iran, Islamic Republic of | 41 | 2,290.1 | | | 41 | 2,290.1 |
| Iraq | 6 | 156.2 | | | 6 | 156.2 |
| Ireland | 8 | 152.5 | | | 8 | 152.5 |
| Israel | 11 | 284.5 | | | 11 | 284.5 |
| Italy | 8 | 399.6 | | | 8 | 399.6 |
| Jamaica | 62 | 1,326.0 | | | 62 | 1,326.0 |
| Japan | 31 | 862.9 | | | 31 | 862.9 |
| Jordan | 51 | 1,916.7 | 15 | 85.3 | 66 | 2,002.0 |
| Kazakhstan | 21 | 1,819.1 | | | 21 | 1,819.1 |
| Kenya | 46 | 1,200.7 | 73 | 2,870.8 | 119 | 4,071.5 |
| Korea, Republic of | 114 | 15,647.0 | 6 | 110.8 | 120 | 15,757.8 |
| Kyrgyz Republic | | | 21 | 534.4 | 21 | 534.4 |
| Lao People's Democratic Republic | | | 27 | 576.0 | 27 | 576.0 |
| Latvia | 15 | 355.4 | | | 15 | 355.4 |
| Lebanon | 17 | 920.1 | | | 17 | 920.1 |
| Lesotho | 2 | 155.0 | 28 | 303.2 | 30 | 458.2 |
| Liberia | 19 | 156.0 | 14 | 114.5 | 33 | 270.5 |
| Lithuania | 14 | 349.9 | | | 14 | 349.9 |
| Luxembourg | 1 | 12.0 | | | 1 | 12.0 |
| Macedonia, FYR of | 8 | 205.5 | 9 | 293.8 | 17 | 499.3 |
| Madagascar | 5 | 32.9 | 77 | 1,853.0 | 82 | 1,885.9 |
| Malawi | 9 | 124.1 | 66 | 1,874.5 | 75 | 1,998.6 |
| Malaysia | 87 | 4,150.6 | | | 87 | 4,150.6 |
| Maldives | | | 7 | 64.9 | 7 | 64.9 |
| Mali | | 1.9 | 62 | 1,381.4 | 62 | 1,383.3 |
| Malta | 1 | 7.5 | | | 1 | 7.5 |
| Mauritania | 3 | 146.0 | 46 | 595.9 | 49 | 741.9 |
| Mauritius | 31 | 417.8 | 4 | 20.2 | 35 | 438.0 |
| Mexico | 173 | 31,178.8 | | | 173 | 31,178.8 |
| Moldova | 9 | 302.8 | 6 | 146.0 | 15 | 448.8 |
| Mongolia | | | 12 | 207.7 | 12 | 207.7 |
| Morocco | 125 | 8,442.8 | 3 | 50.8 | 128 | 8,493.6 |

*(continued next page)*

# APPENDIX 13 *(continued)*
*(amounts in millions of U.S. dollars)*

| | IBRD loans | | IDA credits | | Total | |
|---|---|---|---|---|---|---|
| **Country** | **Number** | **Amount** | **Number** | **Amount** | **Number** | **Amount** |
| Mozambique | | | 37 | 1,973.6 | 37 | 1,973.6 |
| Myanmar | 3 | 33.4 | 30 | 804.0 | 33 | 837.4 |
| Nepal | | | 71 | 1,612.0 | 71 | 1,612.0 |
| Netherlands | 8 | 244.0 | | | 8 | 244.0 |
| New Zealand | 6 | 126.8 | | | 6 | 126.8 |
| Nicaragua | 27 | 233.6 | 25 | 875.4 | 52 | 1,109.0 |
| Niger | | | 46 | 826.9 | 46 | 826.9 |
| Nigeria | 84 | 6,248.2 | 17 | 982.9 | 101 | 7,231.1 |
| Norway | 6 | 145.0 | | | 6 | 145.0 |
| OECS Countries | 3 | 24.5 | | 12.6 | 3 | 37.1 |
| Oman | 11 | 157.1 | | | 11 | 157.1 |
| Pakistan | 84 | 6,614.2 | 107 | 5,468.1 | 191 | 12,082.3 |
| Panama | 42 | 1,179.8 | | | 42 | 1,179.8 |
| Papua New Guinea | 33 | 729.3 | 9 | 113.2 | 42 | 842.5 |
| Paraguay | 36 | 807.9 | 6 | 45.5 | 42 | 853.4 |
| Peru | 85 | 5,148.2 | | | 85 | 5,148.2 |
| Philippines | 154 | 10,993.9 | 5 | 294.2 | 159 | 11,288.1 |
| Poland | 33 | 5,130.2 | | | 33 | 5,130.2 |
| Portugal | 32 | 1,338.8 | | | 32 | 1,338.8 |
| Romania | 62 | 5,308.4 | | | 62 | 5,308.4 |
| Russian Federation | 44 | 11,811.5 | | | 44 | 11,811.5 |
| Rwanda | | | 50 | 929.4 | 50 | 929.4 |
| Samoa | | | 9 | 61.0 | 9 | 61.0 |
| São Tomé and Principe | | | 8 | 58.9 | 8 | 58.9 |
| Senegal | 19 | 164.9 | 76 | 1,863.1 | 95 | 2,028.1 |
| Seychelles | 2 | 10.7 | | | 2 | 10.7 |
| Sierra Leone | 4 | 18.7 | 23 | 458.7 | 27 | 477.4 |
| Singapore | 14 | 181.3 | | | 14 | 181.3 |
| Slovak Republic | 2 | 135.0 | | | 2 | 135.0 |
| Slovenia | 5 | 177.7 | | | 5 | 177.7 |
| Solomon Islands | | | 8 | 49.9 | 8 | 49.9 |
| Somalia | | | 39 | 492.1 | 39 | 492.1 |
| South Africa | 12 | 287.8 | | | 12 | 287.8 |
| Spain | 12 | 478.7 | | | 12 | 478.7 |
| Sri Lanka | 12 | 210.7 | 73 | 2,316.4 | 85 | 2,527.1 |
| St. Kitts and Nevis | 1 | 1.5 | | 1.5 | 1 | 3.0 |
| St. Lucia | 4 | 10.0 | | 12.7 | 4 | 22.7 |
| St. Vincent and the Grenadines | 1 | 1.4 | 1 | 6.4 | 2 | 7.8 |
| Sudan | 8 | 166.0 | 47 | 1,352.9 | 55 | 1,518.9 |
| Swaziland | 12 | 104.8 | 2 | 7.8 | 14 | 112.6 |
| Syrian Arab Republic | 17 | 613.2 | 3 | 47.3 | 20 | 660.5 |
| Taiwan, China | 14 | 329.4 | 4 | 15.3 | 18 | 344.7 |
| Tajikistan | | | 13 | 208.2 | 13 | 208.2 |
| Tanzania | 17 | 318.9 | 97 | 3,467.8 | 114 | 3,786.7 |
| Thailand | 118 | 7,979.1 | 6 | 125.1 | 124 | 8,104.2 |
| Togo | 1 | 20.0 | 41 | 733.5 | 42 | 753.5 |
| Tonga | | | 2 | 5.0 | 2 | 5.0 |
| Trinidad and Tobago | 21 | 313.6 | | | 21 | 313.6 |
| Tunisia | 111 | 4,625.7 | 5 | 74.6 | 116 | 4,700.3 |
| Turkey | 129 | 15,540.2 | 10 | 178.5 | 139 | 15,718.7 |
| Turkmenistan | 3 | 89.5 | | | 3 | 89.5 |
| Uganda | 1 | 9.1 | 72 | 2,862.3 | 73 | 2,871.4 |
| Ukraine | 17 | 2,840.1 | | | 17 | 2,840.1 |

*(continued next page)*

# APPENDIX 13 *(continued)*
*(amounts in millions of U.S. dollars)*

| | IBRD loans | | IDA credits | | Total | |
|---|---|---|---|---|---|---|
| **Country** | **Number** | **Amount** | **Number** | **Amount** | **Number** | **Amount** |
| Uruguay | 46 | 1,748.6 | | | 46 | 1,748.6 |
| Uzbekistan | 10 | 463.0 | | | 10 | 463.0 |
| Vanuatu | | | 4 | 15.4 | 4 | 15.4 |
| Venezuela, Republica Bolivariana de | 39 | 3,298.1 | | | 39 | 3,298.1 |
| Vietnam | | | 27 | 2,640.3 | 27 | 2,640.3 |
| Western Africa | 1 | 6.1 | 3 | 52.5 | 4 | 58.6 |
| Yemen, Republic of | | | 118 | 1,775.8 | 118 | 1,775.8 |
| Yugoslavia, Federated Republic of | 90 | 6,114.7 | | | 90 | 6,114.7 |
| Zambia | 27 | 679.1 | 48 | 2,386.1 | 75 | 3,065.2 |
| Zimbabwe | 24 | 983.2 | 12 | 661.9 | 36 | 1,645.1 |
| Total | 4,438 | 349,583.1 | 3,177 | 120,218.7 | 7,615 | 469,801.8 |

*Note: Joint IBRD/IDA operations are counted only once, as IBRD operations. When more than one loan is made for a single project, the operation is counted only once. Details may not add to totals because of rounding.*

# Appendix 14: Projects Approved for IBRD and IDA Assistance in Fiscal 2000, by Region, July 1, 1999–June 30, 2000

*(amounts in millions of U.S. dollars)*

| | IBRD loans | | IDA credits | | Total | |
|---|---|---|---|---|---|---|
| Country | Number | Amount | Number | Amount | Number | Amount |
| **Africa** | | | | | | |
| Angola | | | 1 | 33.0 | 1 | 33.0 |
| Benin | | | 3 | 37.2 | 3 | 37.2 |
| Burkina Faso | | | 1 | 25.0 | 1 | 25.0 |
| Burundi | | | 2 | 47.0 | 2 | 47.0 |
| Cameroon | 1 | 53.4 | 2 | 37.7 | 3 | 91.1 |
| Cape Verde | | | 1 | 3.0 | 1 | 3.0 |
| Central African Republic | | | 2 | 28.0 | 2 | 28.0 |
| Chad | 1 | 39.5 | 3 | 82.7 | 4 | 122.2 |
| Côte d'Ivoire | | | 2 | 28.2 | 2 | 28.2 |
| Ghana | | | 3 | 42.1 | 3 | 42.1 |
| Guinea | | | 1 | 19.0 | 1 | 19.0 |
| Guinea-Bissau | | | 1 | 25.0 | 1 | 25.0 |
| Lesotho | | | 2 | 11.2 | 2 | 11.2 |
| Madagascar | | | 3 | 109.6 | 3 | 109.6 |
| Malawi | | | 1 | 28.9 | 1 | 28.9 |
| Mali | | | 3 | 139.9 | 3 | 139.9 |
| Mauritania | | | 4 | 83.1 | 4 | 83.1 |
| Mauritius | 1 | 4.8 | | | 1 | 4.8 |
| Mozambique | | | 4 | 161.6 | 4 | 161.6 |
| Niger | | | 1 | 10.4 | 1 | 10.4 |
| Nigeria | | | 3 | 80.0 | 3 | 80.0 |
| Rwanda | | | 3 | 60.0 | 3 | 60.0 |
| Senegal | | | 5 | 160.8 | 5 | 160.8 |
| Sierra Leone | | | 2 | 55.0 | 2 | 55.0 |
| Tanzania | | | 6 | 329.7 | 6 | 329.7 |
| Uganda | | | 2 | 147.9 | 2 | 147.9 |
| Zambia | | | 4 | 270.4 | 4 | 270.4 |
| Zimbabwe | | | 1 | 5.0 | 1 | 5.0 |
| Total | 3 | 97.6 | 66 | 2,061.4 | 69 | 2,159.1[a] |
| **East Asia** | | | | | | |
| Cambodia | | | 4 | 41.7 | 4 | 41.7 |
| China | 8 | 1,672.5 | | | 8 | 1,672.5 |
| Indonesia | 1 | 13.0 | 2 | 120.4 | 3 | 133.4 |
| Mongolia | | | 1 | 32.0 | 1 | 32.0 |
| Papua New Guinea | 4 | 132.3 | | | 4 | 132.3 |
| Philippines | 3 | 277.5 | | | 3 | 277.5 |
| Solomon Islands | | | 1 | 4.0 | 1 | 4.0 |
| Thailand | 1 | 400.0 | | | 1 | 400.0 |
| Vietnam | | | 3 | 285.7 | 3 | 285.7 |
| Total | 17 | 2,495.3 | 11 | 483.8 | 28 | 2,979.1 |
| **Europe and Central Asia** | | | | | | |
| Albania | | | 6 | 59.6 | 6 | 59.6 |
| Armenia | | | 2 | 60.0 | 2 | 60.0 |
| Azerbaijan | | | 1 | 42.0 | 1 | 42.0 |
| Bosnia and Herzegovina | | | 3 | 37.6 | 3 | 37.6 |
| Bulgaria | 4 | 220.7 | | | 4 | 220.7 |
| Croatia | 1 | 29.0 | | | 1 | 29.0 |
| Estonia | 1 | 25.0 | | | 1 | 25.0 |
| Georgia | | | 2 | 47.6 | 2 | 47.6 |
| Hungary | 1 | 31.6 | | | 1 | 31.6 |
| Kazakhstan | 1 | 140.0 | | | 1 | 140.0 |
| Kyrgyz Republic | | | 3 | 34.4 | 3 | 34.4 |

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# APPENDIX 14 *(continued)*
*(amounts in millions of U.S. dollars)*

| | IBRD loans | | IDA credits | | Total | |
|---|---|---|---|---|---|---|
| **Country** | **Number** | **Amount** | **Number** | **Amount** | **Number** | **Amount** |
| Latvia | 1 | 40.4 | | | 1 | 40.4 |
| Lithuania | 2 | 56.6 | | | 2 | 56.6 |
| Poland | 3 | 160.7 | | | 3 | 160.7 |
| Romania | 4 | 112.6 | | | 4 | 112.6 |
| Russian Federation | 2 | 90.0 | | | 2 | 90.0 |
| Slovenia | 1 | 9.5 | | | 1 | 9.5 |
| Tajikistan | | | 3 | 27.9 | 3 | 27.9 |
| Turkey | 4 | 1,769.6 | | | 4 | 1,769.6 |
| Ukraine | 1 | 18.3 | | | 1 | 18.3 |
| Uzbekistan | 1 | 29.0 | | | 1 | 29.0 |
| Total | 27 | 2,733.1 | 20 | 309.1 | 47 | 3,042.1 |
| **Latin America and the Caribbean** | | | | | | |
| Argentina | 2 | 57.4 | | | 2 | 57.4 |
| Bolivia | | | 1 | 4.8 | 1 | 4.8 |
| Brazil | 8 | 1,290.0 | | | 8 | 1,290.0 |
| Colombia | 6 | 941.0 | | | 6 | 941.0 |
| Costa Rica | 1 | 32.6 | | | 1 | 32.6 |
| Dominican Republic | 2 | 17.3 | | | 2 | 17.3 |
| Ecuador | 2 | 181.7 | | | 2 | 181.7 |
| Guyana | | | 1 | 4.8 | 1 | 4.8 |
| Honduras | | | 1 | 33.3 | 1 | 33.3 |
| Mexico | 4 | 1,169.3 | | | 4 | 1,169.3 |
| Nicaragua | | | 5 | 120.9 | 5 | 120.9 |
| Peru | 3 | 94.6 | | | 3 | 94.6 |
| St. Lucia | 1 | 1.5 | | 1.5 | 1 | 3.0 |
| Uruguay | 2 | 107.9 | | | 2 | 107.9 |
| Venezuela, Republica Bolivariana de | 1 | 5.0 | | | 1 | 5.0 |
| Total | 32 | 3,898.1 | 8 | 165.3 | 40 | 4,063.5 |
| **Middle East and North Africa** | | | | | | |
| Algeria | 3 | 97.5 | | | 3 | 97.5 |
| Djibouti | | | 1 | 15.0 | 1 | 15.0 |
| Egypt, Arab Republic of | 1 | 50.0 | | | 1 | 50.0 |
| Iran, Islamic Republic of | 2 | 232.0 | | | 2 | 232.0 |
| Jordan | 1 | 34.7 | | | 1 | 34.7 |
| Lebanon | 2 | 136.6 | | | 2 | 136.6 |
| Morocco | 2 | 7.5 | | | 2 | 7.5 |
| Tunisia | 2 | 202.0 | | | 2 | 202.0 |
| Yemen, Republic of | | | 4 | 144.8 | 4 | 144.8 |
| Total | 13 | 760.2 | 5 | 159.8 | 18 | 920.0 |
| **South Asia** | | | | | | |
| Bangladesh | | | 4 | 171.9 | 4 | 171.9 |
| Bhutan | | | 2 | 22.4 | 2 | 22.4 |
| India | 5 | 934.2 | 6 | 866.5 | 11 | 1,800.7 |
| Maldives | | | 1 | 17.6 | 1 | 17.6 |
| Nepal | | | 1 | 54.5 | 1 | 54.5 |
| Sri Lanka | | | 2 | 45.2 | 2 | 45.2 |
| Total | 5 | 934.2 | 16 | 1,178.1 | 21 | 2,112.4 |
| Bankwide Total | 97 | 10,918.6 | 126 | 4,357.6 | 223 | 15,276.2 |

*Note: Supplements are included in the amount but are not counted as separate lending operations. Joint IBRD/IDA operations are counted only once, as IBRD operations. Details may not add to totals because of rounding.*
*a. Excludes an IDA HIPC amount of $154 million to Mozambique.*

# Appendix 15: Projects Approved for IBRD and IDA Assistance in Fiscal 2000, by Purpose, July 1, 1999–June 30, 2000

*(amounts in millions of U.S. dollars)*

| Sector Group/Country | IBRD | IDA | Total |
|---|---|---|---|
| **Agriculture** | | | |
| Azerbaijan | | 42.0 | 42.0 |
| Bangladesh | | 33.0 | 33.0 |
| Brazil | 136.0 | | 136.0 |
| Cambodia | | 4.8 | 4.8 |
| China | 303.5 | | 303.5 |
| Egypt, Arab Republic of | 50.0 | | 50.0 |
| Georgia | | 7.6 | 7.6 |
| Indonesia | 13.0 | 5.0 | 18.0 |
| Kyrgyz Republic | | 20.0 | 20.0 |
| Mali | | 115.1 | 115.1 |
| Mauritania | | 38.1 | 38.1 |
| Mexico | 55.0 | | 55.0 |
| Nicaragua | | 23.6 | 23.6 |
| Niger | | 10.4 | 10.4 |
| Peru | 9.6 | | 9.6 |
| Philippines | 27.5 | | 27.5 |
| Romania | 11.0 | | 11.0 |
| Russian Federation | 60.0 | | 60.0 |
| Rwanda | | 5.0 | 5.0 |
| Sri Lanka | | 27.0 | 27.0 |
| Tajikistan | | 20.0 | 20.0 |
| Tunisia | 103.0 | | 103.0 |
| Zimbabwe | | 5.0 | 5.0 |
| Total | 768.6 | 356.6 | 1,125.2 |
| **Economic policy** | | | |
| Cambodia | | 30.0 | 30.0 |
| Cameroon | | 11.0 | 11.0 |
| Central African Republic | | 8.0 | 8.0 |
| Ghana | | 1.2 | 1.2 |
| Guinea-Bissau | | 25.0 | 25.0 |
| India | | 45.0 | 45.0 |
| Kyrgyz Republic | | 5.0 | 5.0 |
| Nicaragua | | 20.9 | 20.9 |
| Nigeria | | 20.0 | 20.0 |
| Sierra Leone | | 30.0 | 30.0 |
| Tanzania | | 191.1 | 191.1 |
| Turkey | 759.6 | | 759.6 |
| Zambia | | 140.0 | 140.0 |
| Total | 759.6 | 527.2 | 1,286.8 |
| **Education** | | | |
| Albania | | 12.0 | 12.0 |
| Benin | | 6.8 | 6.8 |
| Bosnia and Herzegovina | | 10.6 | 10.6 |
| Cambodia | | 5.0 | 5.0 |
| Colombia | 20.0 | | 20.0 |
| Côte d'Ivoire | | 7.0 | 7.0 |
| India | | 182.4 | 182.4 |
| Jordan | 34.7 | | 34.7 |
| Lebanon | 56.6 | | 56.6 |
| Maldives | | 17.6 | 17.6 |
| Mali | | 3.8 | 3.8 |
| Nicaragua | | 52.5 | 52.5 |

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# APPENDIX 15 *(continued)*
*(amounts in millions of U.S. dollars)*

| Sector Group/Country | IBRD | IDA | Total |
|---|---|---|---|
| Nigeria | | 55.0 | 55.0 |
| Rwanda | | 35.0 | 35.0 |
| Senegal | | 52.1 | 52.1 |
| Tunisia | 99.0 | | 99.0 |
| Venezuela, Republica Bolivariana de | 5.0 | | 5.0 |
| Yemen, Republic of | | 28.9 | 28.9 |
| Total | 215.3 | 468.7 | 684.0 |
| **Electric power and energy** | | | |
| Bolivia | | 4.8 | 4.8 |
| China | 320.0 | | 320.0 |
| India | 230.0 | 50.0 | 280.0 |
| Kazakhstan | 140.0 | | 140.0 |
| Mauritania | | 9.9 | 9.9 |
| Poland | 38.2 | | 38.2 |
| Uganda | | 33.0 | 33.0 |
| Ukraine | 18.3 | | 18.3 |
| Vietnam | | 150.0 | 150.0 |
| Total | 746.5 | 247.7 | 994.2 |
| **Environment** | | | |
| Brazil | 15.0 | | 15.0 |
| Bulgaria | 50.0 | | 50.0 |
| Cambodia | | 1.9 | 1.9 |
| Cameroon | | 5.8 | 5.8 |
| China | 349.0 | | 349.0 |
| Colombia | 5.0 | | 5.0 |
| Costa Rica | 32.6 | | 32.6 |
| Kyrgyz Republic | | 9.4 | 9.4 |
| Mauritania | | 5.0 | 5.0 |
| Mozambique | | 5.6 | 5.6 |
| Poland | 2.5 | | 2.5 |
| Tajikistan | | 0.5 | 0.5 |
| Vietnam | | 31.8 | 31.8 |
| Total | 454.1 | 60.0 | 514.1 |
| **Finance** | | | |
| Albania | | 6.5 | 6.5 |
| Bangladesh | | 46.9 | 46.9 |
| Brazil | 50.0 | | 50.0 |
| Bulgaria | 100.0 | | 100.0 |
| Colombia | 506.0 | | 506.0 |
| Ecuador | 161.5 | | 161.5 |
| Ghana | | 5.1 | 5.1 |
| Mali | | 21.0 | 21.0 |
| Mauritius | 4.8 | | 4.8 |
| Mexico | 505.1 | | 505.1 |
| Mongolia | | 32.0 | 32.0 |
| Nicaragua | | 8.0 | 8.0 |
| Sri Lanka | | 18.2 | 18.2 |
| Tanzania | | 29.5 | 29.5 |
| Turkey | 252.5 | | 252.5 |
| Uruguay | 80.9 | | 80.9 |
| Total | 1,660.8 | 167.2 | 1,828.0 |

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| Sector Group/Country | IBRD | IDA | Total |
|---|---|---|---|
| **Health, nutrition, and population** | | | |
| Argentina | 57.4 | | 57.4 |
| Bangladesh | | 92.0 | 92.0 |
| Bulgaria | 63.3 | | 63.3 |
| Chad | | 41.5 | 41.5 |
| Croatia | 29.0 | | 29.0 |
| Ecuador | 20.2 | | 20.2 |
| India | | 252.6 | 252.6 |
| Indonesia | | 115.4 | 115.4 |
| Iran, Islamic Republic of | 87.0 | | 87.0 |
| Lesotho | | 6.5 | 6.5 |
| Lithuania | 21.2 | | 21.2 |
| Madagascar | | 40.0 | 40.0 |
| Peru | 80.0 | | 80.0 |
| Romania | 40.0 | | 40.0 |
| Slovenia | 9.5 | | 9.5 |
| Solomon Islands | | 4.0 | 4.0 |
| Tajikistan | | 5.4 | 5.4 |
| Tanzania | | 22.0 | 22.0 |
| Total | 407.6 | 579.4 | 987.0 |
| **Mining** | | | |
| Papua New Guinea | 10.0 | | 10.0 |
| Romania | 44.5 | | 44.5 |
| Total | 54.5 | | 54.5 |
| **Multisector** | | | |
| Algeria | 83.5 | | 83.5 |
| Burundi | | 35.0 | 35.0 |
| Colombia | 225.0 | | 225.0 |
| India | | 100.5 | 100.5 |
| Mozambique | | 30.0 | 30.0 |
| Turkey | 252.5 | | 252.5 |
| Total | 561.0 | 165.5 | 726.5 |
| **Oil and gas** | | | |
| Brazil | 43.4 | | 43.4 |
| Cameroon | 53.4 | | 53.4 |
| Chad | 39.5 | 23.7 | 63.2 |
| Papua New Guinea | 7.0 | | 7.0 |
| Total | 143.3 | 23.7 | 167.0 |
| **Private sector development** | | | |
| Algeria | 5.0 | | 5.0 |
| Benin | | 30.4 | 30.4 |
| Cameroon | | 20.9 | 20.9 |
| Central African Republic | | 20.0 | 20.0 |
| Guyana | | 4.8 | 4.8 |
| Malawi | | 28.9 | 28.9 |
| Mozambique | | 26.0 | 26.0 |
| Senegal | | 28.5 | 28.5 |
| Tanzania | | 45.9 | 45.9 |
| Yemen, Republic of | | 10.9 | 10.9 |
| Total | 5.0 | 216.3 | 221.3 |

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# APPENDIX 15 *(continued)*
*(amounts in millions of U.S. dollars)*

| Sector Group/Country | IBRD | IDA | Total |
|---|---|---|---|
| **Public sector management** | | | |
| Albania | | 17.5 | 17.5 |
| Brazil | 505.1 | | 505.1 |
| Burkina Faso | | 25.0 | 25.0 |
| Cape Verde | | 3.0 | 3.0 |
| Chad | | 17.5 | 17.5 |
| Guinea | | 19.0 | 19.0 |
| India | 126.2 | 125.0 | 251.2 |
| Latvia | 40.4 | | 40.4 |
| Madagascar | | 4.6 | 4.6 |
| Mauritania | | 30.0 | 30.0 |
| Mexico | 609.2 | | 609.2 |
| Morocco | 5.3 | | 5.3 |
| Papua New Guinea | 90.0 | | 90.0 |
| Russian Federation | 30.0 | | 30.0 |
| Tanzania | | 41.2 | 41.2 |
| Thailand | 400.0 | | 400.0 |
| Uganda | | 114.9 | 114.9 |
| Yemen, Republic of | | 30.0 | 30.0 |
| Zambia | | 28.0 | 28.0 |
| Total | 1,806.2 | 455.9 | 2,262.1 |
| **Social protection** | | | |
| Angola | | 33.0 | 33.0 |
| Armenia | | 20.0 | 20.0 |
| Bosnia and Herzegovina | | 15.0 | 15.0 |
| Brazil | 510.1 | | 510.1 |
| Burundi | | 12.0 | 12.0 |
| Colombia | 100.0 | | 100.0 |
| Honduras | | 22.5 | 22.5 |
| India | | 111.0 | 111.0 |
| Lesotho | | 4.7 | 4.7 |
| Peru | 5.0 | | 5.0 |
| Philippines | 100.0 | | 100.0 |
| Sierra Leone | | 25.0 | 25.0 |
| St. Lucia | 1.5 | 1.5 | 3.0 |
| Yemen, Republic of | | 75.0 | 75.0 |
| Zambia | | 64.7 | 64.7 |
| Total | 716.6 | 384.4 | 1,101.0 |
| **Telecommunications** | | | |
| Algeria | 9.0 | | 9.0 |
| Dominican Republic | 12.3 | | 12.3 |
| India | 62.0 | | 62.0 |
| Nicaragua | | 15.9 | 15.9 |
| Senegal | | 10.2 | 10.2 |
| Total | 83.3 | 26.0 | 109.3 |
| **Transportation** | | | |
| Albania | | 13.6 | 13.6 |
| Armenia | | 40.0 | 40.0 |
| Bhutan | | 11.6 | 11.6 |
| Bulgaria | 7.4 | | 7.4 |
| China | 350.0 | | 350.0 |

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# APPENDIX 15 *(continued)*
*(amounts in millions of U.S. dollars)*

| Sector Group/Country | IBRD | IDA | Total |
|---|---|---|---|
| Côte d'Ivoire | | 21.2 | 21.2 |
| Djibouti | | 15.0 | 15.0 |
| Estonia | 25.0 | | 25.0 |
| Georgia | | 40.0 | 40.0 |
| India | 516.0 | | 516.0 |
| Lithuania | 35.4 | | 35.4 |
| Madagascar | | 65.0 | 65.0 |
| Mozambique | | 100.0 | 100.0 |
| Nepal | | 54.5 | 54.5 |
| Papua New Guinea | 25.3 | | 25.3 |
| Philippines | 150.0 | | 150.0 |
| Romania | 17.1 | | 17.1 |
| Senegal | | 70.0 | 70.0 |
| Uzbekistan | 29.0 | | 29.0 |
| Vietnam | | 103.9 | 103.9 |
| Total | 1,155.1 | 534.9 | 1,690.0 |
| **Urban development** | | | |
| Bhutan | | 10.8 | 10.8 |
| Ghana | | 10.8 | 10.8 |
| Honduras | | 10.8 | 10.8 |
| Lebanon | 80.0 | | 80.0 |
| Morocco | 2.2 | | 2.2 |
| Tajikistan | | 2.0 | 2.0 |
| Turkey | 505.0 | | 505.0 |
| Total | 587.2 | 34.4 | 621.6 |
| **Water supply and sanitation** | | | |
| Albania | | 10.0 | 10.0 |
| Bosnia and Herzegovina | | 12.0 | 12.0 |
| Brazil | 30.3 | | 30.3 |
| China | 350.0 | | 350.0 |
| Colombia | 85.0 | | 85.0 |
| Dominican Republic | 5.0 | | 5.0 |
| Ghana | | 25.0 | 25.0 |
| Hungary | 31.6 | | 31.6 |
| Iran, Islamic Republic of | 145.0 | | 145.0 |
| Nigeria | | 5.0 | 5.0 |
| Poland | 120.0 | | 120.0 |
| Rwanda | | 20.0 | 20.0 |
| Uruguay | 27.0 | | 27.0 |
| Zambia | | 37.7 | 37.7 |
| Total | 793.9 | 109.7 | 903.6 |
| Bankwide Total | 10,918.6 | 4,357.6 | 15,276.2 |

*Note: Supplements are included in the amount but are not counted as separate lending operations. Joint IBRD/IDA operations are counted only once, as IBRD operations. Details may not add to totals because of rounding.*

# Appendix 16: Development Committee Communiqués, Fiscal 2000

1. *The 60th meeting of the Development Committee was held in Washington, D.C., on September 27, 1999 under the chairmanship of Mr. Tarrin Nimmanahaeminda, Minister of Finance of Thailand.*

2. *Heavily Indebted Poor Countries Debt Initiative (HIPC) and Enhanced Poverty Focus of IDA and ESAF Supported Programs.* Ministers expressed their appreciation to the Bank and the Fund for the transparent and participatory manner in which they conducted the 1999 HIPC Initiative review. They welcomed the important role played by civil society in the development of proposals designed to make the debt relief under the HIPC Initiative deeper, broader, and faster.

3. Ministers endorsed—subject to the availability of funding—the enhancements to the HIPC Initiative framework for countries pursuing sound policies and committed to reform. In this context, they expressed support for: (a) a lowering of the debt sustainability thresholds to provide a greater safety cushion and increased prospects for a permanent exit from unsustainable debt; (b) the provision of faster debt relief through interim assistance; (c) the introduction of floating completion points that would shift the focus of assessment toward positive achievements and outcomes rather than the length of track record; and (d) the resulting increase in the number of countries expected to be eligible for debt relief.

4. Ministers also endorsed the proposed framework for strengthening the link between debt relief and poverty reduction, while recognizing that debt relief alone would be insufficient to achieve this goal. In this context, they welcomed the proposed Poverty Reduction Strategy Papers, to be prepared by national authorities in close collaboration with Bank and Fund staff. They stressed that the Poverty Paper should be in place by the decision point; they recognized, however, that on a transitional basis the decision point could be reached without agreement on a Poverty Paper, but in all cases demonstrable progress in implementing a poverty reduction strategy would be required by the completion point.

5. Ministers also welcomed and endorsed the proposals developed by the Bank and the Fund to extend the same approach to enhance the poverty focus of all IDA and ESAF supported programs, and to strengthen collaboration between the two institutions. The Committee emphasized that the strategies set out in the new Poverty Papers should be country-driven; be developed transparently with broad participation of elected institutions, stakeholders including civil society, key donors, and regional development banks; and have a clear link with the agreed international development goals—principles that are embedded in the Comprehensive Development Framework. They stressed, in particular, the need to develop macroeconomic, structural, and social policies that will contribute to long-term poverty reduction, and the need to develop measurable intermediate and outcome indicators to monitor progress. Ministers stressed the crucial role good governance plays for HIPC implementation in establishing a framework that discourages corruption and provides more effective monitoring and quality control over fiscal expenditures. Ministers called on the Bank and the Fund, in accordance with their respective mandates and expertise, to give all possible assistance to countries in bringing together the necessary social, structural, and macroeconomic policies required in developing poverty reduction strategies, recognizing the countries' capacity constraints. The Poverty Reduction Strategy Papers would provide the basis for all IDA and Fund lending to low-income countries. Ministers also encouraged regional development banks and donors to use the Poverty Reduction Strategy Papers to guide their support.

6. Ministers welcomed the proposed reform of the ESAF aimed at giving greater prominence to the goal of supporting countries' poverty reduction efforts, and the proposed renaming of the facility as the Poverty Reduction and Growth Facility. Recognizing that the new approach will involve substantial changes in Bank and Fund operations to combat poverty, and the need to tailor the approach to individual country circumstances and to learn quickly from experience in early cases, the Committee strongly welcomed the commitments of the President and Managing Director to its effective implementation. Ministers looked forward to receiving reports on progress achieved.

7. Ministers reaffirmed the importance of implementing the enhanced HIPC Initiative framework in accordance with the principles

that have guided the Initiative since its inception, including (a) additionality of debt relief (b) the maintenance of the financial integrity of multilateral financial institutions, and (c) the importance of burden-sharing on a fair and equitable basis, including of the costs to multilateral institutions. They agreed that financing of debt relief should not compromise the financing made available through concessional windows such as IDA. Ministers expressed appreciation for the many contributions to the HIPC Initiative made thus far, and for the efforts made by multilateral development institutions to provide funding for the Initiative from their own resources. Ministers recognized that most of these institutions will need bilateral support on an urgent basis in order to meet the additional costs resulting from the proposed enhanced framework, and to enable them to implement the Initiative rapidly. The Committee welcomes the agreement on the financing of the Fund's participation in the HIPC Initiative and continued concessional lending by the Fund for growth and poverty reduction in low income member countries.

8. Ministers also welcomed agreement on the elements of a financing plan for multilateral development banks that respect the above principles. This will permit the enhanced HIPC Initiative framework to be launched and the delivery of debt relief to begin for those countries requiring retroactive relief and those expected to reach their decision points over the near term. They asked the World Bank to work actively and closely with the whole group of donors and other MDBs to ensure that financing is mobilized to fully fund HIPC debt relief over the longer term.

9. Ministers also welcomed the agreement by the Paris Club to increase its debt relief under the enhanced framework by providing increased debt reduction in NPV terms up to 90 percent or more, if needed, on commercial loans as well as additional relief on ODA claims—up to full cancellation—on a bilateral basis.

10. Ministers welcomed the continuing progress in the implementation of the Initiative, noting that, to date, 14 countries have been considered under the Initiative—with four brought to their completion points. The Committee urged the speedy implementation of the enhanced Initiative so that as many countries as possible qualify for assistance under the Initiative by end-2000.

11. *IBRD Capital Adequacy.* Ministers reviewed a report from the World Bank that reflected ongoing discussions by the Bank's Executive Board and management on options to maintain and support the IBRD's financial capacity. The Committee agreed with the report's finding that the Bank's finances remain sound. Ministers also recognized that the Bank's financial capacity may limit its ability to respond to future demands, especially when there is a deterioration in the global financial environment. Ministers requested management and the Executive Board to continue their examination of the level of financial capacity needed to preserve the IBRD's financial integrity while permitting it to help meet, within its mandate, the development needs of borrowing member countries. Ministers requested that the Bank report regularly to the Committee on these issues.

12. *Developing and Transition Countries and the International Trade Agenda.* The Committee noted that effective development and trade policy have become increasingly intertwined. They emphasized the importance of trade to development, poverty alleviation, and sustained global economic recovery. Ministers also emphasized that the next round of trade negotiations needed to deliver early and substantial benefits for developing and transition countries, in particular for the least developed countries. This would require improved market access and further reduce barriers to trade. They stressed that if developing and transition countries are to use the international trading system effectively to promote growth and reduce poverty, they will need to become active partners in the next round of trade negotiations. Ministers welcomed the commitment of the new Director-General of the World Trade Organization (WTO), Mr. Mike Moore, to achieve this goal and urged the World Bank, the Fund, WTO, UNCTAD, and other agencies to help developing and transition countries build their capacity to participate in further rounds of negotiations. The Committee called on the Bank, the Fund, and WTO to cooperate with other parties in developing effective programs of capacity building for trade, including through the Integrated Framework for

Trade Related Technical Assistance for the Least Developed Countries. The Bank, in particular, could provide financial and technical support to improve trade-related infrastructure and institutions, helping to build capacity in domestic institutions involved in trade policy and negotiations, and undertaking research on trade barriers to developing countries' exports.

13. *World Bank Support for Strengthening International Financial Architecture.* Ministers welcomed the role the World Bank Group is playing to help strengthen the global financial architecture to reduce the risk and severity of financial crises, and to reduce the vulnerability of developing countries to crises when they occur. The Committee stressed that at the country level, the Bank's primary focus, given the objective of preventing crises, should be on assisting developing countries to strengthen their domestic financial markets and their integration with the global financial system. This should be done through helping countries to overcome structural and social sources of vulnerability and build the needed policy and institutional capacity. Given the breadth and complexity of the agenda, Ministers encouraged the Bank and the Fund to focus on their areas of comparative strength while developing partnerships with other international institutions. Ministers welcomed progress in the joint Bank/Fund program of financial sector assessments and the Bank's program of Social and Structural Reviews. They also welcomed the proposed enhanced collaboration with the Fund in assisting interested countries to assess their progress in implementing a range of international norms and good practices, with due consideration to differing country conditions. The Committee encouraged the Bank to continue to bring developing country experience and perspectives to the international debate. In this context, they noted the establishment of a global forum on corporate governance, launched in collaboration with the OECD, and the Bank's supportive role for work on insolvency, accounting, and auditing.

14. Ministers welcomed the Bank's help to developing countries on social issues, as well as its report on managing the social dimensions of crises and good practices in social policies. They encouraged the Bank to continue to develop this work and to draw on it in supporting countries' poverty reduction efforts. The Bank should accumulate and disseminate knowledge of good practices to help guide countries seeking to create institutions and implement policies that will forestall and mitigate the social costs of economic shocks and protect the most vulnerable.

15. Ministers welcomed the steps being taken to strengthen the work of the Development and Interim Committees, both to better reflect the enhanced level of cooperation between the Bank and the Fund and to reduce duplication in the committees' agendas. They encouraged the Bank and Fund to continue to review experience in this area.

16. Next Meeting. The Committee's next meeting is scheduled for April 17, 2000 in Washington, D.C.

## COMMUNIQUÉ

1. *The 61st meeting of the Development Committee was held in Washington, D.C., on April 17, 2000 under the chairmanship of Mr. Tarrin Nimmanahaeminda, Minister of Finance of Thailand. The Committee's deliberations took place against the background of growing public debate about the appropriate roles of international institutions at a time when governments and people throughout the world confront the opportunities and rapid changes brought about by globalization. In their discussions of how to strengthen efforts to reduce poverty, to intensify the attack on HIV/AIDS, and to expand the benefits of trade to all countries, Ministers emphasized the importance they attach to preserving and further strengthening the family of multilateral institutions as a powerful force for global progress, equity, and stability.*

2. *Intensifying action against HIV/AIDS.* Ministers emphasized that the HIV/AIDS epidemic, which has already infected about 50 million people, is not only a very serious public health concern and the cause of great human suffering, but a severe danger to development progress itself. Ministers recognized that HIV/AIDS weakens economic growth, governance, human capital, labor productivity, and the investment climate, thereby undermining the foundations of development and poverty reduction. Ministers

noted that the epidemic now poses not only an acute danger to development in Sub-Saharan Africa, but is a rapidly growing threat in Asia and the Caribbean, and a probable threat in many Eastern European countries and elsewhere as well. As HIV/AIDS spreads quickly, even countries with currently low infection rates cannot afford to delay strengthening anti-HIV/AIDS programs.

3. In view of this alarming situation, the Committee called for rapid intensification of international action on the global HIV/AIDS crisis. Given the urgency of prevention and the vast needs for care and treatment, the Committee stressed the importance of effective partnerships to encourage each actor in the international system to focus on its comparative strength. Ministers urged governments, international agencies, civil society, the media and the private sector, including the pharmaceutical industry, to step up their efforts, building on experience gained in on-going activities. They urged developing and transition countries to increase their political and economic commitment to combating HIV/AIDS, to address the epidemic on a multisectoral basis, to scale up programs to nationwide— and in some cases regional - scope, to strengthen the primary health care systems needed for effective delivery of services, and to provide more resources directly to local communities. The Committee encouraged industrialized countries and international organizations to mainstream HIV/AIDS in their development programs and to devote increased financial and institutional resources on a scale commensurate with the scope of the crisis. Ministers recognized that support for capacity building is particularly important in addressing this long-lasting development problem.

4. Ministers welcomed the World Bank's expanded efforts against HIV/AIDS, in particular its active participation in the UNAIDS partnership, its new HIV/AIDS strategy for Africa, and its work with the Global Alliance for Vaccines and Immunizations (GAVI). They urged the Bank to intensify its HIV/AIDS work on a global basis, focusing on its areas of expertise, and called on the Bank and the Fund to take full account of HIV/AIDS in their support for poverty reduction strategies and the HIPC Initiative.

5. *Trade, Development and Poverty Reduction.* Ministers emphasized the critical importance of trade for development and poverty reduction. They noted that accelerated and sustainable growth is a necessary condition for reducing poverty, and that more open economies tend to grow faster than closed ones; evidence suggests that substantial benefits could be gained from further liberalization of trade regimes in both developed and developing (including transition) countries. Ministers recognized that developed countries have much to do to improve market access for developing countries' exports (e.g. agriculture, textiles). Developing countries need to implement appropriately sequenced outward-oriented reforms that will permit trade expansion to promote development and poverty reduction. Ministers noted that the majority of the poorest countries lag behind in their integration into the world trading system. Additional domestic and international reforms are needed, including special consideration of enhanced market access for these countries (e.g., by extending comprehensive and predictable duty- and quota-free market access). Ministers also noted the potential of regional integration to help developing countries increase their share in global markets. Ministers strongly endorsed a timely initiation of WTO multilateral trade negotiations that address, inter alia, issues of most concern to developing countries.

6. Ministers emphasized that countries should ensure that their efforts to expand trade are integrated into a comprehensive framework for development that includes the necessary complementary reforms and investment in institutions, infrastructure, and social programs. Ministers endorsed the commitment of the World Bank and the Fund to use their programs to support these efforts, which are increasingly reflected in countries' poverty reduction strategies. Ministers reiterated their call on the Bank, the Fund, and WTO to cooperate with other parties in developing effective programs of capacity building for trade, including through an improved Integrated Framework for Trade Related Assistance for the Least Developed Countries. The Committee urged the Bank to mainstream trade in its country assistance programs by providing greater financial and technical support to improve trade-related

infrastructure and institutions, including building domestic capacity for trade policy and negotiations. The committee also urged the Bank to undertake a strengthened research program on, inter alia, trade barriers to developing country exports, the issues developing countries face in implementing the Uruguay Round Agreement, and the complex links between trade and poverty.

7. *Heavily Indebted Poor Countries Debt Initiative (HIPC).* Ministers noted the progress made in implementing the enhanced HIPC Initiative framework endorsed by the Committee at its last meeting. Five countries—Bolivia, Mauritania, Mozambique, Tanzania and Uganda—have thus far reached their decision points under this new framework, bringing total committed debt relief under the HIPC Initiative to more than $14 billion; moreover, up to 15 additional country cases could be considered by the Bank and Fund Executive Boards this year. Ministers encouraged the governments of HIPC-eligible countries to continue to work closely with the Bank and Fund and other partners in pursuing sound policies and delivering effective reform programs so that the delivery of HIPC debt relief, and the related poverty reduction strategies, can move forward as swiftly as possible. The Committee welcomed the establishment by the Bank and the Fund of a joint implementation committee (JIC) to facilitate effective implementation of the enhanced HIPC Initiative and the new poverty reduction strategy approach.

8. Ministers appreciated that participation in the enhanced framework had now been approved by the governing bodies of a majority of multilateral institutions, although they recognized that successful implementation of the Initiative will depend upon the timely availability of adequate financing to meet their full debt relief costs. While these institutions were encouraged to utilize their own resources for this purpose to the greatest extent possible, Ministers recognized that many multilateral institutions needed additional bilateral support on an urgent basis. Ministers welcomed donor pledges and commitments of resources, including those announced since September, and urged that these pledges be turned into actual commitments as soon as possible. They also recognized that even with these pledges, the Initiative remains underfunded. Donors that had not yet done so were urged to make generous contributions to the HIPC Trust Fund. Ministers reiterated the need to ensure that debt relief does not compromise the financing from concessional facilities such as IDA. Ministers also reiterated the importance of the principle that all bilateral creditors should participate fully in the provision of relief under the enhanced Initiative, while recognizing the need for flexibility in exceptional cases.

9. *Poverty Reduction Strategies.* Ministers welcomed the progress in the implementation of the Poverty Reduction Strategy approach. The Committee had endorsed this approach at its last meeting as a means to strengthen the link between debt relief (and external assistance more generally) and poverty reduction, and to enhance the poverty focus of all Bank and Fund concessional lending. Ministers noted that many governments in developing countries had begun to develop, through transparent and participatory processes, country-owned, comprehensive strategies that addressed key issues in tackling poverty, such as equitable growth, governance and corruption, and institution and capacity building. Ministers welcomed the steps taken by governments to develop and implement interim strategies that permit HIPC debt relief and concessional lending to be provided while governments prepare more comprehensive poverty reduction strategies.

10. Recognizing that this approach involves new ways of assisting developing countries, Ministers urged the Fund and the Bank to allocate adequate resources to support the PRSP process. The institutions were urged to continue to work collaboratively with member countries and other development partners to develop full poverty reduction strategies, integrated with macroeconomic and fiscal policies. These strategies should incorporate lessons learned as implementation proceeds, including concentration on a limited number of clear, realistic, and measurable performance targets and including those related to the International Development Goals. As poverty reduction strategies need to be mainstreamed, Ministers emphasized they should be fully integrated into countries' budget cycles. They also emphasized the importance of increased efforts, including both technical assistance and funding, to improve statistics and

other data and the analytical skills at the country level needed to make the approach a success. Moreover, they encouraged bilateral and multilateral agencies to support governments in the preparation of their strategies. These agencies were also encouraged to participate in the discussion of the design of these strategies with the objective of increasingly aligning their assistance programs to these strategies as they are put in place, thereby strengthening donor coordination and reducing excessive burdens on developing country governments.

11. *Report of the Commonwealth Secretariat/ World Bank Joint Task Force on Small States.* Ministers welcomed the report to the Development Committee and its analysis of the special characteristics of small states that make them particularly vulnerable, while noting that a number of larger states shared some or all of the same characteristics. They noted the report's conclusions that tackling small states' development challenges will take a combination of correct domestic policy action, continued external assistance, and where achievable, improvements in the external environment. They also noted the report's recommendation that the circumstances of small states should be taken into account in the policies and programs of the multilateral trade, finance, and development organizations. The Committee supported World Bank and the Fund proposals for their future work programs on the issues of small states, as set out in the report, and agreed that these steps could make a valuable contribution in helping small states face their development challenges.

12. *International Financial Architecture: the Role of the World Bank.* Ministers welcomed the Bank's continuing contribution to global efforts to reduce the risk—and mitigate the impact—of future financial crises, noting that actions and policies that reduce vulnerability to crises also support successful development. The Committee welcomed the close collaboration that had developed between the Bank and the Fund on the program of financial sector assessments, the reports on the observance of standards and codes, and the work on debt management. Ministers encouraged the Bank to make systematic use of these assessments in designing, delivering, and mobilizing support for capacity building.

13. *IBRD Financial Capacity.* Ministers reviewed an updated report on this subject from the World Bank and confirmed that the Bank's finances remain sound. At the same time, Ministers recognized that the Bank's financial capacity may at some point limit its ability to respond to future demands. Ministers requested management and the Executive Board to keep this subject under review and to continue to report regularly to the Committee.

14. *Next Meeting.* The Committee's next meeting is scheduled for September 25, 2000 in Prague, Czech Republic.

# Summaries of Projects Approved for IBRD, IDA, IDA Interim Trust Fund, and Trust Fund for the West Bank and Gaza Assistance in Fiscal 2000

The following section contains projects approved by the Board in fiscal 2000. Projects are listed according to their primary sector classification. Lending totals obtained by adding up loan amounts for projects listed correspond to sector data classified on a loan-by-loan basis, rather than a loan component basis (see Table 1.1, p. 33 and Annex Tables pp. 150 to 161 of the *World Bank Annual Report 2000: Annual Review and Summary Financial Information*).

§ denotes projects included in the Program of Targeted Interventions (PTI). A project is included in the PTI if it has a specific mechanism for targeting poor people and/or if the proportion of poor people among its beneficiaries is significantly larger than the proportion of poor in the total population.

† denotes adjustment operations categorized as poverty-focused. An operation is considered poverty-focused if it eliminates distortions that disadvantage poor people, reorients public expenditures toward them, and/or supports programs that provide safety nets or target specific groups of poor people.

◊ denotes various levels of civil society involvement in Bank-supported projects from design to monitoring and evaluation of results.

## AGRICULTURE

◊ **Azerbaijan** — IDA—$42 million. This credit will prevent the decline of water supply to Baku and areas along the Samur-Apsheron Canal, and improve drainage and reduce waterlogging along the Main Mill-Mugan Collector. Total cost: $46.9 million.

◊ **Bangladesh** — IDA—$5 million. This learning and innovation credit supports further testing and development of improved technology transfer programs to increase responsiveness to local requirements and to improve cooperation with nongovernmental organizations. Total cost: $14.4 million.

◊ § **Bangladesh** — IDA—$28 million. Approximately 12 million fishermen, including poor people and women, will benefit from this program to create about 440,000 jobs and to increase fish production for domestic and international consumption. Total cost: $60.8 million.

◊ **Brazil** — IBRD—$136 million. This loan will increase the sustainable water supply for multiple uses, improve Ceará's integrated water resource management system efficiency, and decrease poor people's vulnerability to cyclical drought. Total cost: $247.2 million.

**Cambodia** — IDA—$4.8 million. This learning and innovation credit will benefit government revenues, the environment, and poor communities in or near forests through strengthened management, concession operations control, and improved forest-law enforcement. Total cost: $5.4 million.

◊ § **China** — IBRD—$93.5 million. A total of about 140,000 participating rural households in four provinces will benefit from this project to improve cattle production and marketing in existing crop farming areas. Total cost: $180.8 million.

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| ◊ **China** | IBRD—$210 million. Two provinces will benefit from this project to protect riverbanks against erosion and floods. Critical sections of existing main dikes along the Yangtze River will be improved. Total cost: $545.5 million. |
| ◊ **Egypt, Arab Republic of** | IBRD—$50 million. This project supports the second phase of Egypt's national drainage program through subsurface drainage development, open agricultural drains remodeling, and support of Egyptian Public Authority for Drainage Projects. Total cost: $278.4 million. |
| ◊ **Georgia** | IDA—$7.6 million. This project will help initiate the development of an agricultural knowledge system that will increase sustainable agricultural production and reduce pollution of natural resources in Georgia. Total cost: $12.4 million. |
| ◊ § **Indonesia** | IBRD—$13 million; IDA—$5 million. This project will help farmers to participate in the district-level integrated agricultural and forestry extension systems, to improve farming practices and increase income. Total cost: $23.6 million. |
| ◊ **Kyrgyz Republic** | IDA—$20 million. This project will increase crop production through reliable and sustainable water distribution on about 160,000 hectares of irrigated land across seven oblasts in the Kyrgyz Republic. Total cost: $29 million. |
| ◊ § **Mali** | IDA—$115.1 million. This adaptable program credit will help the government improve irrigation and rural transport infrastructure, and supply water and sanitation services to some of Mali's poorest rural areas. Total cost: $139.3 million. |
| ◊ § **Mauritania** | IDA—$38.1 million. This project will help establish appropriate policies, provide public infrastructures, and supply necessary services to develop a private sector–driven agriculture sector in the Senegal Valley. Total cost: $46.0 million. |
| ◊ § **Mexico** | IBRD—$55 million. This second adaptable program loan will improve the well-being and income of smallholders in the poorest areas through sustainable increases in productivity, and better food security. Total cost: $73 million. |
| ◊ **Nicaragua** | IDA—$23.6 million. This project supports the first phase of a competitive grant program to share technology, knowledge, and innovations among small and medium-scale farmers to improve farming practices. Total cost: $38.3 million. |
| ◊ **Niger** | IDA—$10.4 million. This specific investment credit will help the government boost agricultural and livestock exports by giving private sector enterprises and producers the tools for increased production and profitability. Total cost: $12.1 million. |
| ◊ **Peru** | IBRD—$9.6 million. This adaptable program loan establishes a private sector–led agricultural technology innovation system to increase environmentally sound technology by permitting farmers to perform research and obtain technical advice. Total cost: $13.8 million. |
| ◊ § **Philippines** | IBRD—$27.5 million. Approximately 600,000 poor rural people will benefit from the first phase of this adaptable program loan through rehabilitation of rural infrastructure, small community-based subprojects, and strengthened local governments. Total cost: $41 million. |
| ◊ **Romania** | IBRD—$11 million. This project will benefit private farmers and agroprocessors by providing technology, information, and training, as well as by improving the management of research and extension. Total cost: $17.8 million. |

◊ **Russian Federation** — IBRD—$60 million. This project will: improve public sector management of forests through policy reform and land-use management; regenerate forested areas; and develop a favorable environment for private investment in forestry. Total cost: $74.5 million.

◊ § **Rwanda** — IDA—$5 million. This learning and innovation credit will help farmers, private traders, local communities, and consumers benefit from a revitalized agricultural and rural economy resulting from improved policies and institutional mechanisms. Total cost: $5.6 million.

◊ § **Sri Lanka** — IDA—$27 million. Communities affected by ethnic conflict in the northeast region will benefit from this project to increase agricultural production, irrigation schemes, rural roads, access to drinking water, and community capacity-building activities. Total cost: $32.4 million.

◊ **Tajikistan** — IDA—$20 million. The project will increase water supply to irrigation channels that service farms, develop institutional capability in managing water resources, and increase the quality of water in selected villages. Total cost: $24 million.

◊ **Tunisia** — IBRD—$103 million. This project will promote integrated water resource development and demand management, including physical water storage works, groundwater exploration and monitoring, small-scale irrigation, ground water management, and water studies. Total cost: $258 million.

◊ § **Zimbabwe** — IDA—$5 million. About 1,000 poor rural families will benefit from this learning and innovation credit to sustain increases in income and standards of living through acquisition of farm land. Total cost: $7 million.

## ECONOMIC POLICY

◊ † **Cambodia** — IDA—$30 million. This structural adjustment credit will support government reforms in improving public resource management, enhancing public sector management, and formulating a strategy for enhancing governance and fighting corruption. Total cost: $30 million.

◊ **Central African Republic** — IDA—$8 million. Within a fragile post-conflict context this project will help the Central African Republic government implement its reform program, in particular the privatization program and poverty reduction strategy. Total cost: $8.5 million.

**India** — IDA—$45 million. This technical assistance credit will provide the government of Uttar Pradesh with technical expertise to implement fiscal and public sector restructuring and to improve the monitoring of poverty trends. Total cost: $55 million.

**Kyrgyz Republic** — IDA—$5 million. This technical assistance credit will provide consulting, audits, training, materials, and equipment to strengthen the government's capacity to improve the business environment, mobilize revenue, and reform the energy sector. Total cost: $5.5 million.

**Nicaragua** — IDA—$20.9 million. This technical assistance credit will support efforts to improve transparency and efficiency in public sector management through information systems, data and voice telecommunications networks, computer technology, and training. Total cost: $28.2 million.

◊ **Nigeria** — IDA—$20 million. The project will promote good governance and will address the needs of the population regarding the efficient use of public sector resources and optimal delivery of services. Total cost: $45.7 million.

† **Sierra Leone** — IDA—$30 million. This economic rehabilitation and recovery credit will assist the transition from war to peace, and will help revive basic public services and restore credibility to public sector performance. Total cost: $30 million.

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| † **Tanzania** | IDA—$190 million. The programmatic structural adjustment credit is part of a two-phase program to help create conditions for sustained private sector development. This is key to accelerate poverty reduction. Total cost: $190 million. |
| † **Turkey** | IBRD—$759.6 million. This economic reform loan will support Turkey's reforms in public expenditure management, social security, agriculture, telecommunications, and energy. The project also supports the disinflation program and acceleration of privatization. Total cost: $759.6 million. |
| † **Zambia** | IDA—$140 million. This fiscal sustainability credit will support Zambia's reform program to reduce poverty by restoring macroeconomic stability, promoting sustained diversified growth, improving governance, and enhancing vital social services' delivery. Total cost: $140 million. |

## EDUCATION

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| ◊ **Albania** | IDA—$12 million. This project will support the ministry of education and sciences in the planning and management of educational services delivery and it will strengthen its accountability to stakeholders. Total cost: $14.9 million. |
| ◊ **Benin** | IDA—$1.8 million. This learning and innovation credit will help civil servants, the private sector, and community leaders design economic and social development policies through distance learning, training, and state-of-the-art communications. Total cost: $3 million. |
| ◊ § **Benin** | IDA—$5 million. This learning and innovation credit will help the government test a pilot program aimed at increasing the availability, quality, and cost effectiveness of labor force training. Total cost: $6.2 million. |
| ◊ **Bosnia and Herzegovina** | IDA—$10.6 million. This project will enhance the professional capacity of teachers, promote efficient and equitable use of scarce public resources for education, and promote cooperation and coordination within the sector. Total cost: $14.6 million. |
| ◊ **Cambodia** | IDA—$5 million. This learning and innovation credit will help develop a participatory model for improvement of school quality and performance-based resource management to benefit educators and students in three provinces. Total cost: $5.5 million. |
| ◊ § **Colombia** | IBRD—$20 million. This adaptable program loan will improve access to quality education in rural areas by supporting primary education, decentralization, and teacher training, which will benefit 176,000 students in the poorest areas. Total cost: $40 million. |
| ◊ § **Côte d'Ivoire** | IDA—$5 million. This learning and innovation credit will help about 30,000 women and girls in the north—where school enrollments are the lowest—to develop literacy skills. Total cost: $5.7 million. |
| ◊ **Côte d'Ivoire** | IDA—$2 million. This learning and innovation credit will test the viability of distance learning to increase decisionmakers' access to cost-effective training and improve their capacity to design and manage policies. Total cost: $3.6 million. |
| ◊ § **India** | IDA—$182.4 million. About 10.8 million children in 42 disadvantaged districts will benefit from this project to construct new school facilities, improve quality of instruction, and increase teacher training and retention. Total cost: $214.7 million. |
| ◊ **Jordan** | IBRD—$34.7 million. Improvements to Jordan's higher education system will be achieved by this project to establish a countrywide modern information technology, management information system, and library infrastructure. Total cost: $65.8 million. |

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| ◊ § **Lebanon** | IBRD—$56.6 million. This project will benefit over 100,000 primary and secondary students through school construction and the introduction of new technologies, and 20,000 teachers through in-service training. Total cost: $70.9 million. |
| § **Maldives** | IDA—$17.6 million. About 2,200 children will benefit from this project to improve education quality and efficiency, increase equitable access, strengthen institutional capacity, and improve in-country and overseas teacher training. Total cost: $19.7 million. |
| ◊ § **Mali** | IDA—$3.8 million. This learning and innovation credit will assist the government to further develop and assess the merits of bilingual education in Mali, in terms of its financial and educational sustainability. Total cost: $5.5 million. |
| ◊ § **Nicaragua** | IDA—$52.5 million. This project will expand on the Basic Education I Project to improve the quality of preschool and primary education, targeting rural areas, including those with predominantly indigenous populations. Total cost: $58.4 million. |
| ◊ **Nigeria** | IDA—$55 million. The project will support one of the government's top priorities: to improve and make basic education universal by providing resources to 740 focus primary schools and 900 self-help schools. Total cost: $61.1 million. |
| ◊ **Rwanda** | IDA—$35 million. This credit will help Rwanda develop and implement a sustained capacity-building program promoting education and skills development, by addressing human resource deficiencies and training professionals. Total cost: $37.1 million. |
| ◊ **Senegal** | IDA—$2.1 million. This learning and innovation credit will build public and private sector capacity by increasing access to training for decisionmakers and implementers of education projects and establishing a center for distance learning. Total cost: $3.5 million. |
| ◊ § **Senegal** | IDA—$50 million. This adaptable program credit will support the goal of increasing Senegal's primary enrollment from 65 percent in 1998–99 to 100 percent in 2008–09, while improving learning. Total cost: $926 million. |
| ◊ **Tunisia** | IBRD—$99 million. This adaptable program loan will support government efforts to ensure universal basic education, provide more students with post-basic education, and modernize the education sector, to improve quality. Total cost: $206.7 million. |
| **Venezuela, Republica Bolivariana de** | IBRD—$5 million. This learning and innovation loan will help foster science and technology research, increase Venezuela's knowledge access, and increase its knowledge base in economic and social development. Total cost: $15 million. |
| ◊ § **Yemen, Republic of** | IDA—$28.9 million. About 560,000 children under age 5 and 600 women of childbearing age in low-income districts will have improved access to health care and nutrition through this project's direct interventions. Total cost: $45.3 million. |

## ELECTRIC POWER AND OTHER ENERGY

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| ◊ **Bolivia** | IDA—$4.8 million. This learning and innovation credit will strengthen Bolivia's capacity to evaluate the hydrocarbon sector's impact, increase oil companies' compliance, and facilitate flows of transparent, timely information. Total cost: $5.8 million. |
| ◊ **China** | IBRD—$320 million. Two provinces will benefit from the increased power supply and the improved investment and operating efficiency through the introduction of a competitive power market and supporting institutional and physical infrastructure. Total cost: $904 million. |

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| ◊ | **India** | IBRD—$80 million; IDA—$50 million. This project will reduce power shortages and greenhouse gas emissions through environmentally sustainable investments in power generation through hydro resources and will finance energy management. Total cost: $300 million. |
| | **India** | IBRD—$150 million. This project will support power sector reform processes by establishing new legal, regulatory, and institutional frameworks; creating new power corporations; and launching preparatory work for privatizing distribution. Total cost: $236 million. |
| | **Kazakhstan** | IBRD—$140 million. This project will improve the reliability of electricity supply, develop competition in electricity markets, and restructure the grid company. Total cost: $258.4 million. |
| | **Mauritania** | IDA—$9.9 million. This technical assistance project will help to create an enabling environment for sustainable development of the electricity and water sectors to improve quality and increase access to services. Total cost: $10.9 million. |
| | **Poland** | IBRD—$38.2 million. This project, one of the largest renewable energy projects in the Europe and Central Asia region, will help reduce air pollution in the Podhale region. Total cost: $96.7 million. |
| | **Uganda** | IDA—$33 million. This supplemental credit will help provide adequate and reliable power that will result in increased economic activity, productivity, and growth. Total cost: $38.6 million. |
| ◊ | **Ukraine** | IBRD—$18.3 million. The project will improve energy efficiency of key public buildings, mainly schools and hospitals, in Kiev through cost-effective measures and sound heat tariff policies. Total cost: $30.4 million. |
| ◊ | **Vietnam** | IDA—$150 million. About 2.5 million rural poor in 32 provinces in Vietnam will benefit from this program for extension of rural electrification networks to 671 communes. Total cost: $201.3 million. |
| ◊ | **West Bank and Gaza** | Trust Fund for the West Bank and Gaza—$15 million. Palestinian electricity consumers in central and southern regions will benefit from sustainable improvements in the quality and quantity of utility-grade electrical services. Total cost: $91 million. |

## ENVIRONMENT

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| ◊ | **Brazil** | IBRD—$15 million. This adaptable program loan aims to increase the environmental institutions' effectiveness at local, state, and national levels and to improve the quality of priority environmental assets. Total cost: $30 million. |
| ◊ | **Bulgaria** | IBRD—$50 million. This structural adjustment loan will support reform of environmental policies, incorporate environmental issues in privatization, and accelerate implementation of the European Union Directive on Pollution Prevention and Control. Total cost: $50 million. |
| ◊ | **Cambodia** | IDA—$1.9 million. This learning and innovation credit will improve the capacity of the Ministry of Environment to develop a national protected areas system, and will promote global conservation projects benefiting Ratanakiri Province. Total cost: $4.9 million. |
| ◊ | **Cameroon** | IDA—$5.8 million. This technical assistance credit will help the government develop and establish national capacity in Cameroon for the environmental management and monitoring of the Petroleum Development and Pipeline Project. Total cost: $11 million. |

◊ **China** — IBRD—$349 million. About 5.3 million residents of Beijing will benefit from sustained alleviation of environmental pollution, promotion of energy conservation, and strengthened environmental management institutions. Total project cost: $1.3 billion.

◊ **Colombia** — IBRD—$5 million. This learning and innovation loan supports strategies developed by residents and others to conserve the diversity of the Sierra Nevada region and to use its natural resources sustainably. Total cost: $6.3 million.

◊ **Costa Rica** — IBRD—$32.6 million. This technical assistance loan will provide financial incentives to small and medium-sized landowners to conserve primary forests, encourage sustainable management of secondary forests, and promote reforestation efforts. Total cost: $49.2 million.

◊ **Kyrgyz Republic** — IDA—$9.4 million. This project will support the development of markets for land and real estate, and the introduction of a well-functioning registration system. Total cost: $11.8 million.

◊ **Mauritania** — IDA—$5 million. This learning and innovation credit will assist the government in testing appropriate methods to determine how to safeguard and enhance the cultural heritage of the country. Total cost: $5.5 million.

◊ **Mozambique** — IDA—$5.6 million. This project will help the government achieve sustainable economic development of coastal zone resources by balancing ecological, social, and physical values with varying interests in the coastal zone. Total cost: $10.6 million.

◊ **Poland** — IBRD—$2.5 million. This learning and innovation loan will provide technical assistance, infrastructure, and equipment to help farmers in target areas apply environmentally responsible farming practices. Total cost: $15.8 million.

◊ **Tajikistan** — IDA—$.5 million. This project will help prepare vulnerable people for possible disasters associated with the flooding of Lake Sarez, as well as less catastrophic natural disasters. Total cost: $4.3 million.

◊ § **Vietnam** — IDA—$31.8 million. Environmental degradation and poverty will be reduced in four southern provinces by replanting mangroves, developing food production technologies, implementing community-based programs, and supporting policy and institutional development. Total cost: $65.6 million.

## FINANCE

**Albania** — IDA—$6.5 million. This technical assistance project strengthens the financial sector, focusing on banking and insurance industries in Albania. Technical assistance will be offered for implementation of a financial sector strategy. Total cost: $7.5 million.

**Bangladesh** — IDA—$46.9 million. This project will develop medium- and long-term financing for industrial projects by strengthening nonbank financial institutions and improving the external environment for fund mobilization. Total cost: $57.7 million.

§ **Brazil** — IBRD—$50 million. This loan increases access to formal financial services in northeastern Brazil by supporting expansion of a microfinance program. The program should benefit at least 150,000 low-income informal entrepreneurs. Total cost: $100 million.

**Bulgaria** — IBRD—$100 million. This sector adjustment loan will support privatization of enterprises, financial discipline, banking reform, and energy restructuring. Total cost: $100 million.

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| | **Colombia** | IBRD—$506 million. This financial sector adjustment program will support implementation of recent legislation reforms, promote efficient resolution of banks facing solvency problems, and provide funds for bank restructuring and recapitalization. Total cost: $506 million. |
| † | **Ecuador** | IBRD—$151.5 million. This structural adjustment loan supports economic recovery and social services for the poorest. It supports fiscal reforms and public financial management, while restoring confidence and helping to maintain needed spending. Total cost: $151.5 million. |
| | **Ecuador** | IBRD—$10 million. This technical assistance loan aims to strengthen the superintendency of banks, increasing the efficiency of its regulation and supervision of the banking industry, and modernizing the Deposit Guarantee Agency. Total cost: $14.09 million. |
| ◊ | **Ghana** | IDA—$5.1 million. This project will help strengthen financial services for approximately 14 million people by developing an environment for increased rural investment through support of a functional rural financial sector. Total cost: $23 million. |
| ◊ | **Mali** | IDA—$21 million. The objective of this technical assistance credit is to improve the soundness, performance, and competitiveness of the financial sector and to enable it to support broad-based private sector growth. Total cost: $23.1 million. |
| | **Mauritius** | IBRD—$4.8 million. This project will improve government's cash management by supporting financial system infrastructure and capacity building to enhance debt management and interaction with the financial markets. Total cost: $6.1 million. |
| | **Mexico** | IBRD—$505.1 million. This bank restructuring adjustment loan will provide funds to Mexico's bank-deposit insurance agency to finance debt-servicing needs arising from its mandate to restructure, sell, or liquidate five banks. Total cost: $505.1 million. |
| | **Mongolia** | IDA—$32 million. This sector adjustment credit will support measures to create a more sound and efficient financial system, and will support macroeconomic stability consolidation, faster growth, and higher living standards. Total cost: $32 million. |
| ◊ | **Nicaragua** | IDA—$8 million. This technical assistance credit will: help make old-age income security more equitable and sustainable; help develop the capacity to regulate the system; and strengthen financial markets. Total cost: $10.6 million. |
| | **Sri Lanka** | IDA—$18.2 million. This project provides technical assistance to improve the efficiency, predictability, and transparency of the Sri Lankan legal and judicial system. Total cost: $21.1 million. |
| § | **Tanzania** | IDA—$27.5 million. Through government banking reforms, small savers and microentrepreneurs will have improved access to a sound and competitive financial system. Total cost: $32.1 million. |
| ◊ | **Tanzania** | IDA—$2 million. This learning and innovation credit will build microfinance institutions' capacities in rural and urban areas by strengthening their business planning capacity and providing training and access to information. Total cost: $2.5 million. |
| ◊ | **Turkey** | IBRD—$252.5 million. This loan will strengthen financial intermediation by providing short- and medium-term funds to private exporters, as well as technical assistance to the TurkExIm Bank. Total cost: $253 million. |
| | **Uruguay** | IBRD—$80.9 million. This structural adjustment loan will help implement policy reforms to increase competition among banks, thereby strengthening the financial system and protecting the country's fiscal balance from external shocks. Total cost: $80.9 million. |

## HEALTH, NUTRITION, AND POPULATION

◊ § **Argentina** — IBRD—$4.9 million. This learning and innovation loan will pilot the development of health insurance for poor people in selected provinces and will help extend a health insurance model regionally. Total cost: $7.1 million.

◊ § **Argentina** — IBRD—$52.5 million. This project will strengthen national, provincial, municipal, and local public health surveillance and disease control capacity to protect poor people from tuberculosis, dengue fever, and hospital-acquired infections. Total cost: $75 million.

◊ § **Bangladesh** — IDA—$92 million. More than 5 million children and 1 million mothers will benefit from an extension of community services that support children's growth monitoring, counseling, nutrition education, and supplementary food. Total cost: $124.5 million.

◊ **Bulgaria** — IBRD—$63.3 million. This project will help the government implement a fundamental reform of its health sector, improve access to quality health services, and ensure financial and operational sustainability. Total cost: $87 million.

◊ **Chad** — IDA—$41.5 million. This credit will help the government provide better health care services, for poor women and children, in disease prevention and reproductive health. Total cost: $56.4 million.

◊ **Croatia** — IBRD—$29 million. This project will increase the efficiency, effectiveness, and financial sustainability of Croatia's health care system through sector reforms, health promotion, cardiovascular care, and information technology. Total cost: $40 million.

◊ **Ecuador** — IBRD—$20.2 million. Nearly 2 million people, especially mothers and children, will benefit from this supplemental loan that will expand basic health services, nutrition programs, and basic sanitation services. Total cost: $45 million.

◊ § **India** — IDA—$142.6 million. Millions of children countrywide will benefit from intensified efforts to eradicate polio and reduce vaccine-preventable diseases through social mobilization activities including training, communication surveys, and evaluations. Total cost: $158.8 million.

◊ § **India** — IDA—$110 million. About 600,000 inpatients will benefit from planned improvements in existing facilities that will strengthen health system performance, accountability, and efficiency, and improve clinical service quality. Total cost: $127.6 million.

◊ **Indonesia** — IDA—$38 million. About 10 million people in two provinces, including about 4 million poor people, will benefit from improved curative and public health services through institutional reforms and improved financing. Total cost: $79.1 million.

◊ § **Indonesia** — IDA—$77.4 million. About 3.5 million rural poor people will benefit from improved health behavior and services and safe and adequate water supply and sanitation through community participation. Total cost: $106.7 million.

§ **Iran, Islamic Republic of** — IBRD—$87 million. This project will improve primary health care services and family planning through facilities rehabilitation and equipment replacement. It will improve nutrition services through training, institutional strengthening, and strategy development. Total cost: $124 million.

◊ **Lesotho** — IDA—$6.5 million. This adaptable program credit will assist the Kingdom of Lesotho to improve access to high-quality preventive, curative, and rehabilitative health care services for its population. Total cost: $20.4 million.

◊ **Lithuania** — IBRD—$21.2 million. This project will improve equity and efficiency of health care financing, restructure hospitals, and improve access to general practitioner services in four pilot regions. Total cost: $34.2 million.

◊ § **Madagascar** — IDA—$40 million. This project will help improve living conditions of the rural population, especially women and children, through better health care services in reproductive health, nutrition, and epidemic disease prevention. Total cost: $44.4 million.

◊ § **Peru** — IBRD—$80 million. This adaptable program loan will improve maternal and child health, and help reduce morbidity and death from communicable diseases and inadequate environmental conditions through health care system improvements. Total cost: $239.3 million.

◊ § **Romania** — IBRD—$40 million. This adaptable program loan will strengthen capacity for planning and policy development in the fields of public health, health service infrastructure, and human resources by financing investments and training staff. Total cost: $69.8 million.

◊ **Slovenia** — IBRD—$9.5 million. The first phase of this health sector management program will improve health services through the development of appropriate policies, information standards, and a unified information management system. Total cost: $13.3 million.

◊ **Solomon Islands** — IDA—$4 million. This project will benefit rural families through improved management and control of malaria, increased access to trained midwives, increased community participation, and capacity building for health managers. Total cost: $4.4 million.

◊ § **Tajikistan** — IDA—$5.4 million. This project will test a model of health care in two pilot regions based on primary health and per capita resource allocation. Total cost: $6.2 million.

◊ **Tanzania** — IDA—$22 million. This adaptable program credit is designed to improve access to quality health services, especially for women and children. Total cost: $654 million.

◊ **West Bank and Gaza** — Trust Fund for the West Bank and Gaza—$7.9 million. This project will upgrade 40 rural primary health care clinics, provide staff training, and establish a national health information center. Total cost: $8.9 million.

## MINING

◊ **Papua New Guinea** — IBRD—$10 million. This technical assistance loan will strengthen the government's capacity to attract private mining investment; improve environmental and social sustainability; and improve fiscal receipts and benefits transfers to communities. Total cost: $11.5 million.

◊ **Romania** — IBRD—$44.5 million. About 60,000 unemployed miners and their families will benefit from efforts to close uneconomic mines in a socially and environmentally sustainable manner. Total cost: $61.5 million.

## MULTISECTOR

◊ **Algeria** — IBRD—$83.5 million. This emergency recovery loan will strengthen institutional capacity for emergency management, assist the government in reconstructing permanent housing in earthquake-affected areas, and restore essential infrastructure in damaged municipalities. Total cost: $112.9 million.

**Burundi** — IDA—$35 million. This credit will assist the government in preparing an environment for economic recovery and restore essential services to facilitate and support the ongoing negotiations for peace and reconciliation. Total cost: $97.5 million.

◊ **Colombia** — IBRD—$225 million. This project will support the reconstruction of approximately 80,000 dwellings and Colombia's coffee-growing infrastructure, benefiting more than 560,000 individuals who sustained losses in the 1995 earthquake. Total cost: $377 million.

† **Guinea-Bissau** — IDA—$25 million. This rehabilitation and recovery credit will provide urgent financing to support the government's program for peace building, promote the economy's revival, and encourage reforms to reduce poverty. Total cost: $25 million.

◊ § **India** — IDA—$100.5 million. More than 1.6 million people living in Rajasthan's most economically disadvantaged areas will benefit from improved economic and social opportunities through community-driven participatory approaches and demand-based investment decisions. Total cost: $124.8 million.

◊ **Mozambique** — IDA—$30 million. This project will help the government maintain macroeconomic stability through the financing of imports to rebuild social and economic infrastructure following the floods that started in early 2000. Total cost: $30 million.

**Turkey** — IBRD—$252.5 million. This project will support private sector import requirements and social protection for victims of the Marmara earthquake as part of an international assistance package of about $3 billion. Total cost: $252.5 million.

## OIL AND GAS

◊ **Brazil** — IBRD—$43.4 million. This adaptable program loan will support Brazil's Energy Efficiency Program (EE) to demonstrate EE products, services, and delivery, and to remove barriers to sustainable capture of EE opportunities. Total cost: $125.5 million.

◊ **Cameroon/** ◊ **Chad** — Cameroon: IBRD—$53.4 million; Chad: IBRD—$39.5 million. The project will transform oil wealth into benefits for poor and vulnerable people, and the environment. It includes programs to support the two countries' economic and social development programs. Total cost: $3.7 billion.

◊ **Chad** — IDA—$23.7 million. This technical assistance project will help the government strengthen the petroleum resources' management capacity within environmentally and socially sound practices, and establish a framework for private sector petroleum investments. Total cost: $26.2 million.

**Papua New Guinea** — IBRD—$7 million. The project will help strengthen institutional capacity for efficient gas sector development, resulting in economic enhancement and supporting poverty alleviation for people below the poverty line. Total cost: $7.5 million.

## PRIVATE SECTOR DEVELOPMENT

◊ **Algeria** — IBRD—$5 million. This learning and innovation loan will support implementation of a privatization program through a capacity building and transactions assistance, and will also close a set of pilot transactions. Total cost: $5.5 million.

◊ **Benin** — IDA—$30.4 million. This technical assistance credit will help the government create a stable business environment for economic growth and employment opportunities for approximately 200 firms and associations, and the consultancy industry. Total cost: $55.5 million.

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| ◊ **Cameroon** | IDA—$20.9 million. This technical assistance credit will contribute to economic growth and employment creation. Consumers will receive more efficient infrastructure, and services will be extended to areas not previously served. Total cost: $26 million. |
| **Central African Republic** | IDA—$20 million. In a fragile post-conflict situation, this fiscal consolidation credit will help to put the country back on the development path and assist with payment of civil servant and military salaries. Total cost: $20 million. |
| ◊ **Guyana** | IDA—$4.8 million. This technical assistance credit will consolidate reforms, including privatizing state-owned enterprises, introducing private management of financial institutions, improving the regulatory financial sector framework, and modernizing procurement and auditing. Total cost: $5.6 million. |
| ◊ **Malawi** | IDA—$28.9 million. The objective of this technical assistance credit is to help the government improve the quality of—and access to—economic and physical infrastructure for private sector development. Total cost: $32.2 million. |
| **Mozambique** | IDA—$26 million. Approximately 200 small to medium businesses in the manufacturing, agroprocessing, and handicraft sectors will benefit from programs that address a variety of continuing weaknesses in the business environment. Total cost: $47.6 million. |
| ◊ § **Senegal** | IDA—$28.5 million. This adaptable program credit will help strengthen local government structures to deliver improved services to about 1.3 million people living in rural areas. Total cost: $42.9 million. |
| ◊ **Tanzania** | IDA—$45.9 million. This project will support the government's efforts to create a more stable business environment by improving economic efficiency and expanding private investment and production in the economy. Total cost: $76.8 million. |
| ◊ **Yemen, Republic of** | IDA—$10.9 million. This technical assistance credit will help develop institutional capacity to manage and implement a privatization program, and also provide assistance for the pre-privatization work of three large enterprises. Total cost: $16 million. |

## PUBLIC SECTOR MANAGEMENT

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| **Albania** | IDA—$9 million. This project will strengthen governance capacity to enforce laws and regulations through technical assistance and training for legal and judicial reforms. Total cost: $9.5 million. |
| ◊ **Albania** | IDA—$8.5 million. This project will strengthen public administration by improving public expenditure and human resource management, policy formulation, and coordination and monitoring capacity. Total cost: $9 million. |
| **Brazil** | IBRD—$505.1 million. This single-tranched sector adjustment loan will support Brazil's program to improve its fiscal performance, with an emphasis on administrative reform. Total cost: $505.1 million. |
| † **Burkina Faso** | IDA—$25 million. This third structural adjustment credit will support economic reforms that will help create an environment conducive to private sector–led economic growth, job creation, and poverty reduction. Total cost: $25 million. |
| **Cape Verde** | IDA—$3 million. The population will benefit from strengthened government services ranging from water and sewerage to property registration, business licenses, and social services. Total cost: $3.5 million. |

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| ◊ **Chad** | IDA—$17.5 million. This credit will significantly strengthen Chad's public financial management system, its poverty information base, and its ability to more efficiently and transparently deploy public resources for poverty reduction. Total cost: $19.4 million. |
| ◊ § **Guinea** | IDA—$19 million. This adaptable program credit will help the rural population—about 87 per cent of Guinea's poor—to access improved public services by strengthening local government and communities' structures. Total cost: $21 million. |
| † **India** | IBRD—$126.2 million; IDA—$125 million. This adjustment operation will support comprehensive reforms in public expenditure management—tax policy, administration, civil service, anticorruption, deregulation, decentralization, public enterprise and privatization. Total cost: $251.3 million. |
| † **Latvia** | IBRD—$40.4 million. This structural adjustment loan will help modernize governance structures in order to facilitate Latvia's accession to the European Union. Total cost: $40.4 million. |
| **Madagascar** | IDA—$4.6 million. This learning and innovation credit will assist the government and the country's economic regions to develop relevant tools that will promote regional development and facilitate investment opportunities. Total cost: $5.1 million. |
| † **Mauritania** | IDA—$30 million. This fiscal reform credit will help Mauritania maintain macroeconomic stability and improve the private sector environment, while pursuing a vigorous social and poverty reduction agenda. Total cost: $30 million. |
| **Mexico** | IBRD—$606.1 million. This structural adjustment loan will help the government bring market-driven order and accountability to Mexico's decentralization process, focusing on the budget, subnational borrowing and expenditures, and fiscal and financial management. Total cost: $606.1 million. |
| ◊ § **Mexico** | IBRD—$3.1 million. This learning and innovation loan will work toward equitable access to poverty alleviation programs by promoting balanced gender roles and developing models to guard against gender discrimination. Total cost: $3.87 million. |
| **Morocco** | IBRD—$5.3 million. This project will support judicial capacity in handling commercial cases through modern court management; management and dissemination of legal, judicial, and regulatory information; and training programs for judges. Total cost: $6.7 million. |
| **Papua New Guinea** | IBRD—$90 million. This governance promotion adjustment loan will redress policy and governance shortcomings through fiscal and debt management, governance and civil service effectiveness, forestry management, and financial services. Total cost: $90 million. |
| **Russian Federation** | IBRD—$30 million. This project will assist subnational governments by strengthening federal or regional fiscal legislation, debt monitoring, accounting, budgeting, and public expenditure management. Total cost: $36.2 million. |
| ◊ **Tanzania** | IDA—$41.2 million. This adaptable program credit will help the government improve accountability, transparency, and resource management for the delivery of quality services to the general population. Total cost: $91 million. |
| ◊ **Thailand** | IBRD—$400 million. This programmatic structural adjustment loan will enhance the efficiency and effectiveness of the public sector by establishing performance management frameworks, enhancing service delivery, and promoting accountability and transparency. Total cost: $400 million. |

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| ◊ **Uganda** | IDA—$80.9 million. This specific investment credit will support the government's national development strategy to benefit communities, local governments, and the private sector. Total cost: $89.9 million. |
| **Uganda** | IDA—$34 million. This technical assistance credit will improve the effectiveness of public expenditure management, including government planning and budgeting, financial management, and monitoring and evaluation. Total cost: $42.3 million. |
| ◊ **Yemen, Republic of** | IDA—$30 million. This technical assistance credit will help the government create capacity, institutions, and systems for improved and sustained utilization of human and financial resources of the Yemen civil service. Total cost: $33 million. |
| § **Zambia** | IDA—$28 million. This capacity building operation will assist the Zambian government in making public service delivery processes more effective and efficient in order to facilitate economic growth and reduce poverty. Total cost: $45 million. |

SOCIAL PROTECTION

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| ◊ § **Angola** | IDA—$33 million. This project will help the government restore basic social and economic services through demand-driven, community-oriented projects that will target over 1 million poor people. Total cost: $47 million. |
| ◊ § **Armenia** | IDA—$20 million. This project will improve living standards and strengthen institutions at the local level by improving basic social and economic infrastructure and local capacity building, and creating short-term employment opportunities. Total cost: $29.3 million. |
| ◊ **Bosnia and Herzegovina** | IDA—$15 million. This project will provide ex-soldiers of Bosniac, Croat, and Serb armies with means for self-reliance by helping them find employment and create sustainable jobs and businesses. Total cost: $17.5 million. |
| † **Brazil** | IBRD—$505.1 million. This single-tranched sector adjustment loan supports the second phase of Brazil's Social Security Reform Program. Total cost: $505.1 million. |
| **Brazil** | IBRD—$5 million. This learning and innovation loan will support the design and implementation of institutional and legal reforms needed for the second phase of Brazil's Social Security and Pension Reform. Total cost: $10.1 million. |
| ◊ § **Burundi** | IDA—$12 million. This project will assist poor communities to plan and realize projects that improve their economic productivity and social development. Total cost: $13.2 million. |
| ◊ § **Colombia** | IBRD—$100 million. This project will create about 90,000 temporary jobs in small-scale infrastructure works, and will benefit some 171,000 people by improving basic public services and providing economic recovery opportunities. Total cost: $193 million. |
| **Honduras** | IDA—$22.5 million. This supplemental credit will increase access by poor people to small-scale social and economic infrastructure and basic social services. Total cost: $22.5 million. |
| ◊ § **India** | IDA—$111 million. Some 620,000 poor will benefit from the creation of grass roots institutions, training in established local institutions, support of investment-promoting economic activity, and improving access to girls' education. Total cost: $134.8 million. |

◊ § **Lesotho** — IDA—$4.7 million. This learning and innovation credit will explore how community fund mechanisms can be used to serve about 900,000 poor people living in rural areas. Total cost: $10.4 million.

◊ § **Peru** — IBRD—$5 million. This learning and innovation loan will strengthen indigenous and Afro-Peruvian communities and organizations—and participating government agencies—to enhance their ability to design and implement community development subprojects. Total cost: $6.7 million.

◊ § **Philippines** — IBRD—$100 million. About 5 million poor people dependent on public social services will benefit from the streamlining of inputs for basic education and social programs, and improved social expenditure management. Total cost: $107.7 million.

◊ § **Sierra Leone** — IDA—$25 million. This project will support the government's strategy to help reintegrate approximately 45,000 ex-combatants and rebuild the social and economic infrastructure destroyed by more than eight years of conflict. Total cost: $25 million.

◊ § **St. Lucia** — IBRD—$1.5 million; IDA—$1.5 million. This learning and innovation loan will pilot a social fund model to improve basic social services among vulnerable populations by building capacity for community-led development. Total cost: $6.5 million.

◊ § **Yemen, Republic of** — IDA—$75 million. This second operation will improve services for poor people through community development, capacity building, and microfinance programs, and will expand the scope of the Yemen Social Fund for Development. Total cost: $175 million.

◊ § **Zambia** — IDA—$64.7 million. This adaptable program credit will help the government provide basic quality services to poor communities. Total cost: $74.2 million.

## TELECOMMUNICATIONS

**Algeria** — IBRD—$9 million. This technical assistance loan will help to improve access to communications services by opening the telecommunications and postal sectors to competition, and by privatizing the telecommunications operator. Total cost: $10 million.

◊ **Dominican Republic** — IBRD—$12.3 million. This project will improve telecommunications services in underserved rural areas for pricing services, obtaining and issuing licenses, resolving disputes between telecommunications companies, and clarifying interconnection agreements. Total cost: $21.7 million.

**India** — IBRD—$62 million. This technical assistance loan will help the government improve the management of the frequency for radio stations, cellular phones, satellite communications, and long-distance telephone and data traffic. Total cost: $72 million.

**Nicaragua** — IDA—$15.9 million. This project will improve the regulatory environment of telecommunications, promote commercially sustainable expansion of services, and finance the upgrading of all nonY2K compliant software in the telephone system. Total cost: $18 million.

**Senegal** — IDA—$10.2 million. This project will assist the government in its efforts to prevent disruptions in the country's economic and financial sectors as a result of the Y2K bug. Total cost: $15.2 million.

## TRANSPORTATION

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| **Albania** | IDA—$13.6 million. Through this emergency recovery credit, Albanian rural poor and the population of Kosovo will benefit from the rehabilitation of critical roads damaged during the Kosovo crisis. Total cost: $14.5 million. |
| **Armenia** | IDA—$40 million. This project will improve the main road network in Armenia, strengthen road and railway management organizations, and improve rail service between the capital—Yerevan—and Georgia. Total cost: $47 million. |
| ◊ **Bhutan** | IDA—$11.6 million. This project will improve rural access for four rural districts, and will also provide the first major model in Bhutan for environmentally friendly rural road construction methods. Total cost: $14.9 million. |
| ◊ **Bulgaria** | IBRD—$7.4 million. This sector investment loan will foster trade by promoting more efficient and less costly trade flows across borders in South East Europe and provide European Union–compatible customs standards. Total cost: $12.5 million. |
| ◊ **China** | IBRD—$150 million. Henan, China's largest province, will benefit from a more efficient transport infrastructure through completion of the trunk highway system, enhanced rural road access, and improved provincial road management. Total cost: $360 million. |
| ◊ **China** | IBRD—$200 million. About 4 million people in landlocked provinces in southwestern China will benefit from safe and cost effective interprovincial transport links and a program to improve road networks. Total cost: $567 million. |
| **Côte d'Ivoire** | IDA—$21.2 million. This project will help improve the condition and efficiency of the transport sector; improve its capacity for planning, programming, and mobilizing funding; and strengthen its legal and regulatory framework. Total cost: $21.2 million. |
| ◊ **Djibouti** | IDA—$15 million. This project will support road rehabilitation, maintenance, and technical assistance to aid institutional development in the transport sector and trade-related economic development between Djibouti Port and Ethiopia. Total cost: $18 million. |
| **Estonia** | IBRD—$25 million. This project will benefit the country with more efficient, safer, and improved administration of road transport, and more cost-effective trade that will support infrastructure and services. Total cost: $49.5 million. |
| ◊ **Georgia** | IDA—$40 million. This project will reduce road transport costs, improve access to major traffic corridors, help establish funding for road maintenance, and improve management of the entire road network. Total cost: $55 million. |
| ◊ **India** | IBRD—$516 million. The project will finance civil works for widening and strengthening 475 kilometers of national highway in support of the National Highway Authority of India (NHAI). Total cost: $650 million. |
| **Lithuania** | IBRD—$35.4 million. This project will increase the competitiveness of Klaipeda's port facilities and improve environmental conditions by preventing spills, improving waste reception facilities, and facilitating monitoring of environmental conditions. Total cost: $56.9 million. |
| ◊ **Madagascar** | IDA—$65 million. This adaptable program credit will support the government's comprehensive eight-year program of reforms and development of the country's transport sector, benefiting both urban and rural dwellers. Total cost: $67.5 million. |

◊ **Mozambique** — IDA—$100 million. This specific investment credit to restructure Mozambique's port and railway systems should lead to an increase in the operating efficiency and quality of services delivered in the region. Total cost: $120 million.

◊ § **Nepal** — IDA—$54.5 million. The poorest regions of western Nepal will benefit from improved mobility and access, as well as sustainable funding and management of road assets. Total cost: $65.9 million.

◊ § **Papua New Guinea** — IBRD—$25.3 million. This adaptable program loan will restore livelihoods and enhance economic opportunities for the people who were left homeless following the 1994 eruption of the Rabaul volcano. Total cost: $39.5 million.

◊ **Philippines** — IBRD—$150 million. This adaptable program loan will establish management systems to improve the national roads system by enhancing access and reliability of transport to poor areas, thus increasing economic efficiency and generating revenues. Total cost: $305.4 million.

◊ **Romania** — IBRD—$17.1 million. This project will foster trade by promoting more efficient and less costly trade flows across the borders in South East Europe and provide European Union–compatible customs standards. Total cost: $27.2 million.

◊ **Senegal** — IDA—$70 million. This adaptable program credit will help improve road safety, efficiency, and environmental quality of urban mobility in Senegal. Total cost: $103.0 million.

◊ **Uzbekistan** — IBRD—$29 million. This project will improve quality, reliability, and sustainability of urban transport services in five cities in Uzbekistan, home to 1.4 million residents. Total cost: $31.5 million.

◊ § **Vietnam** — IDA—$103.9 million. Through this credit about 5 million rural people will have improved access to social and economic services located in the district centers, as well as to off-farm opportunities. Total cost: $145 million.

## URBAN DEVELOPMENT

◊ **Bhutan** — IDA—$10.8 million. Ten district towns will benefit from effective urban planning and sustainable investments in essential services, including safe drinking water, sanitation facilities, solid waste–management, and transport systems. Total cost: $12.2 million.

◊ § **Ghana** — IDA—$10.8 million. This adaptable program credit will help approximately 964,000 people in the poorest regions access improved municipal services such as roads, drainage, sanitation, solid waste–management, and water supply. Total cost: $22.3 million.

◊ § **Honduras** — IDA—$10.8 million. This technical assistance credit will strengthen Honduras' capacity to respond to natural disasters and reduce the loss of life and property through mapping, monitoring, and planning appropriate land use. Total cost: $12 million.

**Lebanon** — IBRD—$80 million. This project will address urgent municipal works while preparing for local assumption of municipal services. It will restore basic municipal infrastructure and address infrastructure maintenance and rehabilitation needs. Total cost: $100 million.

◊ **Morocco** — IBRD—$2.2 million. This learning and innovation loan will propose, test, and evaluate institutional frameworks and contractual procedures for managing public-private partnerships to promote sustained development of coastal sites in Morocco. Total cost: $2.64 million.

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| **Tajikistan** | IDA—$2 million. Rural residents of flood-stricken areas will benefit from this supplementary emergency flood assistance to restore access and better flood protection through rehabilitation of flood-damaged infrastructure. Total cost: $2.2 million. |
| † **Turkey** | IBRD—$505 million. This emergency recovery loan supports earthquake survivors by reconstructing areas affected by the Marmara earthquake through financing for housing and physical infrastructure. Total cost: $737.1 million. |

## WATER SUPPLY AND SANITATION

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| **Albania** | IDA—$10 million. This project will help to improve health conditions and water system efficiency in four cities. Total cost: $14.6 million. |
| ◊ **Bosnia and Herzegovina** | IDA—$12 million. This project will establish a modern planning and management system, carry out major improvements in financial management and bill collection, and rehabilitate water and sewerage networks. Total cost: $13.4 million. |
| ◊ § **Brazil** | IBRD—$30.3 million. Under the framework of the PROSANEAR national low-income project, this technical assistance loan will achieve integrated and demand-driven water supply and sanitation service delivery to urban poor. Total cost: $49.3 million. |
| ◊ **China** | IBRD—$200 million. About 6 million urban residents will benefit from improved wastewater and solid waste management, expanded water supply, enhanced administrative capacity, stronger financial viability, and service providers' institutional autonomy. Total cost: $535.9 million. |
| ◊ **China** | IBRD—$150 million. This program will benefit about 1.6 million people by recovery from past degradation through the provision of a safe water supply, control of pollution, and strengthening of institutions. Total project cost: $293 million. |
| ◊ § **Colombia** | IBRD—$85 million. This project will expand water supply and sewerage services, improve living standards for over 750,000 poor residents, reduce urban pollution, and facilitate environmental cleanup of urban water bodies. Total cost: $117.2 million. |
| ◊ **Dominican Republic** | IBRD—$5 million. This learning and innovation loan will pilot technology for environmentally safe disposal of wastewater from coastal towns, enabling the private sector to provide disposal services in tourist centers. Total cost: $7.6 million. |
| ◊ § **Ghana** | IDA—$25 million. This adaptable program credit will assist the government to provide basic drinking water facilities for about 550,000 rural people, and will promote household sanitation and hygiene practices. Total cost: $28 million. |
| ◊ **Hungary** | IBRD—$31.6 million. The urban population will benefit from reduced pollution in the Danube River, increased compliance with national and European Union environmental standards, and more efficient wastewater operations. Total cost: $88.9 million. |
| ◊ § **Iran, Islamic Republic of** | IBRD—$145 million. This loan will support the extension of wastewater collection and disposal facilities for Tehran, serving an area of 16,500 hectares and 2.1 million people. Total cost: $340 million. |
| ◊ § **Nigeria** | IDA—$5 million. This learning and innovation credit will help improve delivery of community water and sanitation facilities to small towns that lack access to potable water and safe sanitation. Total cost: $9 million. |

◊ § **Poland** — IBRD—$120 million. This project will provide medium-term support to development of the rural sector in Poland and will assist in building institutional capacity to absorb European Union preaccession and structural funds. Total cost: $301 million.

◊ **Rwanda** — IDA—$20 million. This specific investment credit will provide basic drinking water facilities to about 370,000 people in rural areas, and will also improve household sanitation and hygiene practices. Total cost: $21.4 million.

◊ § **Uruguay** — IBRD—$27 million. This adaptable program loan will help expand water and sanitation services, help improve the efficiency and sustainability of these services, and upgrade and rehabilitate water and sewerage plants. Total cost: $48.1 million.

◊ **Zambia** — IDA—$37.7 million. Through this credit approximately 320,000 people will have access to more reliable and better water services through repair and rehabilitation, as well as cost recovery and cost containment mechanisms. Total cost: $38 million.

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## Cover Art

***Animas Anónimas [Anonymous Souls], 1994.***
***Double exposure. Lucía Chiriboga Vega (Ecuador).***

Lucía Chiriboga Vega was born in Quito, Ecuador, in 1954. Chiriboga is a sociologist, a photographer, and a researcher on the history of photography. She has exhibited her photographic work and collections of historical images in several Latin American countries, China, and Denmark. Her publications include *Retrato de la Amazonía, Ecuador* and *Identidades Desnudas: La Temprana Fotografía del Indio de los Andes*. Chiriboga's work is included in the collection of the World Bank Art Program, which makes particular efforts to identify artists from developing nations and to make their work available to a wider audience.

## The World Bank Mission

**To fight poverty** with passion and professionalism for lasting results.

**To help people help themselves** and their environment by providing resources, sharing knowledge, building capacity, and forging partnerships in the public and private sectors.

**To be an excellent institution** able to attract, excite, and nurture diverse and committed staff with exceptional skills who know how to listen and learn.

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