MEMORANDUM AND RECOMMENDATION

OF THE

PRESIDENT OF THE

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

TO THE

EXECUTIVE DIRECTORS

ON A

PROPOSED LOAN

IN AN AMOUNT EQUIVALENT TO US$175.0 MILLION

TO ROMANIA

FOR AN

INDUSTRIAL DEVELOPMENT PROJECT

APRIL 26, 1994

MICROGRAPHICS

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CURRENCY EQUIVALENTS

Currency Unit – Romania Leu (L)

US$1.00 = lei 450.00 on January 1, 1993
US$1.00 = lei 735.00 on July 1, 1993
US$2.00 = lei 1276 on December 31, 1993
US$1.00 = lei 1680 on April 15, 1994

ABBREVIATIONS AND ACRONYMS

LIBOR London Inter-Bank Offered Rate
MOF Ministry of Finance
NBR National Bank of Romania
PFI Participating Financial Intermediaries
SAL Structural Adjustment Loan
SCL Single Currency Loan
SME Small and Medium Scale Enterprise
SOE Statement of Expenditures
TA Technical Assistance

ROMANIA - FISCAL YEAR

January 1 - December 31
ROMANIA

INDUSTRIAL DEVELOPMENT PROJECT

LOAN AND PROJECT SUMMARY

Borrower: Romania

Beneficiaries: Private enterprises, exporters, participating financial institutions, banks, National Bank of Romania and Ministry of Industry

Amount: US$175 million

Terms: Single currency loan (SCL) in US dollars for twenty years, including five year grace period, at Bank’s standard variable rate for SCLs denominated in US dollars.

Onlending Terms: The Government will onlend funds to the participating financial intermediaries (PFI) in US dollars at the prevailing six-months LIBOR plus a margin of 30 basis points to be charged by the Ministry of Finance (MOF). The PFI subsidiary loans will be extended on a first-come first-served basis, back-to-back to PFI subloans to final beneficiaries and with the same maturities. The PFIs subloans to the beneficiaries will be denominated in US dollars at LIBOR plus the MOF margin and a market-based PFI spread. Subloans for investment finance will be provided at variable market-based interest rates with 3-17 year maturities and 1-5 years grace; subloans for export finance will be provided at fixed market-based interest rates and up to one year maturities. For both credit components, the final sub-borrowers will bear the exchange risk. The PFIs will bear the full credit risk of their subloans.

Financing Plan:

<table>
<thead>
<tr>
<th></th>
<th>US$ Million</th>
</tr>
</thead>
<tbody>
<tr>
<td>IBRD</td>
<td>175.00</td>
</tr>
<tr>
<td>Financial Intermediaries</td>
<td>119.00</td>
</tr>
<tr>
<td>Subborrowers</td>
<td>40.00</td>
</tr>
<tr>
<td></td>
<td>334.00</td>
</tr>
</tbody>
</table>

Poverty Category: Not Applicable

Staff Appraisal Report: Report No. 11542-RO

Map: IBRD 24742

This document has a restricted distribution and may be used by recipients only in the performance of their official duties. Its contents may not otherwise be disclosed without World Bank authorization.
1. I submit the following memorandum and recommendation on a proposed loan to Romania for US$175 million for approval. The proposed loan would be a single currency loan in US dollars on standard terms approved by the Board for the Single Currency Pilot Program, with 20 years maturity including five years grace, and would help finance an Industrial Development Project.

2. **Sector Background.** Since the 1989 revolution, the Government of Romania has formulated and started the implementation of a transition program towards an efficient market economy. A new legal and institutional framework has been established, and the policy framework has been substantially liberalized. The commercialization and corporatization of the state enterprise sector has been completed. The regulatory and institutional framework for privatization has been put in place. The Government plans to divest about 6,300 state-owned commercial enterprises and 30 percent of the state's equity has already been divested through allocation to five Private Ownership Funds and mass distribution of their shares. About 490 small to medium-size companies have been already privatized and another 500 are in active preparation for privatization. The ownership reform of the state sector is supplemented by a broad program to support the growth of indigenous private sector enterprises. About 546,000 new private firms were registered by end-1993, and about 78 percent of these have already opened for business, of which 30 percent are in manufacturing and trade. About 29,000 joint ventures have been formed, of which about 100 involve large enterprises. In the 1991-1993 period, the private sector (excluding agriculture) has productively absorbed over one million employees. Its participation in GDP has grown from less than one percent in 1989 to about ten percent in 1991 and an estimated 30 percent in 1993. There are, however, some areas where progress has lagged. The growth of private firms has been inhibited by crowding out from access to capital, raw materials, and infrastructure. The adjustment of Romanian state-owned industrial enterprises to changing relative prices has been slow and largely reactive, and hindered by the weak enterprise financial discipline. Recent changes in economic policies can be expected to deepen the adjustments already begun and to stimulate a more rapid positive output response.

3. The reform of the banking system was initiated early in the process of transformation to a market economy and a two-tier banking was established in 1990. The state-owned banks were commercialized and rechartered as universal banks. During the last three years, the banking sector has developed rapidly. Open access and the universal banking approach have yielded a multitude of new private banks and the emergence of competition. Market segmentation and concentration, in both deposit and loan markets, is still considerable. However, the dominance of the state-owned banks is now being successfully challenged by the rapidly growing private banks. The private banks' share of the total assets of the commercial banks rose from 3.2 percent at end-1991 to 15.9 percent at end-
1993; their share of the non-government loans increased from 2.7 percent to 12.1 percent during the same period; the share of deposits increased from 3.8 percent to 15.4 percent; and the share of the total equity of the banking sector from 7 percent to 27 percent. In spite of the difficult macroeconomic environment, the financial position of Romanian banks improved in the 1990-1993 period. Capitalization has improved from 2.5 percent in 1990 to about 8 percent at end-1992 and was about 6.8 percent at end-1993. The macroeconomic environment continues to be volatile, and a level playing field for all economic agents has yet to be fully developed. This creates problems in appraising and pricing credit, interest rate and currency risks. The capacity of Romanian banks to take and sustain risk is, however, seriously impaired by the lack of loan classification and provisioning requirements and by the generally low level of loan loss reserves. The current level of the (tax deductible) general loan loss reserves mandated at 0.5 percent of banks' asset portfolio, seriously taxes the banks' capacity to sustain risk.

4. **Rationale for Bank Involvement.** In the period since the revolution, at the macro-level, the new economic policies have introduced liberalization (e.g., prices, foreign trade, interest rates, entry and exit policies), decentralization and competition (e.g., in banking, industry, agriculture), and emphasized market and private sector orientation. At the micro-level, the Government has commercialized virtually all enterprises in the trade and manufacturing sector. Financial policies and entry to the banking sector and markets have been liberalized, resulting in emergence of the new private institutions and in changes of financial markets structure. The Government has also recognized that export development and integration of the Romanian economy into the international financial and goods markets is a key to successful transition and to achieving a sustainable growth path. To this end, the Government has opened entry to the trade sector; liberalized foreign trade; unified and simplified the tariff regime; practically removed exchange controls on current account transactions; and started to manage exchange rate through market mechanisms. However, supply response to the new incentives and opportunities has been slower than expected.

5. The Government sees the private sector as the main engine of new wealth creation and growth in the future. The promotion of efficient private enterprises and a wholesale privatization of state enterprises is a cornerstone of the Government's transition strategy. The Government also intends to liquidate non-viable state enterprises in order to release resources for private sector growth, and to facilitate development of a healthy, efficient and market-oriented financial sector able to provide equity capital, working capital and investment finance needed by the private sector. The proposed Project supports implementation of the Government's transition strategy. It will promote the development of the private sector by supporting private and privatized enterprises and exporters. It will also support reform of the banking sector by helping to establish prudential regulations, to strengthen individual banks and by encouraging restructuring and privatization of state-owned banks. By supporting elements of the adjustment program that would generate output, exports and employment, the proposed Project will also facilitate implementation of those elements of the reform program that entail contraction of economic activities.
6. **Project Objectives.** In line with the country assistance strategy, discussed by the Board on April 5, 1994, the principal objectives of the proposed Project are to: (a) create conditions for an effective supply response and promote growth of viable private industrial enterprises, and to increase exports; (b) stimulate transformation of Romanian credit markets and introduction of safe and sound banking practices; and (c) advance structural transformation of the enterprise sector in Romania, and specifically privatization and restructuring.

7. **Project Description.** The loan of US$175 million comprises: (a) US$102 million for investments of private enterprises aimed to improve international competitiveness and/or expand exports; (b) US$70.0 million for export finance by providing partial to full coverage of preshipment finance needs for imported inputs; and (c) US$3.0 million for technical assistance to help in policy formulation and to strengthen institutional capacity in the areas of privatization and restructuring, and in the banking sector.

8. The loan will be made to Romania through the Ministry of Finance (MOF). It will be a US dollar loan, under the Bank's Single Currency Loan (SCL) pilot program. The onlending will be managed by an apex involving the National Bank of Romania (NBR) and the MOF, and intermediated by participating banks. The access to participation will be kept open, and banks will be qualified based on their capital adequacy, satisfactory financial conditions and operating policies, and staff skills and experience. Five banks have been qualified so far, including the Foreign Trade Bank, the Societe Generale, the Chemical Bank, the Romanian Development Bank and the Tiriac Commercial Bank. Another three banks have substantially met qualification criteria, but need to take some corrective actions before they are qualified.

9. The subsidiary loans to participating financial intermediaries (PFIs) will be extended on a first-come first-served basis and back-to-back to the PFI subloans to final beneficiaries. The subsidiary loans to PFIs will be made in US dollars at the prevailing six-month LIBOR, plus a spread of 30 basis points to cover the MOF apex related expenses. The PFIs would onlend the funds to eligible private enterprises for eligible investment projects and export transactions. The access to investment finance will be limited to private enterprises, in good financial condition and with adequate capacity to bear the foreign exchange risk, with satisfactory business plans and with economic and financial rates of return on subprojects of a minimum of 15 percent. The access to export finance will be open to exporters with confirmed export orders, adequate export experience and positive value-added for the export products based on world prices. The subloans will be made in US dollars at interest rates based on six-month LIBOR plus the MOF margin of 30 basis points and a market-based spread to be determined by each PFI. The investment subloans, of up to US$8 million and the three to 17 years maturity with one to five-year grace period, will be extended at variable interest rates. The subloans for export finance, of up to US$5 million and maturities of up to one year, will be extended at fixed rates.

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1/ The participating banks are eligible for SCLs since they have a need for a US dollar loan to match revenues from lending to their clients, who are expected to earn export revenues in US dollars. SCL terms will reduce the currency and interest rate risk that the MOF or the PFIs would have faced with currency pool loan terms.
interest rates. The PFIs will assume the full credit risk. The beneficiaries will assume the foreign exchange risk and the interest rate risk for the term-lending.

10. The technical assistance component entails programs for the Ministry of Industry, for studies and consulting assistance to develop sector restructuring and privatization strategies, to improve environmental assessment capacity and to design a framework for industrial technology infrastructure management; for the NBR, for consulting services to the banking sector to improve asset/liability and risk management policies and practices, to strengthen internal controls and auditing and to implement the new chart of accounts and improve bookkeeping practices; and for the PFIs, to develop credit and risk management policies, strengthen their appraisal capacity and improve credit administration. Technical assistance funds will be onlent to implementing agencies through separate arrangements within the Government, and will be managed by the implementing agencies.

11. Procurement of items which cost US$100,000 equivalent or more will follow the Bank Procurement Guidelines established for financial intermediary operations. For items which cost less than US$100,000 equivalent, the normal commercial practices of the beneficiaries will be followed. For the investment finance, items which cost US$100,000 to US$1 million equivalent would be procured through international shopping on the basis of at least three competitive quotations obtained from suppliers in two eligible countries; for items which cost more than US$1 million equivalent, limited international bidding would be followed. For the export finance, items which cost US$100,000 to US$3 million equivalent would be procured through international shopping on the basis of at least three competitive quotations obtained from suppliers in two eligible countries; for items which cost more than US$3 million equivalent, limited international bidding would be followed. For the technical assistance, the implementing agencies would follow the Bank Guidelines for the Use of Consultants.

12. Disbursements under US$1 million per item would be made against a certified statement of expenditures (SOE), for which appropriate documentation would be retained by the PFIs and the implementing agencies. Disbursements above US$1 million per item would be made on the basis of full documentation. A special account covering up to four months' expenditures would be established to facilitate loan disbursements. For the export credit component, the MOF would also create an account to hold the repayments of subsidiary loans by PFIs. Funds would be used to finance other export credits for the same purposes and under the same terms and conditions as the original funds.

13. The initial commitment cut-off date is on January 1, 1996. At that time, the Bank will review exchange and interest rate policies, foreign trade policies and Project's implementation record. The performance criteria for a satisfactory implementation record are: (a) at least US$26 million of project funds committed; (b) at least US$20 million of project funds disbursed; (c) projects and export transactions amounting to at least US$20 million in the lending pipeline; and (d) at least two financial institutions still qualified and participating in the project. If, on the basis of this review, the Bank
determines that the Project implementation record is satisfactory and that the macroeconomic environment remains conducive to the attainment of the Project's objectives, the final subloan commitment date will be extended to December 31, 1997. Otherwise, the Bank may choose, in cooperation with the Government, to redesign or close the proposed Project. The closing date for the loan is December 31, 1998.

14. A breakdown of costs and the financing plan are shown in Schedule C. The procurement methods, with amounts and disbursements, are shown in Schedule B. A timetable of key project processing events and the status of Bank Group operations in Romania are given in Schedules C and D, respectively. The Staff Appraisal Report No. 11542-RO dated April 25, 1994 is being distributed separately.

15. **Agreed Actions.** During the negotiations, agreements with the Ministry of Finance were reached on the following:

(a) **Conditions of Effectiveness.** The following would be the conditions for loan effectiveness: (i) Subsidiary Credit Agreements signed by at least two PFIs; (ii) NBR regulations to increase general loan loss reserves to 2 percent issued; (iii) NBR regulations on risk-based capital adequacy issued; and (iv) NBR regulations on asset classification and provisioning issued;

(b) **Condition of Disbursement.** For the export credit component, MOF would establish an export finance facility, satisfactory to the Bank, to revolve export credits during the loan grace period; and

(c) **Condition Concerning Loan Commitment Period.** The initial commitment cut-off date will be on January 1, 1996. At that time, the Bank will perform a review (para. 13) and, if satisfied, extend the loan commitment date to December 31, 1997.

16. **Benefits.** The proposed Project would support competitive, viable private enterprises. It will assist the Government to formulate and implement policies for furthering privatization and restructuring; create conditions for effective supply response; introduce prudential regulations and strengthen bank supervision; improve the capacity of the financial sector to provide export finance services and to appraise, finance and supervise investment projects; and facilitate access to finance for private enterprises. Healthy and efficient private financial institutions will increase competition in Romanian credit markets and contribute to financial market integration. By helping PFIs to develop expertise in project ending, the proposed Project would promote more efficient investments. Other indirect benefits include improvements in enterprise management, economic benefits related to returns on investment, export growth, and environmental benefits.
17. **Risks.** The main project risk is a shortfall resulting from general institutional weaknesses. This risk has been addressed by including technical assistance for all participants in the Project. Close supervision, beyond a level normally allocated for Bank's projects, will also help to contain this risk.

18. Volatility and uncertain economic prospects may adversely affect the PFIs' willingness to diversify and/or to engage in long-term lending; a general increase in non-performing assets would decrease PFIs' capacity to take the credit risk associated with the proposed Project. This is addressed by keeping access open to eligible PFIs; by strengthening the capacity of banks to take and sustain risk by increasing the level of general loan loss reserves; through technical assistance to PFIs to better manage risks, off- and on-balance sheet, and by improving their capacities to assess credit risk associated with particular borrowers and projects; through preparation of sector studies which could be utilized in projects' appraisal; and by maintaining flexibility in terms of reallocation of investment component funds to export finance, and vice-versa. The credit risk by the PFIs has been specifically addressed by extending the Bank's single currency loan; borrowing and onlending on SCL terms will reduce the currency and interest rate risk that Romania or the PFIs would have borne with currency pool loan terms. On the other hand, there is a risk that the enterprises' investment demand may have been overestimated. This has been addressed through promotional activities initiated early during Project preparation, including a program to build a strong pipeline of viable projects.

19. The macroeconomic instability and deterioration of the business environment is a major risk. It could adversely affect investments and exports and contribute to rapid deterioration of enterprise viability and PFI financial conditions and profitability. This risk is addressed by the Bank's SAL and through ongoing macroeconomic policy dialogue. In addition, the macroeconomic environment and the progress in transition programs and in project implementation will be thoroughly reviewed about one year after loan effectiveness, with an option to stop further commitments or change implementation arrangements in case of serious adverse developments.

20. **Environment Issues.** The proposed Project has been reviewed and placed in environment screening Category B. All sub-borrowers under the investment credit component of the proposed Project will be required to comply with environmental protection regulations of the country, acceptable to the Bank. In appraising subprojects, the PFIs will ensure that the sub-borrowers have received clearance from competent regulatory agencies regarding the environmental impact of their investments. During subproject implementation, the PFIs will review compliance with environmental regulations in the course of normal subproject supervision.
21. **Recommendation.** I am satisfied that the proposed loan would comply with the Articles of Agreement of the IBRD and recommend that the Executive Directors approve it.

Lewis T. Preston  
President

Attachments  
Washington D.C.  
April 26, 1994
**Schedule A**

**ROMANIA**

**INDUSTRIAL DEVELOPMENT PROJECT**

**Estimated Costs and Financing Plan**

(US$ Million)

<table>
<thead>
<tr>
<th>Component</th>
<th>Local</th>
<th>Foreign</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment Credit</td>
<td>55.0</td>
<td>102.0</td>
<td>157.0</td>
</tr>
<tr>
<td>Export Credit</td>
<td>104.0</td>
<td>70.0</td>
<td>174.0</td>
</tr>
<tr>
<td>Technical Assistance</td>
<td>0.0</td>
<td>3.0</td>
<td>3.0</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>159.0</td>
<td>175.0</td>
<td>334.0</td>
</tr>
</tbody>
</table>

*a/ Taxes and duties are excluded.*

**Financing Plan:**

<table>
<thead>
<tr>
<th></th>
<th>Local</th>
<th>Foreign</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>IBRD</td>
<td>0.0</td>
<td>175.0</td>
<td>175.0</td>
</tr>
<tr>
<td>Sub-borrowers</td>
<td>40.0</td>
<td>0.0</td>
<td>40.0</td>
</tr>
<tr>
<td>Financial Intermediaries</td>
<td>119.0</td>
<td>0.0</td>
<td>119.0</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>159.0</td>
<td>175.0</td>
<td>334.0</td>
</tr>
</tbody>
</table>
# Schedule B

## ROMANIA

### INDUSTRIAL DEVELOPMENT PROJECT

**Procurement Method and Disbursements**

(US$ Million)

<table>
<thead>
<tr>
<th>Procurement Method</th>
<th>LIB</th>
<th>Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Investment Credit</strong></td>
<td>40.0</td>
<td>117.0</td>
<td>157.0</td>
</tr>
<tr>
<td></td>
<td>(40.0)</td>
<td>(62.0)</td>
<td>(102.0)</td>
</tr>
<tr>
<td><strong>Export Finance</strong></td>
<td>10.0</td>
<td>164.0</td>
<td>174.0</td>
</tr>
<tr>
<td></td>
<td>(10.0)</td>
<td>(60.0)</td>
<td>(70.0)</td>
</tr>
<tr>
<td><strong>Technical Assistance</strong></td>
<td>-</td>
<td>3.0</td>
<td>3.0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(3.0)</td>
<td>(3.0)</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>50.0</td>
<td>284.0</td>
<td>334.0</td>
</tr>
<tr>
<td></td>
<td>(50.0)</td>
<td>(125.0)</td>
<td>(175.0)</td>
</tr>
</tbody>
</table>

**a/** Estimated amounts. Figures in brackets are respective amounts financed by the World Bank.

**b/** LIB for items costing more than US$3 million equivalent for export finance and US$1 million for term finance.

**c/** Local commercial practices for items costing less than US$100,000 equivalent; international shopping for items costing US$100,000 to US$3 million equivalent for export finance, and US$100,000 to US$1 million equivalent for term finance; direct contracting for proprietary items; and technical assistance following Bank Guidelines for the Use of Consultants.

### Disbursement Procedures

<table>
<thead>
<tr>
<th>Category</th>
<th>Loan Allocation</th>
<th>% of Expenditures to be Financed</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>I Investment Credit</strong></td>
<td>102.0</td>
<td>up to 100% of foreign exchange expenditures, 100% of local expenditures (ex-factory cost) and 80% of local expenditures for other items procured locally for goods and 100% for consultant services.</td>
</tr>
<tr>
<td><strong>II Export Finance</strong></td>
<td>70.0</td>
<td>Up to 100% of foreign exchange expenditures for imported inputs.</td>
</tr>
<tr>
<td><strong>III Technical Assistance</strong></td>
<td>3.0</td>
<td>100% of foreign expenditures, 100% of local expenditures (ex-factory cost) and 80% of local expenditures for other items procured locally for goods, 100% of foreign expenditures for training and 100% for consultant services.</td>
</tr>
</tbody>
</table>

### Estimated Disbursement

<table>
<thead>
<tr>
<th>FY95</th>
<th>FY96</th>
<th>FY97</th>
<th>FY98</th>
<th>FY99</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual</td>
<td>53.0</td>
<td>61.0</td>
<td>35.0</td>
<td>21.0</td>
</tr>
<tr>
<td>Cumulative</td>
<td>53.0</td>
<td>114.0</td>
<td>149.0</td>
<td>170.0</td>
</tr>
</tbody>
</table>
**ROMANIA**

**INDUSTRIAL DEVELOPMENT PROJECT**

**Timetable of Key Project Processing Events**

<table>
<thead>
<tr>
<th>Event Description</th>
<th>Date/Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Time taken to prepare</td>
<td>Nine months</td>
</tr>
<tr>
<td>(b) Prepared by</td>
<td>Government, NBR and the World Bank</td>
</tr>
<tr>
<td>(c) Appraisal Mission Departure</td>
<td>October 12, 1992</td>
</tr>
<tr>
<td>(d) Information Program on Loan Choice</td>
<td>February 22, 1993</td>
</tr>
<tr>
<td>(e) Negotiations</td>
<td>April 11, 1993</td>
</tr>
<tr>
<td>(f) Reconfirmation of Negotiated Package</td>
<td>April 4, 1994</td>
</tr>
<tr>
<td>(g) Board Presentation</td>
<td>May 19, 1994</td>
</tr>
<tr>
<td>(h) Planned Date of Effectiveness</td>
<td>September 1, 1994</td>
</tr>
</tbody>
</table>
## Schedule D

**ROMANIA**

**INDUSTRIAL DEVELOPMENT PROJECT**

**THE STATUS OF BANK GROUP OPERATIONS IN ROMANIA**

### A. STATEMENT OF BANK LOANS

(As of March 31, 1994)

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Borrower</th>
<th>Purpose</th>
<th>Amount ($ million)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>(less cancellation)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Bank</td>
</tr>
<tr>
<td>Twenty-six non-pooled loans and seven pooled loans</td>
<td></td>
<td>were committed from FY74 to FY82. These loans were fully disbursed by end-FY87 and fully prepaid by FY89.</td>
<td>2182.22</td>
</tr>
<tr>
<td>3363-RO</td>
<td>1991</td>
<td>Romania Technical Assistance and Critical Imports</td>
<td>180.00</td>
</tr>
<tr>
<td>3409-RO</td>
<td>1992</td>
<td>Romania Health Rehabilitation</td>
<td>150.00</td>
</tr>
<tr>
<td>3481-RO</td>
<td>1992</td>
<td>Romania Structural Adjustment</td>
<td>400.00</td>
</tr>
<tr>
<td>3486-RO</td>
<td>1992</td>
<td>Romania Private Farmer Support</td>
<td>100.00</td>
</tr>
<tr>
<td>3593-RO</td>
<td>1993</td>
<td>Romania Transport</td>
<td>120.00</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td></td>
<td>950.00</td>
</tr>
</tbody>
</table>

### B. STATEMENT OF IFC INVESTMENTS

(As of March 31, 1994)

<table>
<thead>
<tr>
<th>Date</th>
<th>Borrower</th>
<th>Purpose</th>
<th>Amount ($million)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Loan</td>
</tr>
<tr>
<td>1992</td>
<td>Alcatel</td>
<td>Communication</td>
<td>5.55</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Total Gross Commitments</strong></td>
<td>5.55</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Less: Cancellations, Terminations, Exchange, Adjustments, Repayments, Write-offs &amp; Sales</strong></td>
<td>1.20</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Total Commitments now by IFC</strong></td>
<td>4.35</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Total Undisbursed IFC</strong></td>
<td>3.68</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Total Outstanding IFC</strong></td>
<td>0.67</td>
</tr>
</tbody>
</table>