Department of Finance
Canada

Ministère des Finances
Canada

REPORT ON OPERATIONS UNDER THE BRETTON WOODS AND RELATED AGREEMENTS ACT 1991

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INTRODUCTORY NOTE

This report reviews the operations during 1991 of the Bretton Woods Institutions: the International Monetary Fund (IMF) and the World Bank Group, which consists of the International Bank for Reconstruction and Development (IBRD), the International Development Association (IDA), the International Finance Corporation (IFC) and the Multilateral Investment Guarantee Agency (MIGA).

The IMF (the "Fund") and the IBRD (the "Bank") were established at the Bretton Woods Conference in 1944. Canadian participation in these institutions was authorized under the Bretton Woods Agreements Act of 1945. The IFC was founded in 1956 as an affiliate of the IBRD by means of separate Articles of Agreement. Canadian participation in IDA was authorized under the International Development Association Act of 1960. In 1985, the legislation for all three institutions was consolidated under the Bretton Woods and Related Agreements Act.

The fourth World Bank institution, the Multilateral Investment Guarantee Agency (MIGA), began operations in 1988. Canada ratified the Convention establishing MIGA in October, 1987. Canadian participation in MIGA was authorized through an amendment to the Bretton Woods and Related Agreements Act.

The International Monetary Fund provides machinery for international consultation and collaboration on monetary, balance of payments, and exchange matters, including the elimination of exchange restrictions for current payments. Its operations are traditionally financed by subscriptions, or "quotas", paid by member countries. These quotas generally reflect the relative importance of countries in the world economy. The IBRD and IDA have, as their main function, the extension of loans and credits to developing countries in order to enable them to finance projects and economic policy reform programs which contribute to their economic development. The Bank obtains most of its funds by selling bonds in private capital markets. IDA's resources come mainly from governments in the form of interest-free advances, enabling it to make loans on soft terms. The IFC supplements the activities of the Bank and IDA by making and encouraging investments on commercial terms in productive private enterprises in developing member countries. MIGA's main function is to promote private investment in developing countries through the provision of insurance against non-commercial risk. Membership in the Fund is a prerequisite for membership in the Bank and membership in the Bank a prerequisite for membership in IDA, the IFC, and MIGA.

Figures in the section on the Fund are expressed in terms of Special Drawing Rights (SDRs), the unit of account for all IMF transactions. The SDR is defined in terms of a weighted "basket" of 5 major currencies (the U.S. dollar, the German mark, the Japanese yen, the pound sterling, and the French franc) and its value on any given day reflects current exchange rates for those currencies. In 1991, the value of the SDR varied between US$1.31 and $1.44.

Detailed information on the policies and operations of the IMF as well as on world financial and economic developments is contained in the following Fund publications: the International Financial Statistics, the Annual Report on Exchange Arrangements and Exchange Restrictions, the Annual Report of the Executive Board, and the World Economic Outlook.

Figures in the section on the World Bank Group refer, unless otherwise stated, to current U.S. dollars. Detailed information on the policies and operations of the World Bank Group can be found in the World Bank Annual Report and the International Finance Corporation Annual Report. Information concerning world financial and economic developments as they affect developing countries is contained in the annual World Development Report published by the World Bank.

INTERNATIONAL MONETARY FUND

The International Monetary Fund promotes the smooth functioning of the international monetary system so as to encourage international trade and capital movements and, ultimately, high rates of sustainable economic growth, high levels of employment, and the development of the productive resources of member countries. In line with these general objectives, the Fund seeks to promote stability and order in exchange rates, to foster a multilateral system of settlements for current transactions between members, and to eliminate exchange restrictions that hinder world trade. Accordingly, the IMF provides short- and medium-term financial assistance to members faced with balance of payments difficulties, regardless of their degree of economic development, in order to enable them to correct temporary imbalances with a minimum of disruption to the international monetary system. It also provides, upon request, economic and technical assistance to member countries. At the end of 1991, 156 countries were members of the IMF.

As an open economy that has been dependent throughout its history on both foreign trade and financial flows, Canada has a major stake in an open, stable international monetary system. Membership in the IMF gives Canada a vehicle for promoting a stable world financial system, and orderly and early policy adjustment by countries experiencing unsustainable external imbalances. These are goals which Canada has always supported and which continue to influence Canadian policies toward the Fund.

International Economic Environment

The pace of economic activity slowed in 1991, as world growth fell to an estimated[1] 0.9 per cent from 3.3 per cent in 1989 and 2.2 per cent in 1990. Among the industrialized economies, real growth slipped to about 1.3 per cent in 1991, down from 3.3 per cent in 1989 and 2.6 per cent in 1990. Several of the major industrialized countries, including the United States, the United Kingdom, and Canada, which experienced a recession, did not achieve as robust a recovery as expected. Meanwhile, the fast pace of growth in Japan and west Germany slowed by the second half of the year.

A severe contraction of economic activity in the Eastern European countries and the republics of the former Soviet Union contributed to a negative aggregate growth rate for the developing countries in 1991. The fall in output in these countries reflects the legacy of past policies, the collapse of trade among the former members of the Council for Mutual Economic Assistance (CMEA), and, in a number of Eastern European countries, the adjustments associated with the early stages of radical economic reform. Output also fell substantially in the Middle East, primarily because of the effects of the Gulf War on economic infrastructure.

Growth in the volume of world trade fell sharply in 1991, to an estimated 0.6 per cent, compared with growth rates of 6.9 per cent in 1989 and 4.3 per cent in 1990. Two major factors were behind the slowdown. First, the collapse of trade among the former members of the CMEA system caused trade volumes to shrink in Eastern Europe and the former Soviet Union. Second, slow growth among the major industrialized economies contributed to weaker expansion of trade. The performance of growth in world trade in 1991 is in sharp contrast to the last several years when it consistently outstripped world economic growth.

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1. Complete data for 1991 are not available at time of writing. Estimates are based on the IMF World Economic Outlook, October 1991.

The cumulative current account deficit of the industrialized countries narrowed in 1991, partly as a result of war-related transfers from countries in the Middle East. Positive terms of trade effects, stemming from declines in both oil and non-oil commodity prices, also contributed to the improvement in the current account of industrialized states. For the developing countries, the transfers and negative terms of trade effect brought about a wider current account deficit. The deterioration in external accounts was concentrated in the Middle East; in contrast to a surplus on the current account registered in the region in 1989 and 1990, a deficit was recorded in 1991.

The slowdown in economic activity was accompanied by a fall in consumer price inflation in both industrialized and developing countries alike. In the industrialized countries, inflation fell to 4.5 per cent in 1991 from 4.9 per cent in 1990; however, inflationary pressures remained strong in some countries, notably Germany. Inflation in the developing countries fell more sharply overall, but from a much higher level -- on average consumer price inflation fell to 59 per cent in 1991 from 91 per cent in 1990. This aggregate figure for developing countries masks major regional differences, with lower rates of inflation in the Western Hemisphere (South and Central America) and significant increases in inflation among the Eastern European economies.

While there were substantial exchange rate fluctuations due to a number of factors, including interest rate differentials among industrial economies, the overall changes in exchange rates from the beginning to the end of 1991 were relatively small. The major exception was the Japanese yen which appreciated vis-à-vis major currencies in line with developments in the external accounts: the U.S. dollar traded at 125 yen at the end of the year compared with 136 at the start of the year. The dollar was worth 1.52 deutsche marks at the end of the year, up only marginally from the level of 1.50 at the beginning of the year; however, the dollar-deutsche mark rate fluctuated quite sharply during the year, peaking at 1.83 in July.

The Fund's Resources

The resources of the IMF are largely drawn from its members and are based on a system of quotas which reflect each country's relative economic importance. Quotas are an important determinant of membership on the Executive Board, which manages the day-to-day operations of the Fund, and on the Ministerial Interim Committee which provides policy guidance and whose composition is patterned on that of the Executive Board. Quotas also determine both the obligation to lend to the Fund and the right to draw on IMF financial resources for balance of payments support. Members' quotas are also used as the basis for determining allocations of new SDRs.[2]

Members seeking financial assistance from the Fund's General Resources Account to help correct balance of payments disequilibria can draw on the "reserve tranche" and four normal "credit tranches", each amounting to 25 per cent of their quotas. Drawings beyond the first credit tranche are phased under "stand-by" arrangements tied to performance criteria associated with stabilization programs. Members can also use the permanent facilities created for specific purposes, including the Buffer Stock Facility (BSF) created in 1969 to help members with balance of payments difficulties finance their participation in international buffer stock arrangements, and the Extended Fund Facility (EFF) created in 1974 for members suffering from balance of payments problems resulting from structural rigidities. EFF programs cover drawings phased over periods of up to three years and are also subject to performance criteria. The Fund instituted a new form of financial assistance to members, the structural adjustment facility (SAF) in 1986, which provides balance of

2. SDRs or Special Drawing Rights are reserve assets created by the IMF which can be used for settling claims among Fund members. New SDRs can only be created by a decision of the Board of Governors.

payments assistance to low-income countries on concessional terms. These concessional resources were further expanded in 1988 with the creation of the Enhanced Structural Adjustment Facility (ESAF), supported by loans from donor governments.

In addition, the Fund temporarily operated the Supplementary Financing Facility (SFF) (used in conjunction with drawings on the second and higher credit tranches and the EFF) to help members to finance payments deficits that were exceptionally large in relation to their quotas. The facility, which used resources borrowed from monetary authorities, started operating in early 1979. In order to continue providing additional conditional resources to help members with large payments deficits and serious adjustment problems the SFF was superseded by the Enlarged Access Policy in 1981 which is also financed through borrowed funds and which allows drawings beyond the normal credit tranches.

The Fund approved in 1988 modifications designed to revitalize the Extended Fund Facility (EFF). These changes enable greater access under the EFF within existing limits, improve the terms attached to the use of its resources, and extend, where appropriate, the duration of EFF arrangements. As well, the Compensatory and Contingency Financing Facility (CCFF) was established in August 1988 to provide financial support when members pursuing adjustment programs face shortfalls in export earnings or other specified difficulties as previously under the Compensatory Financing Facility (CFF). In addition, the new facility makes available contingent Fund financing to help maintain the momentum of adjustment programs against external shocks.

In addition to facilities in the General Resources Account, members participating in the Special Drawing Rights Department have, since January 1970, been able to use SDRs in transactions with the Fund or with other participants as a means of either obtaining other members' currencies or redeeming their own.

Activities of The Fund

Developments in the former Soviet Union were a major focus of activity at the IMF in 1991. At the time of the London Economic Summit in July, the U.S.S.R. submitted an application for Fund membership. This application was overtaken by the subsequent dissolution of the U.S.S.R. and by early 1992 the Baltic states and most republics had applied for Fund membership. Under a special association agreement worked out with the Fund in October 1991, the IMF has been able to provide technical, but not financial, assistance in this "pre-membership" phase to the newly independent Republics.

The immediate challenge for the Baltics and the members of the Commonwealth of Independent states has been to put in place appropriate macroeconomic policies to provide a stable economic environment and to adopt reform programs that would lay the groundwork for a successful transition to market-oriented growth. The IMF has been playing a key role in this context. In addition to general analysis and advice on policy formation, Fund staff have provided technical assistance and training in the areas of central banking, fiscal policy, and statistics. When full membership is secured in the coming months, the Baltics and the Republics will become eligible to draw upon the full range of IMF financial facilities.

The developments vis-à-vis the U.S.S.R. follow a number of steps the Fund took in 1990 to improve its ability to meet the diverse needs of member countries. Agreement was reached on a 50 per cent increase in the quotas of the membership; IMF lending facilities were modified to provide emergency financial relief to those members most seriously affected by the Gulf crisis; and the Fund moved to support the reform efforts of the countries of Central and Eastern Europe[3] engaged in introducing market-based systems.

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3. As defined in the rest of this report Central and Eastern Europe does not include the republics of the U.S.S.R.

Under a resolution passed by the IMF's Board of Governors in June 1990, the proposed increase in quotas -- when ratified by members -- will expand the size of the Fund by 50 per cent, to SDR 135.2 billion. The quota increases can become effective when members accounting for 70 per cent of present quotas have consented to their new quotas. Acceptance of the quota increase is also linked to passage of an amendment of the Fund's Articles of Agreement allowing for the suspension of the voting rights of members not cooperating to clear their overdue obligations to the Fund. By the end of 1991, 103 members representing 66 per cent of quotas had consented to their new quotas and 69 members accounting for 56 per cent of the voting power had accepted the proposed amendment.

An important part of the Fund's mandate is to help members overcome unexpected shocks, such as the economic effects of the Gulf crisis. Following recommendations made in September 1990 by the Interim Committee, the major policy advisory body of the Fund, the IMF Executive Board adopted decisions to provide emergency relief to member countries seriously affected by the Gulf crisis. It was agreed that the Fund could best respond by adapting and providing for more flexible use of existing Fund lending facilities. Accordingly, the thrust of the Fund's response has been through modifications or rephasing of the amounts of financing within stand-by, extended, and SAF/ESAF arrangements, and the CCFF. This approach has enabled the Fund to introduce modifications in adjustment measures and IMF financing relatively quickly. Additionally, an oil import element was introduced for a temporary period in the Compensatory and Contingency Financing Facility to cover excess costs of imports of crude oil.

The countries of Central and Eastern Europe continued the implementation of the comprehensive programs of economic reform that they had embarked upon in 1990. The Fund is playing a major role in assisting the reform efforts through the provision of technical assistance, financial resources, and coordination with other creditors to help these countries obtain additional financial support. Bulgaria, Czechoslovakia, Poland, Hungary and Romania agreed to new Fund programs in 1991.

The Fund also continued to contribute to the process of policy coordination and multilateral surveillance of members' economic performance and policies. This includes examining the implications of policies of major countries, the progress toward European monetary union, and the prospects for further moves toward convertibility in Eastern Europe, as well as work on exchange rate systems and on the determinants and consequences of capital flows. In recent years, the Fund has focused on structural developments that have a significant impact on overall economic performance. The Fund cooperates closely with the World Bank in addressing structural issues.

As mentioned earlier, developing countries as a group experienced a decline in economic growth in 1991. This was mainly due to a sharp fall in economic activity in Eastern Europe and the former republics of the U.S.S.R. Output dropped more sharply in the Middle East, mainly because of the disruptions associated with the Gulf conflict. The current account deficit of developing countries as a group widened in 1991. External financing constraints persisted for many developing countries due in part to continuing macroeconomic instability and doubts over the future course of economic policy. Fund lending has played an important part in efforts to strengthen the financial positions of these countries. Beyond providing temporary financing to bolster international reserves, however, a crucial aspect of Fund assistance is the implementation of corrective policy measures by the recipient country to restore financial and payments stability. These adjustment programs help to promote confidence on the part of commercial and official creditors and, thereby, act as a catalyst for new financial flows from these sources. As part of the international debt strategy, the Fund, with the close involvement of the World Bank, is supporting growth-oriented adjustment efforts by a number of heavily indebted countries.

The Fund's efforts in this area have involved two distinct groups of indebted developing countries. One is the group of middle-income countries, largely in Latin America. These countries have a high debt burden, which is mainly owed to international commercial banks. In assisting these countries the Fund has pursued an approach involving coordinated efforts by debtor and creditor countries, commercial banks and multilateral financial institutions.

Continuing debt difficulties have hampered stable economic growth in many countries. In 1989 the debt strategy was reinforced to strengthen economic growth and expand debt-servicing capacity. The Fund adopted in May 1989 new guidelines for its lending policies to facilitate a reduction in outstanding debt and debt-service payments. Since sustained adjustment remains critical to debtor countries' prospects of achieving growth, access to capital markets and a return of flight capital, Fund financial support of debt and debt-service reduction is linked to the adoption of programs that include strong elements of structural reform. A number of countries, including Costa Rica, the Philippines, Mexico and Venezuela, have adopted programs under the guidelines.

The second group are the very poorest heavily indebted countries. Their debt is largely owed to official lenders and governments. The Fund instituted a new form of financial assistance for these countries in 1986 and expanded this initiative in 1988 which substantially increased the resources available to them through this new lending program. The Structural Adjustment Facility (SAF) was established in 1986 to provide balance of payments assistance to low-income countries on concessional terms. Financing for the facility is being provided by SDR 2.7 billion of repayments on loans made through an earlier temporary facility, the Trust Fund.

Largely as a result of an initiative endorsed at the June 1987 Venice summit of industrialized countries, the Fund decided to increase significantly the resources available to the low-income countries by establishing the Enhanced Structural Adjustment Facility (ESAF). The ESAF came into operation in April 1988 and has lending resources of about SDR 5 billion. These resources will be made available to eligible countries under conditions which generally parallel those of the existing SAF. It was agreed to extend the period during which members could seek commitments under the ESAF to November 1992. A condition of such financing is the implementation of economic programs designed to promote structural adjustment and growth in a medium-term framework. The emphasis on structural adjustment implies the necessity of close collaboration between the Fund and the World Bank.

Overdue financial obligations to the Fund continued to be a matter of concern to the membership in 1991. Such arrears have consequences both for the individual country and for the IMF. Some countries have become ineligible to use Fund resources. The Fund has taken steps to protect its income position, with the financing of some of these measures shared between debtor and creditor member countries. In 1988 the Fund decided to pursue a multi-faceted approach to the arrears problem involving preventive measures and intensified collaboration where members with arrears are cooperating with the Fund. Intensified collaboration involves the coordination of financing by a "support group" of donor countries for countries with protracted arrears willing to undertake strong programs of economic reform, with the objective of facilitating a normalization of the country's relations with the Fund.

Fund arrears increased slightly to SDR 3.6 billion in 1991 from SDR 3.4 billion in 1990. In 1990, two countries, Guyana and Honduras, cleared their arrears with the IMF, the first countries with protracted arrears to do so. Other countries have resumed payments on obligations coming due and some have formulated and begun to implement comprehensive adjustment programs.

To deal with the few cases in which members have not shown a willingness to cooperate with the IMF in resolving their arrears problems, the Executive Board has indicated it will apply remedial measures under the Fund's cooperative strategy. The Board has further defined the procedures, and timetable, for the application of remedial measures and added two new instruments -- communications with IMF Governors and heads of selected International Financial Institutions (IFIs) and a declaration of noncooperation. As a further measure to strengthen the Fund's arrears strategy, the quota increases approved under the Ninth Review will be conditional upon passage of an amendment to the Fund's Articles of Agreement allowing for the suspension of the voting and related rights of members in arrears. This would be an intermediate step between powers which the IMF has under the Articles -- an initial sanction of borrowing rights and the ultimate sanction of expulsion.

In May 1990, the Interim Committee endorsed the concept of a "rights" approach, under which a country with protracted arrears could earn rights -- based on performance during a Fund-monitored program -- toward future financing once its arrears to the Fund had been cleared. Upon successful completion of a rights accumulation program, clearance of the country's arrears, and approval by the Fund of a successor arrangement, the country would be able to cash in its accumulated rights as the first disbursement under the new successor arrangement. Peru reached agreement in 1991 with the Fund on a rights accumulation program backed by financial assistance from a support group.

The Fund's Enlarged Access Policy (EAP) was established in 1981 to provide increased assistance under stand-by and extended arrangements to members that require substantial Fund support. Access by members under arrangements approved under the EAP is subject to annual limits of between 90 and 110 per cent of quota, with three-year limits of between 270 and 330 per cent of quota, and cumulative limits of between 400 and 440 per cent of quota. The actual limits established within these various ranges depend on the seriousness of the balance of payments needs and the strength of the adjustment effort. The EAP is a temporary facility that is reviewed annually. Subject to further review in 1992, the EAP and the present access limits will remain unchanged until the increase in quotas under the Ninth General Review of Quotas becomes effective.

It is generally agreed that quota payments by member countries should be the normal source of financing for the Fund's lending activities. In recent years, however, the increase in financial assistance provided by the IMF and the more medium-term nature of its adjustment programs have placed pressure on the Fund's resources. In order to protect its liquidity position -- which must be adequate to meet the potential as well as the actual financing needs of deficit countries -- and ensure the continued effectiveness of its operations, the Fund, in recent years, has supplemented its own resources by borrowing from member countries. Since 1962, Ministers of the "Group of Ten" (G-10) industrial countries (which includes the ten largest industrial countries in the IMF, including Canada, plus Switzerland) have provided a revolving line of credit under the General Arrangements to Borrow (GAB). Initially, the GAB was established to provide the IMF with temporary financing to help it meet exceptionally large drawings by any one of the contributing countries. In 1983, the GAB was enlarged and its mandate broadened to cover drawings by any Fund member under particular circumstances. The size of the line of credit available under the GAB is now SDR 17 billion. In late 1987, the IMF decided to renew the GAB for the five-year period December 26, 1988 to December 25, 1993. During 1991, the Fund did not utilize any of the resources available under the GAB or the associated SDR 1.5 billion Saudi Arabian line of credit.

Operations of the Fund

Fund arrangements with member countries totalled 50 at the end of 1991. As of December 31, 1991, 22 stand-by arrangements and 5 extended arrangements were in effect, as well as 6 structural adjustment (SAF) and 17 ESAF arrangements. The total committed resources under these arrangements amounted to SDR 17.7 billion with an undrawn balance of SDR 8.4 billion. This compares to 17 stand-by, 4 extended and 8 SAF and 14 ESAF arrangements in effect at the end of 1990 with a total of SDR 13.1 billion committed and an undrawn balance of SDR 6.1 billion.

As displayed in the following table, there was a significant increase in new Fund credit extended during 1991, as new drawings exceeded repayments (repurchases). Member drawings in 1991 were SDR 8.3 billion while repayments declined to SDR 4.7 billion. Fund financial activity was highlighted by a substantial increase in drawings under the Fund's compensatory and contingency financing facility (CCFF), which rose by SDR 3 billion.

TABLE 1

FLOW OF RESOURCES THROUGH IMF 1990-91

(in billions of SDRs)

		1990	1991
1.	Total Purchases	4.8	8.3
	Of which:		
	Credit Tranches	1.2	2.6
	Compensatory Financing	0.1	3.0
	Extended Facility	3.0	1.9
	Structural Adjustment Facility	0.2	0.2
	Enhanced Structural Adjustment Facility	0.3	0.6
2.	Total Repurchases	5.9	4.7
3.	Net Purchases (1-2)	-1.1	3.6

IMF Relations with Canada

Canada's quota at the IMF is SDR 2,941 million. IMF holdings of Canadian dollars as of December 31, 1991 amounted to SDR 2,527 million or 86 per cent of quota. This compares to holdings of SDR 2,577 million (87 per cent of quota) at the end of 1990. Canada's reserve position in the Fund (the amount that can be drawn on demand for balance of payments purposes) was SDR 414 million at year's end, compared to SDR 364 million at the end of 1990.

As part of the agreement to increase IMF quotas under the Ninth General Review, it is proposed that Canada's Fund quota increase from SDR 2,941 million to SDR 4,320.3 million. Legislation to amend the Bretton Woods and Related Agreements Act to authorize the increase in Canada's IMF subscription and the related suspension amendment was introduced in Parliament November 8, 1990 and received Royal assent April 11, 1991.

In 1991, Canada received SDR 8.2 million from the Fund in interest on Canada's net creditor position in the General Resource Account. Interest earned by Canada on SDR holdings reached SDR 21.6 million.

In order to assist the Fund's operations, Canada has made available lines of credit that can be used to supplement temporarily the IMF's own resources. Canada's commitment under the General Arrangements to Borrow is the equivalent of SDR 892.5 million. As was the case in 1990, this line of credit available from Canada was not utilized by the Fund in 1991. Canada put in place in 1988 arrangements to lend SDR 300 million to the ESAF Trust and to provide grants for an interest subsidy which will apply to ESAF loans. At the end of 1991, loan payments under these arrangements totalled SDR 47.7 million and subsidy contributions equalled SDR 7.6 million.

Canada's cumulative allocation of SDRs remained at SDR 779 million during 1991. At the end of the year Canada's holdings of SDRs amounted to SDR 1.1 billion or 142 per cent of its cumulative allocation.

A team of IMF officials visited Ottawa in October 1991 as part of the annual consultation procedure under Article IV of the Fund's Articles of Agreement which provides for regular reviews of member countries' economic policies.

The Honourable Donald Mazankowski represents Canada on the IMF Board of Governors. Mr. Scott Clark is the Canadian representative on the Fund's Executive Board and also serves as Director for Ireland, Jamaica, the Bahamas, Barbados, Belize, St. Lucia, Grenada, Antigua and Barbuda, St. Vincent, St. Kitts and Nevis, and Dominica.

The Board of Governors held its annual meeting in Bangkok, Thailand in October 1991. The Interim Committee, the 22-member ministerial committee which advises the Board of Governors and gives general policy guidance to the Executive Board, met twice, in Washington in April and in Bangkok in October.

THE WORLD BANK GROUP

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (IBRD OR WORLD BANK), AND THE INTERNATIONAL DEVELOPMENT ASSOCIATION (IDA)

Purpose and Functions

The primary function of the World Bank and IDA is to help raise living standards in the developing world by channelling long-term financial resources in support of high priority investments and needed policy and institutional reform.

The World Bank and IDA differ essentially in the sources of their funds and the terms of their loans. The World Bank obtains most of its funds by borrowing in private capital markets and accordingly it must lend at near-commercial rates. IDA relies on interest-free advances from governments for the bulk of its resources and thus can make loans on much softer terms. Otherwise, the World Bank and IDA have similar policies. The two organizations are served by the same staff.

The World Bank seeks to acquire a comprehensive picture of the position and prospects of borrowing countries' economies and their development requirements, in order to identify economic sectors and projects which should be given high priority, and to form judgements on questions relevant to a borrowing country's economic growth, economic policies and its eligibility for World Bank or IDA financing.

By giving continuous attention to the economic situation of developing member countries, the World Bank also seeks to help such countries make more effective use of all resources at their disposal, both domestic and foreign. It does so by providing assistance in formulating development policies, establishing development organizations, drawing up investment programmes for specific sectors and regions, identifying and preparing projects for financing, and encouraging the coordination of development assistance from bilateral and multilateral agencies.

Increasingly, the protection of the environment has become a priority concern in the design of World Bank and IDA lending programs. Other current operational emphases include: poverty alleviation, human resources development (including women in development), private sector development and public sector management. The World Bank is also paying attention to the problems of growth and adjustment, particularly in countries with high levels of external debt. This has meant an increase in fast-disbursing lending in support of programs of policy reform, the strengthening of economic institutions, and greater reliance on market mechanisms.

In 1991, the World Bank actively participated in ongoing aid coordination group meetings for individual borrowing countries -- 24 Consultative Groups, 2 Round Tables and 10 Donor Meetings. Of these, 15 were for recipient countries in Sub-Saharan Africa. Region-wide donor groups active last year included the Caribbean Group for Cooperation in Economic Development, the Donor Group on the Special Program of Assistance for Africa and the Club du Sahel. The Bank participated in 5 ongoing aid groups in Asia, including the Indonesia Aid Group (IGGI) and the newly-formed Assistance Group for Mongolia. Several other international agencies and bilateral donors have been associated with one or more of these aid coordinating groups.

The World Bank also maintains close working relationships with other international organizations concerned with development assistance, particularly the United Nations, the United Nations Development Program (UNDP), the United Nations' specialized agencies, the regional development banks and the Organization for Economic Cooperation and Development. For example, the World Bank and the United Nations exchange information and coordinate technical assistance and other development activities through a high level liaison committee, and the World Bank

Group has acted as an executing agency for a number of pre-investment studies financed by the UNDP.

In November 1990, the Global Environment Facility (GEF), to be run jointly by the World Bank, the UNDP and the United Nations Environment Program (UNEP), was established as a pilot facility for environmental funding in developing countries in the areas of ozone, climate change, biodiversity and marine environment. Total commitments for the three years of the pilot program are estimated at SDR1.0 billion (Cdn$1.6 billion). Canada's contribution of Cdn$38.3 million is comprised of: (a) $10 million to the Core Fund of the GEF, funded from the Green Plan; (b) $15 million co-financing by CIDA; and (c) $13.3 million through our contributions to the Montreal Protocol Fund, funded from the Green Plan.

In recent years, the World Bank has moved to integrate environmental criteria into its lending programs. It has begun to prepare environmental guidelines for a number of sectors including tropical rainforests, and it publishes a comprehensive annual report on the environmental aspects of its activities. The agreement on the Ninth Replenishment of IDA (IDA9) concluded in December 1989 reflected donor concerns that environmental criteria be firmly integrated into IDA lending programs.

In 1974, the World Bank and the IMF established a Joint Committee of the Boards of Governors of both institutions to seek ways to improve the flow of financial assistance to developing countries. This Committee, referred to as the Development Committee, met twice in 1991: in Washington in April and in Bangkok in October.

In 1991, the USSR, and later individual republics of the former Soviet Union applied for membership in the IMF and the World Bank. Subsequently, a technical cooperation agreement between the Bank and some of the former USSR republics was initiated, so that the Bank could provide technical assistance during the pre-membership phase. The Executive Board agreed to transfer from the Bank's surplus, by way of a grant, US$30 million to a Trust Fund administered by the Bank for technical assistance to the former Soviet Union.

The Bank has concentrated its assistance on four broad areas: (a) systemic reforms such as price liberalization, trade reform, and financial sector reform; (b) sectoral reforms, especially agriculture, energy and transport; (c) the social safety net, and (d) training and information dissemination.

Resources

(a) World Bank Resources

The World Bank's funds are provided primarily from three sources:

(i) Paid-in capital

The Bank's Board of Governors approved on April 27, 1988, a general capital increase of US$76.5 billion, with US$1.7 billion to be set aside for new members. The paid-in portion of the increase is 3 per cent. The Bank's authorized capital is now US$174.7 billion.

Of authorized capital of US$174.7 billion (as of December 31, 1991), US$140.6 billion had been subscribed and US$9.4 billion of this amount had been paid-in. The remaining US$131.1 billion is callable and used to back capital market borrowings.

(ii) Borrowing

As of December 31, 1991, the World Bank had outstanding borrowings of US$97.3 billion (of which US$5.3 billion were short-term borrowings). The net increase in long-term borrowings in 1991 was US$3.6 billion.

(iii) Net Income from Operations

As of December 31, 1991 undistributed retained earnings amounted to US$12.6 billion. Net income in 1991 was US $1,439 million as compared with US$1,382 million in 1990.

(b) IDA Resources

IDA's resources are derived largely from budgetary allocations from its developed country members. Total resources made available or committed by member governments, including qualified commitments, to IDA from the beginning of its operations to the end of December 1991 were US$71.7 billion. Other resources that were made available to IDA since its inception include transfers of a portion of World Bank net earnings to IDA (US$3.5 billion), Special Fund (US$609 million) and contributions from Switzerland ($51 million). IDA also makes commitments against future repayments to IDA.

Negotiations on the Ninth Replenishment of IDA (IDA9) were completed in December 1989. The replenishment of US$15.2 billion will provide resources for a three-year period which began in July 1990. IDA currently provides credits for 35 to 40 years to borrowing countries at zero per cent interest with 0.75 per cent service charge and a 10 year grace period before the start of principal repayments. The majority of the people in IDA-borrowing countries have annual incomes of less than US$400. The share of IDA9 resources going to sub-Saharan Africa is maintained at a level of 45-50 per cent provided that this is warranted by economic policy performance. The share of quick-disbursing lending to support economic adjustment policies is around 25 per cent. Negotiations on the Tenth Replenishment of IDA (IDA10) will take place during the course of 1992.

Loans and Credits

(i) IBRD Loans

As of June 30, 1991, the IBRD had approved loans cumulatively totalling US$203 billion[1] (net of cancellations, terminations and refunds) to 110 of its 155 members. The World Bank's loans are long term (15 to 20 year maturities at present) and carry rates of interest which approach commercial rates. Since July 1, 1982 the lending rate is determined every six months as of January 1 and July 1. Since July 1, 1989, this rate is based on the average cost of the pool of IBRD borrowings over the preceding six months allocated to lending plus a spread of 50 basis points. At the end of December 1991 the IBRD lending rate was 7.73 per cent.

(ii) IDA Credits

On June 30, 1987, the Executive Directors decided to denominate IDA credits in Special Drawing Rights (SDRs). As at June 30, 1991, IDA had approved credits cumulatively totalling US$65 billion equivalent (net of cancellations, refunds and terminations) to 87 of its 139 member countries. IDA's development credits are interest-free (although there is a service charge of 0.75 per cent on disbursed and outstanding balances) with 35 to 40-year term and 10 years' grace. On January 5, 1982 in an effort to increase the funds available to IDA and to reduce IDA's operating deficits, the Executive Directors authorized a commitment fee for IDA development credits of 0.5 per cent on undisbursed balances for IDA credits negotiated after that date. On April 21, 1988, the Executive Directors decided that the IDA

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1. Excluding loans made to the International Finance Corporation (IFC).

commitment charge for all credits, including those already approved and carrying a commitment charge, would be variable within a range of 0%-0.5%. This fee is subject to annual review by the Executive Directors. For the period July 1, 1991 - June 30, 1992, the commitment fee is zero.

On September 23, 1988, the Executive Directors approved the use of future repayments to increase the Association's commitment authority in advance of their actual receipt. They approved annual commitments of SDR525 million for the period fiscal 1989-93 in the form of advance commitments. In addition, annual allocations may be made out of investment earnings on donor contributions and the 10 per cent of reflows that are not being committed in advance. The latter represents a supplement to IDA resources that is being made available in the form of fast-disbursing adjustment credits to support IDA-only countries that are not only implementing agreed adjustment programs, but have outstanding IBRD debt, as well.

THE INTERNATIONAL FINANCE CORPORATION (IFC)

The IFC supplements the activities of the World Bank and IDA by making and encouraging investments on commercial terms in productive private enterprises in developing member countries. At June 30, 1991 the IFC had 142 members. The total resources available amounted to US$6,231.9 million; these were derived from paid-in capital subscribed by member governments (US$1,144.6 million), borrowings from the World Bank (US$926.5 million) and other creditors (US$3,203.2 million), and accumulated earnings (US$957.6 million).

IFC's commitments through fiscal year 1991 amounted to US$2,105.6 million, bringing the total cumulative gross commitments since inception of operations to US$13,544.0 million.

THE MULTILATERAL INVESTMENT GUARANTEE AGENCY (MIGA)

The international convention establishing MIGA took effect on April 12, 1988. At its inaugural meeting on June 8, 1988, the agency's governing council elected a board of directors, adopted by-laws, and agreed upon terms and conditions for future members.

MIGA's mandate is to promote private foreign direct investment in developing countries, primarily through the issuance of non-commercial risk insurance (i.e., transfer of earnings and capital, expropriation, war and civil disturbance, and breach of contract). Its programmes also include technical and advisory services, and the provision of advice on investment policies. MIGA is meant to complement the activities of the World Bank, the International Finance Corporation (IFC), national investment insurance programmes, private insurance and other agencies.

The Convention establishing MIGA provides for an initial capitalization of SDR 1 billion (US$1.082 billion) with a paid-in portion of 20% (10% in cash, 10% in demand notes) and a callable portion of 80%. Canada's subscription is SDR 29.65 million (US$32.1 million) of which US$3.2 million is paid-in in cash and US$3.2 million in notes. The cash and note payments were made during 1988.

At the end of fiscal year 1991, 101 countries had signed MIGA's Convention, of which 64 have become members.

MIGA issued its first four guarantees during fiscal year 1990, covering a maximum contingent liability of US$132.3 million. During fiscal year 1991, MIGA issued 11 guarantee contracts supporting 10 projects totalling US$922 million in direct investment. The maximum contingent liability assumed by MIGA during the year totalled US$58.9 million. At June 30, 1991, therefore, the maximum amount of contingent liability of MIGA under guarantees issued and outstanding totalled US$191.2 million.

GENERAL REVIEW

Total loans, credits and investments approved by the World Bank Group in fiscal year 1990 and in the three preceding fiscal years were as follows:

	1988	1989	1990	1991
	(in millions of U.S. dollars)			
World Bank*	14,762	16,433	15,180	16,392
IDA	4,459	4,934	5,522	6,293
IFC	1,270	1,709	2,201	2,846
TOTAL	20,491	23,076	22,903	25,531

* Excludes loans to IFC of US$200 million in FY 1988, US$179 million in FY 1989, US$177 million in FY 1990, and US$200 million in FY 1991.

Table I annexed to this Report lists World Bank and IDA loans and credits during Fiscal year 1991 according to geographical area and purpose, while Table II is a historical summary of loans and credits by year, geographical area and purpose. IFC investments and commitments are listed in Table III.

CANADA AND THE WORLD BANK GROUP

There are several benefits from Canadian participation in the World Bank. The World Bank exerts a major influence on the global development agenda, policies, programs, and innovation. It is the world's most important and influential, and largest, organization active in the development field. Participation in the World Bank thus gives Canada a voice in relatively large decisions and provides Canada with information not obtainable through our bilateral program.

The World Bank is involved in the design of what is considered to be an acceptable policy framework in recipient countries. It promotes policy reforms even at the project level. By promoting economic development, the World Bank also opens commercial markets for Canada, while World Bank projects themselves require procurement from foreign and local sources, for which Canadian firms can apply.

Canadian Representation on World Bank Group Executive Boards

The Governor for Canada is the Honourable Donald F. Mazankowski, Deputy Prime Minister and Minister of Finance, while Mr. Marcel Massé, President of the Canadian International Development Agency, is the Alternate Governor. Mr. Frank Potter is Canada's Executive Director on the Bank Group's Executive Boards. Mr. Potter also represents the Bahamas, Barbados, Belize, Antigua and Barbuda, Dominica, Grenada, Guyana, Ireland, Jamaica, St. Kitts and Nevis, St. Lucia and St. Vincent and the Grenadines.

Funds Subscribed or Contributed

World Bank - As of June 30, 1991, Canada's subscription to the World Bank's capital stock was US$4,329.8 million of which US$302.7 million had been paid-in.

IDA - Canada had to the end of fiscal year 1991 paid the equivalent of US$3,539.6 million to the Association.

IFC - As of June 30, 1991, Canada's total subscription to the IFC since it became a member of the Corporation in 1956 amounts to US$46.0 million, all of which is paid-in.

MIGA - Canada took up its subscription to MIGA's capital stock in 1988. Of the US$32.1 million subscription, US$6.4 million was paid-in, half in cash and half in demand notes.

Capital Increases and Replenishments

World Bank - In conjunction with the IDA 8 replenishment, the United States agreed to release some of its unpurchased shares to Japan, Italy and Canada. Accordingly, in April 1988, Canada subscribed to 1382 shares (worth US$166.7 million), raising its share of IBRD potential voting power from 2.92 per cent to 3.08 per cent (equal to that of India, Italy and Saudi Arabia). The paid-in portion was US$14.6 million.

- Under the US$76.5 billion general capital increase (GCI III), Canada's subscription will rise by a further 19,655 shares valued at US$2.37 billion. The paid-in portion will be US$71.1 million. These shares are being subscribed over a five-year period ending at the end of 1993.

IDA - The IDA 9 negotiation completed in December 1989, resulted in a US$15.2 billion replenishment which will finance its lending program through to June 30, 1993. Canada's share was 4.75% of the basic replenishment, or Cdn$828.6 million (the exchange rate for national currencies was set during the negotiations). Canada made its first payment during 1990. Payments will be completed in 1993.

IFC - Under the 1985 capital increase, Canada can subscribe to as many as 25,024 shares in the Corporation, valued at US$25.0 million. The subscription was to be entirely paid-in and took place through instalments over a number of years. Canada made its last payment in March 1990.

Maintenance of Value Adjustment

According to the Articles of Agreement of the World Bank, countries are obliged to maintain the value of certain portions of their paid-in capital subscriptions and contributions. The World Bank did not have a workable standard of value from 1978 until 1986, as the formal link between the US dollar and gold had been broken. In October 1986, the Executive Board agreed upon the "1974 SDR" as a successor standard of value to the U.S. gold dollar. The 1974 SDR is a fixed US dollar equivalent of the value of the SDR prevailing in 1974 (US$1.20635 = 1 SDR). Maintenance of value payments were resumed on July 1, 1987.

Maintenance of value obligations do not exist for IDA contributions or subscriptions to the capital stocks of MIGA and the IFC.

World Bank Borrowings in Canada

From 1952 through 1971, the Bank borrowed Cdn$150 million in the public markets of Canada and Cdn$50 million through a private placement. From 1972 through 1981, the Bank did not borrow in Canadian dollars. Since 1982, however, the Canadian dollar has become an important source of currency diversification and has been a vehicle utilized in the Bank's currency swap operations. The Bank has raised Canadian dollars through public issues in the domestic, Euro, Yankee and Asian markets as well as through private placements. At December 31, 1991, the Bank had borrowed an aggregate principal amount of Cdn$2,755 million of which Cdn$1,507 million (approximately US$1,308 million), was outstanding.

In the official sector, the Bank of Canada, as fiscal agent of the Government of Canada, has purchased an aggregate principal amount of US$465.6 million of the World Bank's traditional two-year US dollar-denominated offerings to central banks. There were no purchases made in 1991. At December 31, 1991, US$61.55 million of these bonds were held by the Bank of Canada.

Canadian Goods and Services for Projects Financed by the World Bank and IDA

Total identifiable expenditures in Canada by World Bank and IDA borrowers to June 30, 1991 were about US$2.49 billion.

For FY 1991, IBRD and IDA disbursements for Canadian goods and services were distributed in four broad categories: consultant services (US$52 million), civil works (US$1 million), machinery and equipment (US$68 million) and all other goods (US$52 million). Details of the expenditures, made by year, are provided in Table IV.

Canadian Personnel

There were 166 Canadian nationals on the regular staff of the World Bank Group at the end of June 1991; of these, 122 were in professional positions and 44 in non-professional positions. There were also 44 Canadians working at the World Bank on fixed-term contracts or as consultants. Canadians accounted for about 3.0 per cent of the Group's regular professional staff in 1991.

CIDA Cooperation with the World Bank

Canada has been a member of the Consortia for Aid to India and Pakistan, since their establishment in 1958 and 1960 respectively, and is a member of Consultative Groups organized by the World Bank to review the economic situation and policies of and coordinate development assistance to Bangladesh, Bolivia, Cameroon, Caribbean, Ghana, Honduras, India, Kenya, Malawi, Mali, Mozambique, Nepal, Nicaragua, Nigeria, Pakistan, Uganda, Tanzania, Zambia, and Zimbabwe.

In 1991, Canada co-financed with the World Bank projects in Bangladesh, Burkina Faso (2 projects), Egypt, Honduras, Jordan, Rwanda, Senegal and Tanzania.

The total budget of these projects was US$103.6 million, of which Canada's contribution was US$63.4 million.

During 1991, Canada had five technical co-operation agreements with the World Bank for hiring Canadian and developing country consultants for short-term assignments. Two of these agreements were with the Cofinancing Group at the Bank and provided assistance in project preparation and sector work - one was dedicated for environmental assessments while the other was for the provision of more general sector work. These funds were aimed at improving World Bank loan design and supporting Canadian participation in World Bank operations. One agreement was with the Operational Evaluation Department aimed at providing Canadian expertise to Bank project evaluation. Another was to finance training programmes and seminars by the Economic Development Institute, and a final agreement was with the International Finance Corporation in collaboration with the Industrial Co-operation Program in CIDA.

During 1991, Canada also continued to support the IBRD/AFDB/UNDP "Social Dimensions of Adjustment" program, which was designed to measure the effects of structural adjustment on the population at large within countries undertaking structural adjustment, and to minimize the adverse consequences for the most vulnerable groups.

In addition, Canada continued to support the IBRD-led "Special Program of Assistance" for low-income, debt distressed countries in Sub-Saharan Africa. This program provides debt relief and growth-oriented import financing for these countries, particularly those implementing strong structural adjustment programs. It establishes a framework for assistance on a country-by-country basis through debt relief, additional concessional assistance from IDA, increased financing of adjustment operations by bilateral donors and resources from the IMF's Enhanced Structural Adjustment Facility (ESAF).

TABLE I

World Banks Loans and IDA Credits

Fiscal Year 1991 (July 1, 1990-June 30, 1991)

(Millions of U.S. dollars)

	WORLD BANK		IDA		TOTAL	
	No.	Amount	No.	Amount	No.	Amount
BY AREA						
Africa	10	662.9	67	2,731.3	77	3,394.2
Asia	41	4,583.0	21	2,907.9	62	7,490.9
Europe, Middle East & North Africa	38	6,079.1	8	484.6	46	6,563.7
Latin America & Caribbean	37	5,067.2	7	169.5	44	5,236.7
TOTAL	126	16,392.2	103	6,293.3	229	22,685.5
BY PURPOSE						
Agriculture and Rural Development	22	1,913.1	24	1,794.2	46	3,707.3
Development Finance Companies	8	1,695.0	3	156.8	11	1,851.8
Education	15	1,515.5	11	736.2	26	2,251.7
Industry	11	1,767.1	1	215.9	12	1,983.0
Non-project	10	1,940.0	9	881.9	19	2,821.9
Oil, Gas & Coal	6	1,570.0	5	160.2	11	1,730.2
Population, Health & Nutrition	11	647.0	17	920.6	28	1,567.6
Power	5	1,189.0	3	155.0	8	1,344.0
Public Sector Management	3	636.0	1	5.7	4	641.7
Small-Scale Enterprises	3	166.0	1	45.0	4	211.0
Technical Assistance	6	284.5	6	82.2	12	366.7
Telecommunication	2	270.0	2	69.8	4	339.8
Transportation	9	915.9	9	472.1	18	1,388.0
Urban Development	10	1,077.1	6	178.3	16	1,255.4
Water Supply and Sewerage	5	806.0	5	419.4	10	1,225.4
TOTAL	126	16,392.2	103	6,293.3	229	22,685.5

TABLE II

World Bank Loans and IDA Credits to Developing Countries

(Millions of U.S. dollars)

	WORLD BANK		IDA		TOTAL	
	No.	Amount	No.	Amount	No.	Amount
BY FISCAL YEAR*						
Cumulative to 1968	549	11,418.1	116	1,831.8	665	13,249.9
Total 1969-1973 (FY 69-73)	374	8,917.8	273	3,931.6	647	12,849.4
Total 1974-1978 (FY 74-78)	666	24,372.3	376	7,947.4	1,042	32,319.7
Total 1979-1983 (FY 79-83)	711	44,908.0	518	16,368.1	1,229	61,276.1
1983-1984 (FY-84)	129	11,947.2	106	3,575.0	235	15,522.2
1984-1985 (FY-85)	131	11,356.3	105	3,028.1	236	14,384.4
1985-1986 (FY-86)	131	13,178.8	97	3,139.9	228	16,318.7
1986-1987 (FY-87)	127	14,188.2	108	3,485.8	235	17,674.0
1987-1988 (FY-88)	118	14,762.0	99	4,458.7	217	19,220.7
1988-1989 (FY-89)	119	16,433.2	106	4,933.6	225	21,366.8
1989-1990 (FY-90)	121	15,179.7	101	5,522.0	222	20,701.7
1990-1991 (FY-91)	126	16,392.2	103	6,293.3	229	22,685.5
TOTAL	3,302	203,053.9	2,108	64,515.3	5,410	267,569.2
BY PURPOSE (Cumulative to June 30, 1991)						
Agriculture and Rural Development		38,025.0		22,477.7		60,502.7
Development Finance Companies		20,591.6		2,277.6		22,869.2
Education		8,170.2		5,255.4		13,425.6
Industry		15,449.5		2,097.9		17,517.4
Non-project		17,074.4		6,880.4		23,954.8
Oil, Gas & Coal		8,905.0		978.9		9,883.9
Population, Health & Nutrition		2,349.2		2,592.1		4,941.3
Power		34,476.7		5,348.7		39,825.4
Public Sector Management		1,616.0		307.7		1,923.7
Small-Scale Enterprises		4,691.8		626.5		5,318.3
Technical Assistance		733.4		975.6		1,709.0
Telecommunications		3,458.5		1,364.1		4,822.6
Transportation		29,401.4		7,886.1		37,287.5
Urban Development		8,927.5		2,695.5		11,623.0
Water Supply and Sewerage		9,183.7		2,781.1		11,964.8
TOTAL		203,053.9		64,515.3		267,569.2

* Fiscal years are those of the World Bank Group (July 1 to June 30).

TABLE III

Summary of IFC Operations as of June 30, 1991

	Total Commitments (millions of U.S. dollars)	Disbursements
BY FISCAL YEAR		
Up to 1970	476.5	291.8
1970-1971	101.4	72.0
1971-1972	115.6	60.8
1972-1973	146.7	88.1
1973-1974	203.4	162.5
1974-1975	211.7	184.4
1975-1976	245.3	199.7
1976-1977	206.7	259.9
1977-1978	333.0	155.1
1978-1979	405.9	205.4
1979-1980	649.6	311.8
1980-1981	737.4	587.4
1981-1982	380.1	530.2
1982-1983	332.8	374.4
1983-1984	770.0	380.9
1984-1985	481.2	350.4
1985-1986	681.2	465.2
1986-1987	997.4	493.0
1987-1988	1,160.8	871.5
1988-1989	1,518.2	1,077.3
1989-1990	1,364.2	1,126.0
1990-1991	2,105.6	1,676.8*
Cumulative to June 30, 1991	13,544.012	9,924.6

* US$1,248.8 million disbursed for IFC's accounts, US$428 million for participants.

TABLE IV

Disbursement by the World Bank and IDA Borrowers

for Goods and Services in Canada

To June 30, 1991

(in millions of U.S. dollars)

	WORLD BANK	IDA	Total
BY CALENDAR YEAR			
Cumulative to December 1960	133.5		133.5
1961	8.2	-	8.2
1962	3.7	-	3.7
1963	5.6	7.4	13.0
1964	4.7	1.8	6.5
1965	5.4	2.7	8.1
1966	11.6	5.3	16.9
1967	13.2	14.7	27.9
1968	6.3	7.8	14.1
1969	4.4	11.0	15.4
1970	7.6	1.3	8.9
1971	11.1	2.2	13.3
1972	10.5	2.3	12.8
1973	12.4	5.1	17.5
1974	15.8	8.4	24.2
1975	22.1	15.0	37.1
1976	25.7	10.8	36.5
1977	34.5	4.8	39.3
1978	26.1	5.5	31.6
1979	44.4	8.1	52.5
1980	51.5	7.8	59.3
1981	94.3	14.5	108.8
1982	75.0	17.6	92.6
1983	82.3	26.9	109.2
1984	92.6	54.3	146.9
1985	94.3	39.7	134.0
1986	184.8	46.8	231.6
1987 (Jan.-June)	185.5	46.8	232.3
1988 FY 1988 (to June 30, 1988)	182.1	47.4	229.5
FY 1989	197.0	45.0	242.0
FY 1990	164.0	41.0	205.0
FY 1991	139.0	34.0	173.0
TOTAL	1,949.2	536.0	2,485.2
Per Cent of Total Disbursements	2.3	1.9	2.2
Per Cent of FY 1991 disbursements	2.1	1.3	1.9