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July 12, 1990

To: Members of the Executive Board
From: The Secretary
Subject: Progress Report on Bank-Fund Collaboration

There is attached for consideration by the Executive Directors a progress report on Bank-Fund collaboration, which is proposed to be brought to the agenda for discussion on Wednesday, August 8, 1990.

Mr. Boorman (ext. 7858) or Ms. Puckahtikom (ext. 8780) is available to answer technical or factual questions relating to this paper prior to the Board discussion.

Att: (1)

WORLD BANK AND INTERNATIONAL MONETARY FUNDProgress Report on Bank-Fund Collaboration

Prepared by the Staffs of the World Bank
and the International Monetary Fund

July 12, 1990

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I. Introduction

1. This paper, prepared jointly by the staffs of the Bank and the Fund, is intended as a progress report on the status of collaboration between the two institutions. The paper reviews current procedures and practices, and presents some preliminary observations regarding their effectiveness in securing collaboration on broad policy issues as well as on country matters.

2. The purposes and mandates of the Bank and the Fund are defined in their Articles of Agreement, as interpreted by their respective Boards. The Bank and the Fund share the broad objective of promoting sustained growth and development of member countries, and have been assigned differing but complementary roles in pursuing this objective. The two institutions are expected to ensure close collaboration in order to serve members with maximum effectiveness.

3. Guidelines for collaboration between the Bank and the Fund have been in place since 1966; additional procedures were added to the original guidelines in 1970; these guidelines were reviewed by the managements of both institutions in 1980, and by the Executive Board of the Fund in 1984 and of the Bank in 1985. ^{1/} The status of cooperation was reviewed by both managements in early 1989 and, to facilitate collaboration, additional or more formal administrative and procedural steps were agreed upon, as laid out in the Joint Memorandum of the President of the Bank and the Managing Director of the Fund on Bank-Fund collaboration of March 30, 1989. ^{2/}

4. This report provides an overview of the general experience in collaboration over the past year, drawn primarily from a recent survey of Bank and Fund operational staff on selected country operations during 1989 and early 1990. ^{3/} An Appendix to this report provides further details on the modalities of strengthened collaboration, and the recent experience of collaboration in support of adjustment in member

^{1/} Detailed guidance notes on procedural aspects for collaboration between the two institutions were prepared for the respective staffs in 1985, and circulated to the IMF Executive Board as an Annex to the report "Fund-Bank Collaboration--Developments in 1985" (SM/86/40, 2/25/86), and to the Bank Board as an Annex to the paper "Progress Report on Bank-Fund Collaboration" (R86-112, 4/5/86). For a list of principal reviews of the experience with Bank-Fund collaboration of the Executive Boards of the Bank and of the Fund, see Appendix Table 1.

^{2/} Bank-Fund Collaboration in Assisting Member Countries, (SM/89/54, Rev. 1, 3/30/89).

^{3/} Sixteen countries were included in this survey (Bangladesh, Colombia, Congo, Egypt, Ghana, Guyana, Indonesia, Mexico, Morocco, Philippines, Poland, Senegal, Sierra Leone, Sudan, Zaire, and Zambia). The countries were selected with the objective of securing a regional balance and a broad mix of country experience.

countries, in the Policy Framework Paper (PFP) process, in the debt area, and in country cases involving overdue obligations.

II. Recent Experience in Collaboration

5. The survey results show that the procedures laid out by the managements of the Bank and the Fund, as confirmed and expanded in the Joint Memorandum, have worked reasonably well. Recent collaborative practices have been more uniform and systematic than previously. The single most important element in determining the effectiveness of collaboration continues to be the close, day-to-day informal contact between the staffs at the operational level, including the more systematic and timely exchange of documents.

6. Extensive staff contacts at headquarters have been maintained on both country-related matters and general policy aspects of common interest. These contacts have allowed the staffs to form more consistent perspectives on a member's problems and policies, and have enabled differences of view to be aired at an early stage. Close staff contacts in the field have also been maintained, through joint/parallel missions--particularly for PFP discussions--and cross-participation in other missions. All these efforts have contributed to more open and effective lines of communication and to improve the interaction between the two staffs. With some exceptions, the staff members that took part in the survey felt that policy views were exchanged in sufficiently specific terms and on a timely basis.

7. Equally important for the collaboration process are regular sessions for planning country strategies and review by the senior staffs and the two managements. These contacts have been made more systematic under the Joint Memorandum, and have helped create a more transparent operational framework for the staffs at the working level and maintain a common ground in the approaches of the two institutions. They have helped, for example, to ensure that issues and policy positions on country matters are discussed at an early stage. Such advance sounding of views has helped to reduce potential complications.

8. Collaboration in support of members' adjustment efforts has been extensive. In general, each staff has focused in its areas of primary responsibility and expertise, although this has also proved difficult to achieve in certain instances, given their inherent interdependence. Common views were achieved on a wide range of issues, though differences arose from time to time. The current procedures have been useful in clarifying understandings and in resolving such differences.

9. Generally, divergences of view, when they arose, were identified and resolved at an early stage, typically through intensive discussions before the policy dialogue with the country authorities was started. Nevertheless, and especially where the problems were particularly complex, differences sometimes remained over a protracted period. In

some instances views remained at variance, on the division of responsibility, on specific policy approaches, on financing scenarios and on specific policy recommendations (see Appendix, pages 10-13). Differences were relatively more frequent in the macroeconomic policy area, including exchange rate policy. Where divergences arose, the procedure put in place in the Joint Memorandum for management's consultations on country matters was followed to reconcile outstanding differences. Aside from the strengthened procedures, and the heightened awareness on the part of both staffs that they generated, collaboration was also facilitated by a better understanding on the part of country authorities of the areas of primary responsibility of each institution.

10. The procedures laid out by both managements over the years and as reconfirmed and expanded in the Joint Memorandum contributed to further clarify the relationships between the lending policies of the two institutions. Financial support to member countries by the Bank and the Fund has been coordinated, as evident in the large number of cases where both institutions were together involved in supporting economic reforms over the past year, even though resource flows in the context of adjustment programs remained difficult to predict with precision. In this period, neither management has decided to present to its Board a country's request for financial support in the presence of substantive reservations by the other institution, and the procedures set out in the Joint Memorandum for these situations have not been invoked.

11. Collaboration has increased not only where both institutions were financially involved, but also where only one, or neither institution, was providing resources. Recent practices in such collaboration have followed broadly the guidelines that were laid out in the Joint Memorandum for seeking an assessment by the other institution. In the area of technical assistance in support of policy adjustment, the staffs have also worked closely together. Where appropriate, each staff has attempted to draw on the results of technical assistance provided by the other institution, as well as by third parties.

12. As regards the PFPs, the process has evolved further to better serve its original purpose through collaboration between the staffs and practical experience gained by country authorities. Recent efforts have focused on strengthening the content of PFPs (to better prioritize structural policy measures and improve coverage of social and environmental issues), and on promoting a more central role for the recipient countries and a greater, if informal, involvement of donors. However, no PFP-like documents have been prepared for middle-income countries, partly because country authorities have not yet requested them, and partly because for many of these countries the policy dialogue with the Bank and the Fund is already quite advanced and, at least for some of them, official financial assistance, which the PFP is intended to help catalyze, is not central in their financing situation.

13. In the area of debt, collaboration has been particularly intensive, through the joint task force, on general policy matters and at the country specific level as well. The staffs have coordinated advice to member countries and worked together for the presentation to both Boards of financial operations in support of debt and debt service reductions. Similarly, collaboration in the presence of overdue obligations has been considerable. The two staffs have maintained a close working relationship, both on the broad policies to be pursued in the face of arrears by member countries and, particularly, in individual country cases in order to resolve the problems of overdues. Close contacts have been maintained at the level of senior staff and management to keep each other fully informed of developments and to coordinate efforts on behalf of countries' workouts.

14. With respect to research and related activities, collaboration has also continued, primarily through participation in seminars and joint projects. The focuses of collaboration were on the design of macro-economic models for adjustment and growth, and on statistics and commodity price forecasts, although some technical differences remained. As regards the exchange of staff on two- to three-year secondment at the senior professional levels, which was envisaged in the Joint Memorandum, a few secondments have occurred. Exchanges, however, may have been hampered by concerns on the part of the staffs over possible long-term career implications.

III. Preliminary Observations

15. Under the current procedures for Bank-Fund collaboration, considerable progress has been made toward greater effectiveness in providing support for macroeconomic and structural adjustment in member countries. As both the Bank and the Fund are simultaneously involved in supporting economic reforms in the vast majority of cases, the very absence of major outstanding issues may be, in part, evidence of effectiveness in collaboration.

16. The precise contribution of such improved Bank-Fund collaboration to member countries' economic performance is difficult to measure as a single factor. Staff collaboration has, however, tended to strengthen the quality of analysis by exploiting the complementarities in the expertise of the two staffs. It also has allowed, at the same time, an airing of a range of differences that emerged between the staffs. Systematic interaction and exchange of views is useful to both staffs and tends to improve the quality of policy advice to member countries. It also contributes to reducing differences in the assessment of specific situations and of policy needs before such differences surface with recipient country authorities, donors and creditors. Balanced staff advice could be conveyed to the country authorities, and could serve both for the authorities and for donors as a stronger signal of the nature of corrective policies that need to be taken. This should help promote a more timely adoption of policies and provision of the

needed financial support, thus helping to reduce the economic cost of adjustment.

17. From the more narrow perspectives of the Bank and the Fund, close collaboration has resulted in a more efficient use of staff resources, by helping to reduce duplication of technical work. This is especially the case in joint and parallel missions or in missions with cross-participation where either institution faces staff constraints. Close collaboration between the Bank and the Fund on country and other matters, though becoming more effective with experience, has also been time consuming. While differences in judgment and policy recommendations can be readily identified by close staff interaction, their resolution can still take time. Costs, in terms of staff time, are fully justified so long as the process contributes to better country assistance. But there is a need to ensure that adequate resources are available for promoting effective coordination.

18. Given the distinct purposes and mandates of the two institutions and the complexity of the problems facing member countries, differences of view are to be expected. These differences can be fruitful, provided that they are not translated into differing advice to member countries--which has not been a significant problem in the period under review. There is also a limit beyond which the elimination of differences should not be sought, as it might lead to unwanted conformity and passivity on the part of the staffs and not serve the interests of members. Nonetheless, the persistence of some differences in approaches and conclusions regarding country strategies and policies between the staffs would suggest the importance of close adherence by both staffs to the guiding principles and existing procedures for collaboration under the Joint Memorandum.

19. There are clearly limits to what can be accomplished by the two staffs and managements even under the best of collaborative efforts. The country authorities' strong commitment to policy reform, internal political consensus on strategies, capacity to implement it, and determination to stay the course remain central to the success of these efforts. Bank-Fund collaboration can be a stimulus and a complement to, but not a substitute for, countries' own commitment and endeavors. Strong financial and technical support from the donor community are an essential additional complement. For countries with overdue obligations to the Bank and/or the Fund, strong support from the international community is of paramount importance. The staffs and managements of the two institutions are keenly aware of the limits to both their individual and joint capacity to help attain the desired results.

20. Continued close collaboration remains essential, given the need of many member countries for continued assistance by both the Bank and the Fund in support of policy reforms. Effective collaboration is necessary for promoting a consistent and complementary approach to countries' adjustment and development needs, while safeguarding the two institutions' separate identities and avoiding cross-conditionality.

The Fund staff is also discussing steps for effective collaboration with the Bank staff in areas such as poverty and environment in which they do not have detailed in-house expertise.

21. Thus, the experience so far provides a positive basis for reaffirming the principles and procedures for Bank-Fund collaboration as laid out in the Joint Memorandum. The recent trend of cooperation can be taken to suggest no immediate need for revised or additional procedures.

22. While considerable progress has been made in strengthening Bank-Fund collaboration under the current framework, continued efforts are needed at all levels within the institutions to maintain smooth and effective collaboration. Continued very close collaboration is required on the debt strategy and on the problems of overdue obligations. A few specific areas may require further attention. For example, the exchange of staff might be further encouraged if such an exchange were more formally built into the staff mobility policies of both the Bank and the Fund. The procedures for PFP missions might also be further enhanced through more frequent programming of single mission chiefs particularly from the Bank, while bearing in mind that the PFP is an integral element of a SAF/ESAF arrangement and is therefore closely related to program negotiations. Both managements would also need to give further consideration to the possible use of PFP-type documents beyond SAF-eligible countries, in those cases where it can be demonstrated that PFPs could convey significant benefits to the members concerned and this type of assistance is requested by the member countries. These cases might include those middle-income countries where strong official financial assistance is important in the success of the reform strategy, where the policy dialogue with country authorities is not yet developed and where the structural problems are particularly complex. This might apply, in particular, to new members of the Bank and the Fund.

Modalities of Collaboration and Recent Experience

23. This Appendix describes the modalities of strengthened collaboration in light of the Joint Memorandum (Section I), and reviews (Section II) the recent experience of collaboration in support of adjustment, in the Policy Framework Paper (PFP) process, in the debt area, and in country cases involving overdue obligations.

I. Modalities of Strengthened Collaboration

24. This section outlines the main collaborative procedures which have been developed between the Bank and the Fund, and in light of the Joint Memorandum and subsequent decisions concerning the implementation of some of the procedures indicated in it. ^{1/} Many of these procedures have been in place for some time, but recently practices have been made more uniform and systematic than previously and have covered new areas.

1. Staff and management contacts

25. Collaboration is founded on close and continuing communication and interaction at the operational staff level, both at headquarters and in the field. Contacts at headquarters, mainly through informal channels, are intended to keep each staff fully informed of the other's work programs (including lending operations and mission schedule), to share diagnoses of members' economic problems, and to discuss the positions that each institution intends to take on key policy issues. The staffs are expected to seek as consistent as possible perspectives on a member country's problems and policies, financing requirements and prospects, and needs for technical assistance.

26. Staff contacts at headquarters are extensive. For the 16 countries covered by the survey of the operational staffs in the preparation of this report, such contacts absorbed over the past year an average of 50 staff days per country for the Bank and the Fund combined. The amount of time involved naturally varied across countries, depending on the complexity of the economic problems, the degree of Bank and Fund involvement, and the specific issues that arose; it ranged from 6 staff days for Colombia and 14 for Indonesia to 125 days for Egypt and 140 days for Morocco.

27. Contacts at the senior staff level have become more extensive and systematic since the Joint Memorandum. These contacts include monthly meetings between the Bank's Regional Vice Presidents and the Fund's area department directors to review regional aspects of Bank-Fund collaboration. These routine meetings focus on country matters, such as lending strategies and program reviews, but they also seek to resolve specific operational issues that arise.

^{1/} Following the Joint Memorandum, in June 1989, the Bank's Senior Vice President, Operations, and the Fund's Deputy Managing Director agreed on modalities for the implementation of the collaboration procedures envisaged in that memorandum.

28. Extensive contacts at the management level have also been a notable feature of recent procedures. These include monthly luncheon meetings, as well as ad hoc interactions, between the President of the Bank and the Managing Director of the Fund. Included in the agenda for these monthly meetings are items that are canvassed from both staffs as well as topics of interest to the President and the Managing Director themselves. These regular contacts are aimed at ensuring that important issues and policy positions are discussed at an early stage. In addition, the Bank's Senior Vice President, Operations, and the Fund's Deputy Managing Director meet monthly to review country strategies, areas of persistent problems, as well as analytical and policy issues. They also meet as needed to deal with specific problems as they arise.

29. Staff contacts in the field have been extensive--through a large number of parallel or joint missions, frequent participation in each other's missions, and close contacts with Bank and Fund resident staff (Appendix Tables 2 and 3). Systematic contacts have been maintained in all PFP missions, as well as in other missions involving program discussions and appraisal of adjustment loans. In 1989, there were 65 instances of joint/parallel missions (about 60 percent of which were for PFP purposes), and 29 missions with cross-participation of staff; this degree of interaction has continued in the first months of 1990.

30. In order to coordinate mission activities, the Bank's regions and the Fund's area departments regularly exchange a forward-looking six-month calendar of operations. For PFP discussions, an updated calendar of operations is periodically exchanged between the Bank's Economic Advisory Staff and the Fund's Exchange and Trade Relations Department.

31. Normally, the Bank staff invite Fund staff to participate in adjustment lending missions, while the Fund staff invite Bank staff to participate in SAF/ESAF missions and in missions involving use of Fund resources where the Bank is operationally active. About one third of PFP missions were joint, almost always headed by the Fund staff. This proportion of joint missions, as would be expected, is much larger than for non-PFP related discussions. ^{1/} Bank staff members headed a few joint missions, including the recent PFP discussions in Sierra Leone and the jointly headed export policy review mission to Indonesia. There is a significant number of parallel PFP missions, primarily because such missions have usually engaged in concurrent negotiations on the use of Fund resources under the SAF or ESAF, and at times on Bank adjustment lending. With respect to technical assistance, there have been a significant number of joint missions or cross-participation in areas such as tax administration, fiscal reform and financial reform (Appendix Table 4).

^{1/} The following five non-PFP related missions were fielded jointly during 1989-March 1990: export policy review in Indonesia; technical assistance mission to Madagascar; ESAF review in Mauritania; policy review by senior staff in Morocco; financial sector mission to Sri Lanka.

32. In the case of joint or parallel missions, the two staffs typically meet jointly with the authorities for PFP negotiations, for discussions related to joint studies (such as on export policies in Indonesia) and policies of mutual concern, notably trade, pricing and poverty-related policies. In a number of cases (for example, Ghana, Guyana, Madagascar, Mali, Morocco, Senegal), joint discussions with the authorities were comprehensive, covering a wide range of policy issues as well as more technical aspects. Occasionally, in joint missions or missions with cross-participation, a few high-level meetings having limited attendance may have excluded the staff of one organization. While this should be avoided whenever issues of joint interest are subject to discussion, there will be occasions when at the request of the authorities bilateral meetings may be necessary to deal with particularly sensitive issues.

2. Exchange of information and views

33. Aside from background information, there is now a routine exchange of mission and operations documents between the staffs, particularly for countries where one or both institutions have been or are actively involved in support of economic reforms. Documents for routine exchange include, for the Bank: initiating memoranda for operations going to the Operations Committee, back-to-office reports and President's reports related to adjustment lending, country economic memoranda (CEMs), and country strategy papers (CSPs); and for the Fund: briefing papers, back-to-office reports, and staff reports. ^{1/}

34. The two staffs also exchange draft policy papers dealing with matters of common interest. Over the last year, these include for the Bank, the report on structural adjustment lending and papers related to the Special Program of Assistance to Debt-Distressed Countries in sub-Saharan Africa (SPA) and IDA replenishment; and for the Fund, draft papers on the SAF/ESAF review, and papers related to the cooperative approach to overdue obligations.

35. Following the Joint Memorandum, the exchange of documents has become more systematic. The survey responses indicate that this practice has expanded the opportunity for timely consideration of each other's views and policy positions in the context of policy dialogue with the authorities. To further strengthen the practice, draft letters of intent for the Fund and draft letters of development for the Bank might also be exchanged, with the concurrence of the country authorities concerned.

36. In addition, members of each staff are invited to the other's Executive Board meetings on country and policy matters of mutual

^{1/} These documents are exchanged for comment at the drafting stage (except for back-to-office reports, drafts of which are generally not circulated even within the issuing institution), and made available in final version.

concern. In 1989, 145 Bank staff members attended the Fund's Board meetings on 128 occasions, and 83 Fund staff members attended 70 Bank Board discussions. Fund staff are also regularly invited to the meetings of the Bank's Operations Committee on country matters. In 1989, Fund staff members attended 21 meetings of the Operations Committee.

3. Additional procedures

37. With a view to enhancing collaboration, the Joint Memorandum made procedural suggestions in the following areas: collaboration in support of adjustment programs, coordination of approaches in countries without Fund arrangement or Bank adjustment lending, collaboration in the presence of overdue obligations, provision of financial support in the event of reservations by the other institution, exchange of draft policy papers dealing with matters of common interest, exchange of draft reports prepared for outside institutions, joint activities and exchange of staff. Recent collaboration in these and other traditional areas (such as PFPs) is reviewed in Section II below.

II. Recent Experience in Collaboration

38. Bank-Fund Collaboration is guided by the basic principle that effective working relations between the staffs can best assure maximum contribution by both institutions to policy formulation and sustained economic growth in their member countries. Collaboration can help bridge technical gaps, make for more integrated and consistent policy advice, and improve the clarity of the policy dialogue with country authorities. This should also be reflected in a more effective coordination of financial and technical assistance to member countries.

1. Collaboration in support of adjustment ^{1/}

a. Consistency in policy advice

39. Bank and Fund policy advice to country authorities has generally been made on a consistent basis, largely through the early sharing of information and views between staffs at the working level. Recent experience continues to suggest that staff contacts are most effective and efficient when made early, e.g., during the pre-mission period, and when contacts are continuous. Exchange of information on work plans has been particularly useful, and routine cross-participation in missions has helped. With early planning and exchange of drafts, policy discussions with country authorities in areas of overlapping concern were, in most cases, based on mutually consistent positions. With some

^{1/} The general and specific country references made in this section are based on the survey of operational staff noted earlier.

exceptions, both staffs felt that views on policies were exchanged in sufficiently specific terms and on a timely basis.

40. In general, each staff focused its effort in its areas of primary responsibility and expertise. Bank staff advised Fund staff on structural reforms and on policies for efficient allocation of resources in both the public and private sector. Fund staff advised Bank staff on the aggregate aspects of macro-policies and related instruments. Both exchanged views on matters of shared responsibilities. However, in cases where one institution has been more active in a country than the other, comparative staff strengths were also an important element in the formulation of policy advice. In Indonesia and Turkey, for example, where the Bank has successively engaged in policy-based lending in the absence of Fund arrangements and maintained sizable resident staff, Bank staff were also actively involved in the analysis of macroeconomic issues and in advising government authorities on macroeconomic policies. This was done, however, in full consultation with Fund staff. In contrast, the Bank's participation in the formulation of structural policy measures for Guyana and recently for Viet Nam was constrained by staff resources following an extended suspension of Bank involvement in these countries.

41. Differences of view at the operational staff level have occurred over a range of issues. Many of these reflect differing adjustment perspectives, which in turn are rooted in the traditions and distinct mandates of the institutions. These differences have often translated into alternative medium-term perspectives for growth and financing feasibility, and consequently on the desirable speed of adjustment. Approaches to the medium-term outlook needed to be reconciled, for instance, in the cases of Egypt, Morocco, and Zaïre. Alternative prescriptions regarding the speed of adjustment emerged, for example, with regard to the degree of revenue enhancement, and current expenditure restriction, the level of public investment and the use of Bank credit by the government (Bangladesh); the speed and extent to which the public sector should be reformed and some internal prices should be brought in line with world prices (Egypt); the appropriate level of the civil service wage bill (Ghana); the interest rate policy (Guyana); and the target for foreign exchange sales by the Central Bank and the corresponding level of imports (Zaïre). In some cases, differences of view partly reflected misunderstandings stemming from less-than-strict observance of procedures, either for internal clearance of documents (e.g., Zambia), or for timely exchange of draft documents (e.g., Sudan).

42. Other divergences of view have reflected differing emphases and technical evaluations, such as those relating to the appropriate speed, mix and sequencing of complex structural measures. As an example, in the case of Egypt, differences were related to the sequencing of interest rate changes and public enterprise reforms. The Bank staff was concerned with the adverse implications of interest rate policy on the financial situation of the highly indebted private and public sector

enterprises and thereby on the financial system as a whole. The Fund staff was also concerned over the pace of public sector reform, placed emphasis on achieving positive real interest rates at the outset of the proposed adjustment program in order to stem and reverse capital flight and dollarization, revitalize saving and investment, and boost workers' remittances.

43. Different outlooks or policy prescriptions have reflected at times differences in technical assumptions and technical parameters. These have included, for example, some residual differences in commodity price projections (due mainly to the differences in the reference points or timing of projections made by the two institutions' research departments), interest rate projections, other technical parameters such as import elasticities (e.g., in African countries) or the expectations of export response to policy measures (e.g., Mexico).

44. In a few instances, there have also been varying views on the appropriate extent of financial support of the other institution. In the case of Zaïre, for example, the Bank staff paid particular attention to the financing aspect, including the projected negative net financing from the Fund. In the case of Sudan, the Fund staff was concerned about the signal being conveyed by the size and timing of the Bank's lending program.

45. Generally, divergences of view, when they arose, were identified and resolved at an early stage, typically through intensive staff discussions. At times, residual technical differences did not need to be fully ironed out as they did not have a significant impact on the policy dialogue with the members. In some instances, however, views remained at variance, either with respect to the division of responsibility or specific policy recommendations. In these cases the procedure put in place in the Joint Memorandum for management's consultations on country matters was used to reconcile outstanding issues. Aside from the strengthened procedures and the heightened awareness on the part of both staffs that they generated, collaboration was also facilitated by a better understanding by country authorities of the areas of primary responsibility of each institution.

46. These experiences suggest the importance of close adherence by both staffs to the procedures and principles as reaffirmed in the Joint Memorandum, which might help to reduce some of the frictions in collaboration. For many of the countries under survey, differences of view between the staffs either were reconciled prior to policy dialogue with the country authorities, or did not have major consequences for the policy advice given by the staff. In a few cases, however, the authorities were directly involved in the discussions aimed at resolving these differences (e.g., Ghana). The recent experience affirms that the authorities' commitment to reform and clarity of their policy intentions are key factors in the collaboration between the Bank and the Fund, helping to reduce divergences of view of the staffs. For example, in the case of Poland the strong commitment on the part of the authorities

facilitated coordination of assistance under the Bank's SAL and the Fund's stand-by arrangement, in spite of the technical difficulties of implementing complex reforms in the face of incomplete understanding of the working of the economy.

47. Close collaboration has also resulted in a more efficient use of staff resources, by helping to reduce duplication of technical work and by drawing on each other's expertise and experiences. This is especially the case in joint and parallel missions or in missions with cross participation, where either institution faces staff constraints. For example, in the Philippines--where both institutions have been actively involved--Bank staff left leadership in the discussion on wage, price, and monetary policies to Fund staff and concurred with the latter's assessment on exchange rate and tax policies; likewise, Fund staff relied on the Bank staff's view on the public investment program, prioritization of public sector spending, sectoral policies, and public enterprise policies. Similar divisions of work took place in the cases of Morocco, Poland, and Sierra Leone.

b. General coordination of financial and technical assistance

48. Along with collaboration in analysis and policy advice, there has been close coordination between the staffs in the provision of financial support for countries' reform efforts and in the mobilization of financial and technical assistance from donors. In the vast majority of cases, the Bank and the Fund are together involved in supporting economic reforms, and the degree of coincidence of support by both institutions has grown (Appendix Table 5). During the period January 1989 through March 1990, for example, Fund arrangements ^{1/} were in place or under negotiation with 66 members; Bank structural adjustment lending ^{2/} was in place or under consideration for 85 percent of these cases. ^{3/} Bank adjustment lending was present in 29 out of 33 cases where Fund arrangements were in effect (Appendix Table 6).

49. Collaboration has increased not only in cases involving financial support by both institutions, but also where only one or where neither institution was operationally active and where there is a need for consistent and balanced policy advice. For countries that did not have programs supported by the Fund, the procedures envisaged under the Joint Memorandum for the review of Bank adjustment loans proved to be useful. During the period under review, for example, policy-based lending was in effect--in the absence of Fund-supported arrangements--

^{1/} Stand-by and extended arrangements, arrangements under the SAF/ESAF, and monitoring arrangements.

^{2/} Structural Adjustment Loans (SALs) and Sectoral Adjustment Loans (SECALs).

^{3/} Several of the Fund arrangements that were not accompanied by Bank operations were for Fund-monitored programs; the Bank does not have programs that are applicable in these circumstances.

for Honduras (SAL I), Indonesia (Private Sector Development Loan), Morocco (SAL I), Tunisia (Agricultural Sector Loan), Turkey (Financial and Energy Sector Loan), and Uruguay (SAL II). In all these cases, the Bank staff formally or informally sought the Fund staff's view on the adequacy of the countries' macroeconomic performance prior to presentation of these loans to the Board or tranche releases. In the case of the proposed Public Sector Reform Loan for Colombia, the authorities have asked that, in addition to assessment under the Article IV consultation, the Fund staff evaluate Colombia's macroeconomic policies on a semi-annual basis: such an evaluation is to provide a basis for the Bank staff to make judgments on the progress of Colombia's macroeconomic program. Procedures for this purpose have been discussed by both staffs with the authorities and have been described to the Fund's Executive Board.

50. In the other direction, only 4 member countries have received support from the Fund for their adjustment programs in the absence of adjustment lending from the Bank during the period from January 1989 to date (Guatemala, Haiti, Lesotho, and Sri Lanka). In these cases, in the context of the PFP preparation (except in the case of Guatemala), the Bank staff provided advice in the areas of structural and sectoral policies, including the appropriateness of the public investment program. In some countries where both institutions have not been operationally active, the staffs have also worked together effectively (e.g., Myanmar and Viet Nam).

51. Close coordination under the procedures set out in the Joint Memorandum has contributed to clarifying the lending policies of the two institutions. Since April 1989, neither management has decided to present to its Board a country's request for financial support in the presence of substantive reservations by the other institution.

52. Regular contacts between managements to review general country strategies have provided an advance opportunity to exchange views in a variety of situations, such as those concerning members with overdue obligations, Eastern European countries, and parallel efforts in support of debt reduction. In addition, the advance exchange of views on complex cases has helped avoid difficulties at the working level (e.g., China, Côte d'Ivoire, and Viet Nam). Periodic discussions of country strategies by the senior staffs in precedent-setting cases (e.g., Colombia) has facilitated effective coordination.

53. Technical assistance in support of policy adjustment has been mutually reinforcing. Coordination has intensified, for example, in the areas of financial sector reform and public enterprise reform, where there have been cross-participation in missions and joint missions, briefing of staff from the other institution prior to/after missions, exchange of documents and information, and participation in seminars organized by the other institution. Staffs have discussed division of labor in technical assistance in several countries, including Eastern Europe. In some of these cases, such as Poland, the ongoing technical

assistance is considerable. Staff constraints have prevented acceptance of requests for cross participation in missions on many occasions. Also, key recommendations arising from the technical assistance of one institution have been incorporated into the other institution's programs. Typically, structural policy actions in adjustment programs under the SAF/ESAF involve implementation of Bank staff's recommendations concerning sectoral policies (e.g., energy in Bangladesh, fertilizers in Nepal, and public sector reform in Bolivia and Niger, and civil service reform in Senegal). Conversely, recommendations of the Fund's technical assistance have been incorporated as an element of sector policy programs supported by the Bank (e.g., tax reform in the context of industry and trade policy loans for Jordan, Madagascar, and Tanzania, and public sector enterprise loans for Mali and Niger; and central bank reform in the financial sector loan for Bangladesh).

c. Coordination for IDA-only or SAF/ESAF-eligible countries and PFP process

54. The PFP process is an integral element of Bank-Fund collaboration, in support of adjustment efforts of low-income countries. The process is aimed at ensuring the consistency of policy framework and the coordination of financial assistance for operations supported both by the Bank and the Fund as well as by other donors and creditors.

55. The first PFP was discussed by Executive Directors of the Bank and Fund in July and August 1986, respectively. Since then, PFPs for 35 countries have been discussed by the Bank's Committee of the Whole and reviewed by the Fund's Executive Board. Second- and third-year PFPs have followed for most of these countries, and several are working on their fourth-year PFP at this time.

56. Through staff collaboration and experience by country authorities, the PFP process has evolved to better serve its original purpose. The PFP process is periodically reviewed by the Executive Board of the Fund in the context of the SAF/ESAF review, and internal PFP guidelines for the staff have been revised a number of times to reflect changes with regard to content, presentation, and procedures.

57. The recent focus in the PFP process has been the need to prioritize and better define structural policy measures, to incorporate social and environmental issues, to encourage greater involvement and commitment of the recipient government, to promote greater informal involvement of donors, and to ensure close Bank-Fund collaboration so as to minimize technical frictions in operating procedures.

(1) Content of PFPs

58. In recent PFPs, efforts have been made to better prioritize structural measures and to define them more clearly and concisely in the policy matrix. As early PFPs tended to cover a wide variety of topics

and may not have been well focused, the staffs have been instructed to reflect more sharply priorities of policy actions and to focus on key policy areas.

59. During the past year, PFPs have more systematically addressed social and environmental issues. The discussions on poverty have covered the impact of policy adjustments on the poorer segments of the population, and when possible has included specific measures to mitigate socially detrimental effects. Steps taken have included general policy measures such as the protection of priority social expenditures (e.g., health and education), or a more careful targeting of social measures. Most PFPs issued during the past year also provided some coverage of the environmental issues. Problems identified in this area included deforestation, soil erosion, urban congestion, and destruction of biological diversity. In addition, the coverage of public investment programs was expanded in cases where reviews had been completed by Bank staff, and the discussion of longer term sectoral aspects was also strengthened.

60. Past PFPs have not focused extensively on the availability and need for technical inputs to facilitate policy implementation. Greater attention is now being given to the role that PFPs can play in identifying potential areas where technical assistance would be useful and how to meet these needs.

(2) Involvement of the country authorities

61. The PFP process has evolved to facilitate greater involvement of the country authorities in the preparation of PFPs and stronger commitment on their part to the policies. Preparation and review procedures of the Bank and Fund have been streamlined to promote a more central role for the authorities. For example, staffs have been encouraged to do more drafting in the field and to allow enough time for the authorities to maximize their input. Staff missions no longer require prior approval of a draft by management before a mission unless there are substantive differences of views between the staffs or a country is facing particularly complex problems.

62. These changes have facilitated greater participation of the authorities both in the drafting of PFPs and in PFP discussions. This happened, for example in the cases of Burkina-Faso, Ghana, Madagascar, Mozambique, Tanzania, and Zambia. Greater participation of the authorities was also made possible by experience and greater familiarity with the procedures gained over time. Efficiency gains are evident for countries going through their second-, third-, or fourth-year PFPs.

(3) The use of PFPs by and informal involvement of donors

63. An important role of the PFPs is to identify the appropriate external financial assistance in support of reform effort, and to provide a basis for the coordination of such assistance. Central to

this objective is donors' informal involvement in the PFP process, a need emphasized in the guidelines recently issued to the staff. Steps to ensure that donors can make more effective use of PFPs in their planning processes have been suggested, including wider circulation of PFPs in various aid fora, timely informal consultations with key bilateral and multilateral aid agencies, and systematic meetings with local donor representatives. A joint Bank-Fund mission visited major bilateral donors in 1989 and discussed, *inter alia*, ways for improving informal involvement of donors in the PFP process so that the PFP would be more useful to donors. 1/

64. The PFP process can involve donors in several ways. At the early stages, informal involvement of donors can improve the design of those aspects of the program in which they have particular expertise, particularly on sectoral and social issues. This can also go some way toward easing the program's financing constraint, by giving donors the possibility of better factoring into their plans the country financing requirements. Bank and Fund staffs are instructed, when feasible and with concurrence of the host country authorities, to meet informally with representatives of UNDP and other major aid agencies, either in the capitals or in the field, in order to obtain their views and to gain a better understanding of their specific concerns. In addition, the PFP has been made more accessible to the aid community, and is often provided as part of the key documents for Bank Consultative Groups and UNDP Round Table meetings, as in the cases of Bangladesh, Ghana, Guinea-Bissau, Kenya, Malawi, Mauritania, Mozambique, Nepal, Uganda, and Zambia.

65. The Bank and Fund staffs have continued to collaborate closely to help countries mobilize resources from donors in support of policy reforms. To help avoid possible financing shortfall, greater effort has been made to improve the information base that is used in estimating prospective financing, as well as to ensure consistency between financing projections and actual flows.

66. The PFP process has been accompanied by a significant increase in the Bank's commitments of IBRD, IDA, and resources under the Bank's SPA, in support of adjustment lending in SAF-eligible countries (see Appendix Table 7). Total Bank commitments rose from US\$1.5 billion in FY 1986 to US\$1.8 billion in FY 1989, with practically all the funds in FY 1989 going to countries with PFPs in place. For the Fund, SAF/ESAF commitments totaled SDR 3 billion over the period 1986-89. In the context of the SPA, support for adjustment effort in the PFP process has been considerable, even though it is difficult to quantify how much of such support has been truly additional.

1/ See "Policy Orientation and Balance of Payments Assistance of Bilateral and Multilateral Aid Agencies--Status and Current Issues," (SM/89/252, 11/30/89).

(4) PFPs in Bank-Fund collaboration

67. Joint preparation of the PFPs has had a positive effect on staff collaboration. Coordination of initial drafts and participation in parallel and joint missions have promoted more systematic working relationships. Both staffs are continuing to exchange views on policy issues and to share basic information. There has also been a great deal of effort to reduce data inconsistencies and to facilitate a convergence of views between the two staffs. As a result, all recent PFPs have contained only one medium-term financing scenario, instead of the two that were included in several earlier PFPs.

68. Differences which have arisen in the past with regard to procedures, methodology, or point of view have usually been resolved at the working level. Close and continuous contacts have helped to ease these problems, as well as to avoid duplication of work. For low-income countries with limited administrative capacities, the joint discussion process may also have served to economize on the effort of the countries in policy dialogue with the staffs.

d. Coordination of assistance for lower-middle and middle-income countries

69. For middle-income countries with complex and major structural problems, coordination in lending by the two institutions has also been close. Frequently, the economic program was supported by both the Bank and the Fund (see Appendix Table 6). The two institutions are moving in tandem in respect to Eastern European countries, both recognizing that macroeconomic stability and reduction in structural rigidities would be required simultaneously to achieve sustained growth. Coordination has occurred in both lending strategy and technical assistance.

70. In general, for middle-income countries, the timing of loan approvals/tranche releases has been coordinated. For example, for Côte d'Ivoire, the approval of sectoral adjustment loans--required for closing the financing gap--was expedited through a joint effort to help the country prepare a medium-term framework. Lending activities in Morocco and the Philippines were also coordinated through close contacts between the two staffs at all levels. Agreement on the Bank's SAL for Egypt has depended on adoption of appropriate macroeconomic policies for the short as well as the medium term. In a few cases, the coordination in the context of the debt strategy has helped member countries put together financial packages (see also Section III.2 below). The two staffs have also worked together to obtain additional resources from major donors in order to close the financing gap in programs to be supported by them (for example, Congo in the context of ongoing negotiations of SAL II and a stand-by arrangement).

71. For many middle-income countries, the policy dialogue between the authorities and the Bank and the Fund has been intensive, and there is a well-established tradition of cooperation. During 1989, the two staffs

have assisted the authorities of Côte d'Ivoire and the Philippines in their preparation of medium-term policy frameworks, designed to ensure consistency among macroeconomic and structural measures in the context of the countries' development strategies.

72. It has been suggested that consideration be given to preparation of PFP-like documents for middle-income countries requesting the use of Fund resources, particularly those requesting arrangements under the extended Fund facility. So far, there have been no such documents, partly because of the small number (four) of extended arrangements approved since this suggestion was put forward, and also because the country authorities have not requested development of such a document. Consistency and the appropriateness of macroeconomic and structural policies in those few countries that received policy-based loans from the Bank in the absence of Fund arrangement have instead been assured through the procedures related to Bank lending in absence of Fund programs, as discussed above. In terms of mobilization of external assistance, due to the debt structure of most middle-income countries and the central importance of commercial bank debt, the role played by official financial support tends to be less than in low-income countries. Thus, PFPs may not have the same catalytic role for official assistance that they have in low-income countries.

2. Collaboration in the context of the debt strategy

73. Bank and Fund managements have recognized the common interest of both institutions in strengthening the external positions and creditworthiness of member countries. Both managements have pointed to the critical nature of the debt problem for many member countries and to the need to help these countries avail themselves of the best possible options to deal with their debt difficulties.

74. Collaboration in the area of debt has been particularly close since the Joint Memorandum and subsequent developments in the debt strategy that followed the initiative of U.S. Secretary of the Treasury Brady. A joint Task Force was created in March 1989, involving both managements and senior staffs. This provided a main vehicle for collaboration, which resulted, inter alia, in the adoption by the Bank and the Fund Executive Boards of broadly similar guidelines for support of debt and debt service reduction operations in member countries in mid-1989.

75. Since then, collaboration on general policy matters between the two staffs and managements has continued, notably in the preparation of various papers reviewing the debt strategy for both Executive Boards and in the joint background papers on the debt strategy for the Development Committee and in the context of contacts between functional departments primarily responsible for debt matters. Close contacts have also been maintained at the country-specific level, in the coordination of advice to member countries, participation of both staffs in meetings with commercial bank advisory committees, and preparation for presentation to both Boards of financial operations in support of debt and debt service

reductions. Funds in support of debt and debt service reduction operations have been disbursed by both the Bank and the Fund for Mexico and the Philippines. Set-asides for debt reduction operations have also been included in Fund arrangements with Argentina, Costa Rica, Ecuador, and Venezuela, and approved by the Bank Board for Venezuela. Communications from the management of both institutions to some of these countries' bank advisory committees have been helpful.

76. For these countries, and for other countries facing debt servicing problems that are negotiating financing packages with their creditor banks, staff interaction has been continuous and has aimed at developing a consistent approach and common policy advice to the countries on their financing strategy. This has involved considerable staff discussions, the exchange of background information, and in some cases, joint staff discussions with country authorities. Both Fund and Bank staffs have made presentations to bank advisory committees for various countries and, when relevant, they have expressed shared concerns on important issues. Bank-Fund collaboration has also facilitated the preparation of economic and financial memoranda for external creditors at the Paris Club and bank advisory committee meetings.

77. Contacts of regional and central staffs take place regularly to review pending cases, compare views, and establish common grounds for coordinated approaches. Such regular contacts also cover the operation of the IDA facility for debt reduction, and the application in individual cases of the guidelines of the facility. Discussions are also held on tailoring the design of programs supported by SAF/ESAF arrangements to accommodate debt reduction operations. Preparations for support for debt reduction from the IDA facility are at an advanced stage for Bolivia and Mozambique, and staff discussions on the appropriate financing approach in other potential candidates (e.g., Guinea, Niger, Senegal, Tanzania) have also taken place.

78. In sum, close collaboration between staffs and managements have aimed at coordinated positions in support of countries' debt and debt service reduction operations. Recent discussions in both Boards on the guidelines for debt and debt service reduction operations have elaborated on financing approaches consistent with programs supported by both institutions, and collaboration between the institutions at all levels has helped clarify for parties in the negotiation process the main parameters of financing packages. The complexities of the issues involved (e.g., relating to financing assurances, burden sharing, medium-term viability and development prospects) and rapidly moving developments in specific country cases will continue to demand that intensive contact and collaboration be maintained so as to provide country authorities with advice shared by both staffs.

3. Collaboration in the presence of overdue obligations

79. The guiding principles established by Bank and Fund managements to deal with situations of overdue obligations are that each institution

should work for satisfactory resolution of common overdue problems and support each other's basic objectives in situations where obligations were overdue to only one institution. In this latter situation, the agreed guidelines are aimed at ensuring that member countries clearly perceive that overdues with one of the two institutions would affect negatively their relationship with the other: at a minimum, overdues to one institution would need to be evaluated as an indicator of countries' possible inability to discharge future financial obligations to the other institution. Such considerations were laid out in the Joint Memorandum in case of a request for a Fund arrangement or for Bank lending.

80. The guidelines set out in the Joint Memorandum in this area have been broadly adhered to. The staffs have worked closely together, both on the broad policies to be pursued in the arrears situation and in individual country cases. Close contacts have been maintained at the level of senior staff and management to keep each other fully informed of developments. The strengthening of the cooperative approach in dealing with overdue obligations has been actively discussed by the Fund Board. The Bank Board has been apprised of the Fund Board's discussions and has been briefed by Bank management.

81. The staffs have monitored closely the status of arrears to the other institution in connection with lending operations. Neither management has recommended lending commitment in the presence of arrears to the other institution without full consultation with the management of the other institution. Lending commitment in the presence of arrears to the other institution has been exceptional, only with the special circumstances clearly identified and with full consultation with the other management. The Bank's exceptions were in respect of Haiti and Sudan. For Haiti, a project loan in the end was only put forward after substantive agreement had been reached on a mechanism to monitor economic performance. In the case of Sudan, lending involved a modest core investment program, financed by IDA resources and in the areas of emergency flood reconstruction assistance and road rehabilitation. As arrears to the Fund continued, and as the economic situation deteriorated, the size of the Bank's lending program was further curtailed and loan presentations have been delayed pending the Fund Board's consideration of further deterrent action to be taken. For both the IBRD and the Fund, safeguarding its own resources has required extreme caution in lending decisions vis-à-vis countries with weak payment capacities which have led to arrears to the other institution.

82. Equally important has been the collaboration between the Bank and the Fund to help countries in arrears overcome their financial problems, which are usually the result of deep-seated economic difficulties. Efforts through Consultative Groups have been made to ensure adequate financial support for programs monitored by the Fund. In the framework of the collaborative approach to arrears, Bank and Fund staffs have strongly supported the efforts made by Support Groups to help clear overdue obligations of Guyana and Somalia. Both staffs extended

technical assistance to the Consultative and Support Groups and the country authorities, and were directly engaged in the efforts made to ensure financing for the programs of Guyana and Somalia, including the development of PFPs for both, and the appraisal of a SAC by the Bank and stand-by and ESAF arrangements by the Fund for Guyana. Bank and Fund efforts to mobilize adequate support for programs for Guyana and Honduras resulted in clearance of arrears to both institutions in June 1990.

83. The staffs have also effectively cooperated in the various phases of the work necessary to deal with arrears to both institutions (e.g., Honduras, Panama, Sierra Leone, and Zambia) and with arrears to one institution (e.g., Syria). Depending on the specific country circumstances, efforts have focused on: (a) the elaboration of an appropriate medium-term macroeconomic framework (e.g., PFPs for Sierra Leone and Zambia); (b) in-depth dialogue with country authorities on appropriate macroeconomic policies and specific structural reforms (e.g., Honduras); (c) possible financial arrangements to clear existing arrears either with the assistance of interested countries and institutions (e.g., Honduras and Panama) or in the context of an established donors' group (e.g., Sierra Leone and Zambia).

84. Experience has underlined that helping countries with overdue obligations return to solvency and economic progress is a difficult and lengthy process, even with exceptional collaboration between the Bank and the Fund, as well as between the two institutions, the country in arrears, and the donor community.

4. Other activities and exchange of staff

85. Staffs have maintained close working relationships with respect to research and related activities. Collaboration on statistics and commodity prices forecasts has continued to be active. This has included mutual access to the various databases maintained by the Fund and the Bank, consultation, in some cases joint missions for gathering data for the Bank and Fund databases, and the adoption of joint positions at meetings of international organizations (e.g., the UN). There has been participation in working groups, e.g., the Bank was invited to participate in an international working group organized by the Fund to explain discrepancies in the capital account of the balance of payments. The staff of the two institutions also have been working together on standardizing the data on external debt (jointly with the BIS and OECD).

86. The two staffs also have worked jointly in the preparation of certain policy papers, for instance, the background papers for the Fall 1989 meeting of the Development Committee on external debt, the external environment and growth-oriented adjustment programs; and joint papers on the private sector and on the debt strategy prepared for the Spring 1990 meeting of the Development Committee.

87. There is extensive consultation on research projects and collaboration in training activities. In the area of research, Bank and Fund staffs have collaborated through participation in seminars, providing comments on research papers, and working on a variety of joint projects. The Bank's Vice President of Development Economics and the Fund's Director of Research are in close contact and have frequent discussions on research issues of common interest. The most extensive collaboration over the last year has involved a joint project on the development of macroeconomic models for adjustment and growth, undertaken by the Macroeconomic & Growth Division of the Bank and the Developing Country Studies Division of the Research Department; a conference to discuss the papers prepared for this project is planned for later this year. Finally, there have been a number of meetings to discuss the methodology of evaluating the effects of Bank and Fund programs, including Fund staff participation in the preparatory meetings for the recent Bank Report on Adjustment Lending. Staffs have collaborated closely on poverty and environmental issues. There has also been extensive cross-participation in seminars such as on the Bank's Social Dimension of Adjustment (SDA) project and the Fund's seminars on poverty aspects of adjustment. On training, staff of the Fund participate in training activities for Bank staff and those organized by the Economic Development Institute.

88. Systematic exchange of draft policy papers dealing with matters of common interest, as noted earlier, has helped ensure that the concerns of the other institution are carefully considered. Similar procedures related to draft reports prepared for other institutions have helped likewise to coordinate views expressed to them, for example in the contexts of the SPA multi-donor meetings, and coordination with GATT, EC, and other UN agencies.

89. An exchange of staff on two- to three-year secondment at the senior professional levels was envisaged in the Joint Memorandum, aimed at better acquainting staffs of the two institutions with the thinking, practices and constraints within which each institution operates. Some exchange of staffs has taken place, but not at a senior level, in part due to concerns by the staff over the possible long-term career implications of such exchanges.

Table 1. Principal Reviews of Bank-Fund Collaboration,
1966-June 1990

Bank reviews

1. Joint Memorandum by the Managing Director and the President "Bank-Fund Collaboration in Assisting Member Countries." March 30, 1989 (R 89-45).
2. "Progress Report on Bank-Fund Collaboration," April 5, 1986 (R 86-112). President Clausen's Summing Up of March 18, 1986 (SecM86-310), issued in the Fund as EBS/86/53, Supplement 2 (3/20/86); "Trust Fund Proposal," (SecM85-200, 2/25/86).
3. President's memorandum and staff report "Bank-Fund Collaboration," February 4, 1985 (R 85-30). President Clausen's Summing Up of March 12, 1985 (SecM85-302), issued in the Fund as EBD/85/79 (3/19/85) and Supplement 1 (5/1/85).
4. "Structural Adjustment Lending - Collaboration with the IMF," June 10, 1980 (SecM80-470).
5. Joint Memorandum by the Managing Director and the President "Further Steps for Collaboration Between the IMF and the IBRD," February 18, 1970.
6. President's memorandum "Bank-Fund Collaboration." December 13, 1966 (SecM66-390).
7. President's statement "Further Steps for Collaboration with the Fund," January 19, 1966 (R 66-10).

Fund reviews

1. Joint Memorandum by the Bank's President and the Fund's Managing Director." (SM/89/54, Rev. 1, 3/31/89).
2. "Current Procedures and Practices of Bank-Fund Collaboration on Country Matters," (SM/88/249).
3. Chairman's Summing Up at EBM/88/70 (5/4/88), Buff 88/92 (5/13/88); "The Policy Framework Paper (PFP) - Seminar on the PFP and Aid Coordination and Related Issues," (EBS/88/65, 3/23/88).
4. Chairman's Summing Up at EBM/87/93 (6/18/87), Buff 87/118 (6/12/87); "Structural Adjustment Facility (SAF) - Review of Experience," (EBS/87/46, 2/27/87); "Fund-Bank Collaboration - Developments in 1985," (SM/86/40, 2/25/86).

5. Chairman's Summing Up at EBM/86/24 (2/11/86), Buff 86/30 (2/19/86);
"Use of Resources of the Special Disbursement Account."
(EBS/85/283, 12/17/85).
6. Chairman's Summing Up at EBM/84/171 (11/28/84), Buff 84/195
(12/6/84); "Fund-Bank Collaboration - A Further Progress Report."
(SM/84/210, 8/27/84 and Correction i, 11/15/84).
7. Chairman's Summing Up at EBM/81/62 (4/20/81), Buff 81/73 (4/28/81):
"Progress Report on Fund Collaboration with the Bank in Assisting
Member Countries," (SM/81/62, 3/19/81).
8. Joint Memorandum by the Managing Director and the President,
"Further Steps for Collaboration Between the IMF and the IBRD,"
(EBD/70/38, 2/19/70 and Sup. i, EBM/70/30, 4/10/70).
9. "Further Steps for Fund-Bank Collaboration," (EBD/66/9, 1/19/66 and
Revision 1, 2/18/66).

Table 2a. Bank-Fund Collaboration in the Field:
PFP Missions During 1986-March 1990
by Year and Type of Collaboration

	<u>Joint Missions 1/</u>	<u>Parallel Missions 2/</u>	<u>Total</u>
1986	13	9	22
1987	7	28	35
1988	16	29	45
1989	11	26	37
1990 (January-March)	3	4	7
Total	50	96	146

Sources: Staff reports and monthly staff official travel reports (EBAP).

1/ All PFP missions with cross participation are classified as joint missions.

2/ Includes only missions that were authorized to hold PFP discussions with the authorities.

Table 2b. Bank-Fund Collaboration in the Field:
Non-PFP Missions During 1986-March 1990 by Year and Type of Collaboration

	<u>Joint Missions</u>	<u>Parallel Missions 1/</u>	<u>Bank Staff on Fund Missions 2/</u>	<u>Fund Staff on Bank Missions</u>	<u>Total</u>
All countries					
1986	6	17	30	15	68
1987	2	10	23	20	55
1988	1	14	14	18	47
1989	2	26	18	11	57
1990 (January-March)	3	4	4	2	13
Total	14	71	89	66	240
SAF-eligible countries					
1986	3	16	15	9	43
1987	2	9	14	10	35
1988	—	9	7	13	29
1989	1	15	8	6	30
1990 (January-March)	2	2	2	2	8
Total	8	51	46	40	145
Non SAF-eligible countries					
1986	3	1	15	6	25
1987	—	1	9	10	20
1988	1	5	7	5	18
1989	1	11	10	5	27
1990 (January-March)	1	2	2	—	5
Total	6	20	43	26	95

Sources: Staff reports and monthly staff official travel reports (EBAP).

1/ Includes only missions where there were substantial contacts between the staff, e.g., joint discussions with the authorities.

2/ Includes cases where Bank resident staff participated in Fund mission.

Table 3. Bank-Fund Collaboration in the Field:
Missions During 1986-March 1990, by Country

	Joint Missions <u>1/</u>	Parallel Missions <u>2/</u>	Bank Staff on Fund Missions <u>1/3/</u>	Fund Staff on Bank Missions	Total
SAF-eligible countries					
Bangladesh	5	4	1	1	11
Benin	1	6	1	1	9
Bolivia	1	5	--	--	6
Burkina Faso	--	--	1	1	2
Burundi	1	3	1	1	6
Cape Verde	--	1	2	--	3
C.A.R.	--	3	--	--	3
Chad	2	6	--	--	8
Comoros	2	2	--	1	5
Dominica	--	3	--	1	4
Equatorial Guinea	3	2	1	--	6
Gambia, The	2	4	--	2	8
Ghana	2	9	--	--	11
Grenada	--	1	--	--	1
Guinea	--	6	1	--	7
Guinea-Bissau	1	2	--	2	5
Guyana	--	2	--	--	2
Haiti	1	1	--	--	2
Kenya	1	2	1	--	4
Lao P.D.R.	--	1	--	3	4
Lesotho	3	--	1	--	4
Liberia	--	1	3	--	4
Madagascar	1	5	3	1	10
Malawi	1	4	1	2	8
Mali	2	1	3	--	6
Mauritania	3	2	--	2	7
Mozambique	--	4	--	1	5
Myanmar	--	--	1	--	1
Nepal	3	5	2	2	12
Niger	1	5	1	--	7
Pakistan	4	8	1	1	14

Table 3 (continued). Bank-Fund Collaboration in the Field:
Missions During 1986-March 1990, by Country

	Joint Missions <u>1/</u>	Parallel Missions <u>2/</u>	Bank Staff on Fund Missions <u>1/3/</u>	Fund Staff on Bank Missions	Total
SAF-eligible countries (cont.)					
Rwanda	--	--	2	--	2
Sao Tome and Principe	1	6	1	2	10
Senegal	3	4	1	--	8
Sierra Leone	2	3	--	--	5
Somalia	1	4	1	--	6
Sri Lanka	5	1	3	2	11
Sudan	--	1	3	3	7
Tanzania	1	3	--	--	4
Togo	1	5	--	--	6
Uganda	--	5	--	1	6
Yemen A.R.	--	1	--	1	2
Yemen P.D.R.	--	1	--	--	1
Zaire	1	8	2	1	12
Zambia	3	7	2	3	15
China P.R.	--	--	6	5	11
Total SAF-eligible	58	147	46	40	291
Non SAF-eligible countries					
Argentina	--	1	--	--	1
Cameroon	--	1	--	--	1
Congo	--	--	1	--	1
Côte d'Ivoire	--	4	1	1	6
Egypt	--	1	3	1	5
Gabon	1	--	1	--	2
Honduras	--	2	--	--	2
Hungary	--	1	1	--	2
Indonesia	1	--	--	1	2
Jamaica	1	--	--	--	1
Jordan	--	--	2	1	3
Morocco	2	1	7	1	11
Netherland Antilles	--	--	--	1	1
Nigeria	--	1	3	2	6
Panama	--	1	--	--	1

Table 3 (concluded). Bank-Fund Collaboration in the Field:
Missions During 1986-March 1990, by Country

	Joint Missions <u>1/</u>	Parallel Missions <u>2/</u>	Bank Staff on Fund Missions <u>1/3/</u>	Fund Staff on Bank Missions	Total
Non SAF-eligible countries (cont.)					
Papua New Guinea	--	--	--	1	1
Paraguay	--	--	1	--	1
Peru	--	--	1	--	1
Philippines	--	1	4	5	10
Poland	--	1	4	4	9
Syria	1	--	1	--	2
Thailand	--	--	2	1	3
Tunisia	--	1	--	2	3
Turkey	--	--	6	2	8
Venezuela	--	1	--	1	2
Yugoslavia	--	2	5	2	9
Zimbabwe	--	1	--	--	1
Total, non-SAF-eligible countries	6	20	43	26	95
Total, all countries	64	167	89	66	386

Sources: Staff reports and monthly staff official travel reports (EBAP).

1/ All PFP missions with cross participation are classified as joint missions.

2/ Includes only missions where there were substantial contacts between the staffs, e.g., joint discussions with the authorities.

3/ Including where Bank resident staff participate in Fund missions.

Table 4. Bank-Fund Collaboration in Technical Assistance:
Joint Missions and Cross-Participation, 1986-March 1990

(Number of missions)

Sector	Joint Missions	Bank Staff in Fund Missions	Fund Staff in Bank Missions
<u>By Sector</u>			
Fiscal sector	3	6	4
Financial sector	--	3	11
External sector	1	1	--
Statistics	--	--	2
Other	--	1	1
Total	4	11	18
<u>By Country</u>			
Bangladesh	--	--	3
China	1	1	2
Gabon	--	1	--
Guinea	--	1	--
Indonesia	--	--	1
Madagascar	--	3	--
Mauritania	--	--	1
Morocco	1	1	--
Nepal	--	--	1
The Netherlands Antilles	--	--	1
Nigeria	--	--	1
Pakistan	--	--	1
Philippines	--	--	2
Senegal	1	--	--
Sri Lanka	--	2	1
Thailand	--	1	--
Uganda	--	--	1
Yugoslavia	--	--	1
Venezuela	--	--	1
Zaire	1	--	1
Zambia	--	1	--
Total	4	11	18

Sources: Monthly staff official travel reports (EBAP).

Table 5. Coincidence of Bank Adjustment Lending and Fund Arrangements, 1986-March 1990

	Number of countries 1/		Proportion of adjustment/ arrangement period 2/		
	with Bank Adjustment Lending	with Fund Arrangements	with Bank lending only	with Fund Arrangement only	with both Bank and Fund involvement
(In percent)					
All countries					
1986	22	8	59	17	24
1987	39	33	35	18	48
1988	46	32	38	12	50
1989	48	39	31	15	53
1990 (January- March)	49	40	26	14	61
SAF eligible countries					
1986	15	7	52	18	30
1987	22	22	28	17	55
1988	28	22	28	10	62
1989	31	26	22	10	68
1990 (January- March)	29	26	24	9	67
Non-SAF eligible countries					
1986	7	1	75	14	11
1987	17	11	44	19	38
1988	18	10	53	15	33
1989	17	13	44	22	34
1990 (January- March)	20	14	28	20	52

Sources: See Table 6.

1/ Number of countries in which an adjustment loan or an arrangement was in place for at least six months of the year.

2/ In principle, coincidence of involvement of both the Bank and the Fund should be derived by a count of cases where the two institutions had simultaneous programs. However, due to difficulties in constructing a simple index based on the country, the program, or the period in question, a proxy measure was constructed to show the percentage breakdown of each period when an adjustment program was in place into months when both institutions had programs and months when one or other institution alone had a program. The table presents averages across countries, weighted by the number of months during which each country had a program from either or both institutions. Columns may not sum to 100 due to rounding.

Table 6. Fund Arrangements and Bank Policy-Based Lending,
1986-March 1990 1/

Country	Fund Arrangements 1986-March 1990	Bank Adjustment Operations (SALs, SECALs and Program Loans) Approved During Jan. 1986-Mar. 1990
<u>Africa</u>		
Algeria	SBA (5/89-5/90)	Economic reform (8/89-12/91)
Angola		<u>2/</u>
Benin	SAF I (6/89-6/90)	SAC I (5/89-12/90)
Burkina Faso	<u>2/</u>	
Burundi	SBA (8/86-3/88)	SAC I (5/86-6/88); SAC II (6/88-12/90); Agricultural services (5/89-12/96); <u>2/</u>
	SAF I (8/86-8/87)	
	SAF II (5/88-5/89)	
	SAF III (7/89-7/90)	
Cameroon	SBA (9/88-3/90)	SAL I (6/89-9/91)
C.A.R.	SBA (6/87-5/88)	SAC I (9/86-12/87); Cotton sector (7/87- 12/89); SAC II (6/88-5/90)
	SAF I (6/87-5/88)	
	SAF II (12/88-12/89)	
	<u>2/</u>	
Chad	SAF I (10/87-10/88)	Financial sector rehabilitation
	SAF II (6/89-6/90)	
		(7/88-6/90); Transport sector (4/89- 6/94); <u>2/</u>
Comoros	<u>2/</u>	
Congo	SBA (8/86-4/88)	SAL I (7/87-3/89)
	<u>2/</u>	
Côte d'Ivoire	SBA (6/86-6/88)	SAL III (6/86-12/87); Agricultural sector (10/89-6/91); Energy sector (12/89- 6/91); <u>2/</u>
	SBA (2/88-6/89)	
	SBA (11/89-4/91)	
Equatorial Guinea	SAF I (12/88-12/89)	Import rehabilitation (5/86-12/89); <u>2/</u>
	<u>2/</u>	
Gabon	SBA (12/86-12/88)	SAL I (4/88-6/90)
	SBA (9/89-3/91)	

Table 6 (continued). Fund Arrangements and Bank Policy-Based Lending,
1986-March 1990 1/

Country	Fund Arrangements		Bank Adjustment Operations
	1986-March 1990		(SALs, SECALs and Program Loans) Approved During Jan. 1986-Mar. 1990
Cambia, The	SBA	(9/86-10/87)	SAC I (8/86-6/88); SAC II (6/89-6/91)
	SAF I	(9/86-9/87)	
	SAF II	(12/87-12/88)	
	ESAF I	(11/88-11/89)	
	ESAF II	(11/89-11/90)	
Ghana	SBA	(10/86-10/87)	Industrial sector (3/86-12/90); Education sector (12/86-12/90); SAC I (4/87- 6/90); Financial sector (5/88-9/90); SAC II (4/89-3/91); <u>2/</u>
	EFF	(11/87-11/90)	
	SAF I	(11/87-11/88)	
	ESAF I	(11/88-11/89)	
	ESAF II	(11/89-11/90)	
Guinea	SBA	(2/86-3/87)	SAC I (2/86-12/88); SAC II (6/88- 12/90); <u>2/</u>
	SBA	(7/87-8/88)	
	SAF I	(7/87-7/88)	
	SAF II	(3/89-3/90)	
Guinea-Bissau	SAF I	(10/87-10/88)	SAC I (5/87-7/90); SAC II (5/89-6/92)
	SAF II	(7/89-7/90)	
Kenya	SBA	(2/88-7/89)	Agricultural sector (6/86-6/88); Industrial sector (6/88-4/90); Financial sector (6/89-9/91);
	SAF I	(2/88-1/89)	
	ESAF I	(5/89-5/90)	
Lesotho	SAF I	(6/88-6/89)	
	SAF II	(6/89-6/90)	
Madagascar	SBA	(9/86-2/88)	Agricultural sector (5/86-6/90); Industrial & trade policy (6/87- 12/90); Public sector (6/88-12/90)
	SAF I	(8/87-8/88)	
	SBA	(9/88-7/89)	
	ESAF I	(5/89-5/90)	
Malawi	SBA	(3/88-5/89)	Industry & trade (6/88-12/90)
	ESAF I	(7/88-7/89)	
	ESAF II	(8/89-8/90)	
Mali	SBA	(8/88-10/89)	Public enterprise sector (6/88-12/90); Human resources (6/89-12/94); <u>2/</u>
	SAF I	(8/88-8/89)	
	SAF II	(1/90-1/91)	

Table 6 (continued). Fund Arrangements and Bank Policy-Based Lending,
1986-March 1990 1/

Country	Fund Arrangements 1986-March 1990		Bank Adjustment Operations (SALs, SECALs and Program Loans) Approved During Jan. 1986-Mar. 1990
Mauritania	SBA	(4/86-4/87)	SAC I (6/87-12/88); Agriculture/ Irrigation (2/90-12/95); <u>2/</u>
	SAF I	(9/86-9/87)	
	SBA	(5/87-5/88)	
	SAF II	(11/87-11/88)	
	ESAF I	(5/89-5/90)	
Mauritius			Industrial sector (4/87-6/89)
Morocco	SBA	(12/86-3/88)	Education sector (3/86-12/89); Public enterprise reform (5/87-6/90); Agricultural sector II (11/87-3/90); SAL I (12/88-12/89); <u>2/</u>
	SBA	(8/88-12/89)	
	<u>2/</u>		
Mozambique	SAF I	(6/87-6/88)	Rehabilitation II (8/87-12/90); Rehabilitation III (5/89-4/91); <u>2/</u>
	SAF II	(3/88-3/89)	
	SAF III	(3/89-3/90)	
	<u>2/</u>		
Niger	SAF I	(11/86-11/87)	SAC I (2/86-12/87); Public enterprise sector (6/87-9/90); <u>2/</u>
	SBA	(12/86-12/87)	
	SAF II	(11/87-11/88)	
	ESAF I	(12/88-12/89)	
	<u>2/</u>		
Nigeria	SBA	(1/87-1/88)	Trade policy & exports (10/86-12/90); Trade & investment policy (12/88- 3/90); <u>2/</u>
	SBA	(2/89-4/90)	
Rwanda			<u>2/</u>
Sao Tome and Principe	SAF I	(6/89-6/90)	SAC I (6/87-3/90); <u>2/</u>
Senegal	SBA	(11/86-11/87)	SAC II (2/86-6/87); SAC III (5/87- 2/90); Banking & financial sector (12/89-6/91); SAL IV (2/90-4/92); <u>2/</u>
	SAF I	(11/86-11/87)	
	SBA	(10/87-10/88)	
	SAF II	(10/87-10/88)	
	ESAF I	(11/88-11/89)	
	ESAF II	(12/89-12/90)	

Table 6 (continued). Fund Arrangements and Bank Policy-Based Lending,
1986-March 1990 1/

Country	Fund Arrangements 1986-March 1990	Bank Adjustment Operations (SALs, SECALs and Program Loans) Approved During Jan. 1986-Mar. 1990
Sierra Leone	SBA (11/86-11/87) SAF I (11/86-11/87) <u>2/</u>	
Somalia	SBA (6/87-2/89) SAF I (6/87-6/88) <u>2/</u>	Agricultural sector (6/86-12/89); SAC/Agricultural sector II (6/89-1/92)
Sudan		<u>2/</u>
Tanzania	SBA (8/86-2/88) SAF I (11/87-11/88) SAF II (11/88-11/89) SAF III (2/90-2/91)	Multi-sectoral rehabilitation (11/86-12/89); Industry & Trade (12/88-12/90); Agricultural sector (3/90-6/92)
Togo	SBA (6/86-4/88) SBA (3/88-4/89) SAF I (3/88-3/89) ESAF I (5/89-5/90)	SAC III (3/88-10/90)
Tunisia	SBA (11/86-5/88) EFF (7/88-7/91)	Agricultural sector (9/86-6/89); Industrial and Trade Policy (2/87-12/89); SAL I (6/88-4/90); Agricultural sector II (6/89-12/94); Public enterprise sector (7/89-12/91)
Uganda	SAF I (6/87-6/88) SAF II (9/88-9/89) ESAF I (4/89-4/90)	Economic recovery (9/87-11/90); Economic recovery II (2/90-12/91); <u>2/</u>
Zaire	SBA (5/86-3/88) SBA (5/87-5/88) SAF I (5/87-5/88) SBA (6/89-6/90) SAF II (6/89-6/90)	Industrial sector (6/86-6/88); SAC I (6/87-12/89); <u>2/</u>
Zambia	SBA (2/86-2/88) <u>2/</u>	Recovery credit (6/86-6/90); <u>2/</u>

Table 6 (continued). Fund Arrangements and Bank Policy-Based Lending,
1986-March 1990 1/

Country	Fund Arrangements 1986-March 1990		Bank Adjustment Operations (SALs, SECALs and Program Loans) Approved During Jan. 1986-Mar. 1990
<u>Asia</u>			
Bangladesh	SAF I	(2/87-2/88)	Program credit XIII (2/86-6/88);
	SAF II	(11/87-11/88)	Industrial sector (6/87-3/90);
	SAF III	(12/88-12/89)	Energy sector (4/89-12/91); <u>2/</u>
China, P.R.	1st	(11/86-11/87)	Rural sector (6/88-7/90)
Indonesia			Trade policy (2/87-6/87); Trade policy II (5/88-3/89); Private sector (6/89-3/90); <u>2/</u>
Lao P.D.R.	SAF I	(9/89-9/90)	SAC I (6/89-7/91)
Nepal	SAF I	(10/87-10/88)	SAC I (3/87-12/88); SAC II (6/89-12/91)
	SAF II	(12/88-12/89)	
	SAF III	(11/89-11/90)	
Papua New Guinea			<u>2/</u>
Philippines	SBA	(10/86-4/88)	Economic Recovery (3/87-12/89); Reform
	EFF	(5/89-5/92)	for government corporation (6/88-8/91);
	<u>2/</u>		Financial sector (5/89-12/91)
Sri Lanka	SAF I	(3/88-3/89)	<u>2/</u>
	SAF II	(10/89-10/90)	
Thailand			<u>2/</u>
Vietnam	<u>2/</u>		
<u>Europe</u>			
Hungary	SBA	(5/88-5/89)	Industrial restructuring (5/86-6/92);
	SBA	(3/90-9/91)	Industrial sector (6/88-6/90); <u>2/</u>
Poland	SBA	(2/90-3/91)	

Table 6 (continued). Fund Arrangements and Bank Policy-Based Lending,
1986-March 1990 1/

Country	Fund Arrangements 1986-March 1990		Bank Adjustment Operations (SALs, SECALs and Program Loans) Approved During Jan. 1986-Mar. 1990
Turkey			Financial sector (6/86-6/90); Energy sector (6/87-9/90); Financial sector II (6/88-12/90)
Yugoslavia	4/		
SBA	(6/88-6/89)		<u>2/</u>
SBA	(3/90-9/91)		
<u>Middle East</u>			
Egypt	SBA	(5/87-11/88)	
	<u>2/</u>		
Jordan	SBA	(7/89-1/91)	Trade sector (12/89-12/92)
Pakistan	SBA	(12/88-3/90)	Export development (5/86-12/88);
	SAF I	(12/88-12/89)	Agricultural sector (8/88-6/90); Energy
	SAF II	(12/89-12/90)	sector II (6/89-12/91); Financial sector (3/89-12/90); <u>2/</u>
<u>Western Hemisphere</u>			
Argentina	SBA	(7/87-5/88)	Agricultural sector (4/86-6/89); Trade
	SBA	(11/89-3/91)	policy (5/87-6/90); Banking sector (3/88-11/89); Trade policy II (10/88- 6/90)
Bolivia	SBA	(6/86-6/87)	Import reconstruction I (5/86-6/90);
	SAF I	(12/86-12/87)	Import reconstruction II (6/87-6/90);
	ESAF I	(7/88-7/89)	Financial sector (6/88-6/91);
	ESAF II	(12/89-11/90)	
Brazil	SBA	(8/88-2/90)	Credit and marketing reform (6/86- 6/90)

Table 6 (continued). Fund Arrangements and Bank Policy-Based Lending,
1986-March 1990 1/

Country	Fund Arrangements		Bank Adjustment Operations
	1986-March 1990		(SALs, SECALs and Program Loans) Approved During Jan. 1986-Mar. 1990
Chile	EEF 1st	(8/85-8/89) (11/89-11/90)	SAL II (11/86-12/87); SAL III (12/87-6/89)
Colombia	<u>3/</u>	(7/85-12/86)	Trade and Agricultural sector (4/86-5/90); Power sector (12/87-9/90); <u>2/</u>
Costa Rica	SBA SBA	(10/87-3/89) (5/89-5/90)	SAL II (12/88-1/91)
Dominica	SAF I SAF II SAF III	(11/86-11/87) (11/87-11/88) (9/88-9/89)	SAC I (6/87-9/90)
Ecuador	SBA SBA SBA	(8/86-8/87) (1/88-2/89) (9/89-2/91)	Financial sector (12/87-12/89)
El Salvador	<u>2/</u>		
Guatemala	SBA	(10/88-2/90)	<u>2/</u>
Guyana	<u>3/</u>	(4/89-12/89)	<u>2/</u>
Haiti	SAF I SBA	(12/86-12/87) (9/89-12/90)	
Honduras	<u>2/</u>		SAL I (9/88-12/89)
Jamaica	SBA SBA SBA	(3/87-5/88) (9/88-11/89) (3/90-5/91)	Public enterprise sector (6/87-12/88) Trade & financial sectors (6/87-12/88); Agricultural sector (3/90-3/91)
Mexico	SBA EFF	(11/86-4/88) (5/89-5/92)	Trade Policy (7/86-11/90); Agricultural sector (3/88-11/90); Fertilizer sector (3/88-12/93); Trade policy II (11/87-12/88); Financial sector (6/89-6/91); Industrial restructuring (4/89-12/94); Industrial policy (6/89-6/90); Public enterprise reform (6/89-6/91); <u>2/</u>

Table 6 (concluded). Fund Arrangements and Bank Policy-Based Lending,
1986-March 1990 1/

Country	Fund Arrangements 1986-March 1990	Bank Adjustment Operations (SALs, SECALs and Program Loans Approved During Jan. 1986-Mar. 1990)
Panama	<u>2/</u>	SAL II (12/86-12/87)
Paraguay	<u>2/</u>	
Peru	<u>2/</u>	
Trinidad and Tobago	SBA (1/89-2/90)	SAL I (1/90-12/91)
<u>2/</u>		
Uruguay	<u>2/</u> ; <u>4/</u>	SAL I (6/87-12/88); SAL II (6/89-12/90)
Venezuela	<u>4/</u> EFF (6/89-6/92)	SAL I (6/89-6/91); Trade Policy (6/89- 6/91); <u>2/</u>

Sources: Staff reports (for Fund arrangements); World Bank data base and Statement of loans and Statement of development credits, April 30, 1990 (for Bank adjustment operations).

1/ For Fund arrangements, dates in parenthesis indicate the original duration of the arrangement; in a few cases arrangements were canceled or the expiration date was extended. For example, the stand-by arrangement for Zambia expired in May 1987 instead of the original expiration date of February 1988. For Bank loans, the first date in parenthesis refers to the Bank Board approval date and the second to the closing date of the loan; in some cases, closing dates were revised. For example, the recovery credit for Zambia, initially scheduled for closing in June 1990, has been suspended since May 1987. Supplemental and B loans are excluded.

2/ In the case of the Bank: adjustment operations under preparation during January 1989-March 1990, excluding supplemental and B-loans. In the case of the Fund: active discussions during January 1989-March 1990 regarding the use of Fund resources or a Fund-monitored program.

3/ Fund-monitored program.

4/ Enhanced surveillance.

Table 7. Bank and Fund Commitments to SAF-Eligible Countries, 1986-March 1990 ^{1/}

	Bank Adjustment Lending 2/ Fiscal Year					Fund Arrangements 3/ Calendar year				
	1986	1987	1988	1989	1990 4/	1986	1987	1988	1989	1990 4/
	(In millions of U.S. dollars)					(In millions of SDRs)				
PFM reviewed before March 31, 1990										
Bangladesh	200.0	190.0	—	177.5	2.3	—	143.8	57.5	—	—
Benin	—	—	—	45.0	—	—	—	—	6.3	—
Bolivia	55.0	47.1	70.0	11.3	9.1	68.1	—	45.4	45.4	—
Burundi	56.2	—	116.6	33.1	—	29.5	—	12.8	8.5	—
Central African Republic	—	30.0	63.6	—	—	—	14.1	9.1	—	—
Chad	—	—	4.5	104.1	—	—	6.1	—	9.2	—
Dominica	—	3.0	—	—	—	0.8	1.2	0.8	—	—
Equatorial Guinea	10.0	—	—	—	—	—	—	3.7	—	—
Gambia, The	—	24.8	—	23.0	—	8.53	5.10	6.8	6.8	—
Ghana	113.4	188.1	127.7	126.6	5.7	81.8	286.3	137.1	135.0	—
Guinea	108.0	—	75.8	—	—	27.0	23.2	—	17.4	—
Guinea Bissau	5.0	25.7	—	23.4	—	—	1.5	—	2.3	—
Guyana	—	—	—	—	—	—	—	—	—	—
Haiti	—	—	—	—	—	8.8	—	—	21.0	—
Kenya	77.7	—	112.0	173.7	44.0	—	—	113.4	80.5	—
Lao P.D.R.	—	—	—	40.0	—	—	—	—	5.9	—
Lesotho	—	—	—	—	—	—	—	3.0	4.5	—
Madagascar	83.0	101.3	125.0	1.4	1.2	30.0	13.3	13.3	25.6	—
Malawi	121.0	61.5	70.0	5.2	4.7	—	—	31.6	18.6	—
Mali	—	—	113.4	27.9	—	—	—	22.9	—	15.2
Mauritania	20.0	52.1	—	3.2	25.0	18.8	20.2	—	17.0	—
Mozambique	—	—	99.8	90.0	—	—	12.2	18.3	12.2	—
Nepal	—	50.0	—	60.0	—	—	7.5	11.2	7.5	—
Niger	111.1	80.0	—	—	—	16.8	10.1	16.9	—	—
Pakistan	70.0	—	—	600.0	—	—	—	382.5	163.9	—
São Tome & Principe	—	7.0	—	—	—	—	—	—	0.8	—
Senegal	80.9	92.9	—	5.5	125.0	51.0	46.8	59.6	42.6	—
Sierra Leone	—	—	—	—	—	34.76	—	—	—	—
Somalia	107.8	—	—	70.0	—	—	42.0	—	—	—
Sri Lanka	—	—	—	—	—	—	—	44.6	66.9	—

Table 7 (continued). Bank and Fund Commitments to SAF-Eligible Countries, 1986-March 1990 1/

[illegible]

Table 7 (concluded). Bank and Fund Commitments to SAF-Eligible Countries, 1986-March 1990 ^{1/}

	Bank Adjustment Lending 2/					Fund Arrangements 3/				
	Fiscal Year					Calendar year				
	1986	1987	1988	1989	1990 4/	1986	1987	1988	1989	1990 4/
	(In millions of U.S. dollars)					(In millions of SDRs)				
<u>Other SAF-eligible countries (cont.)</u>										
St. Lucia	--	--	--	--	--	--	--	--	--	--
St. Kitts & Nevis	--	--	--	--	--	--	--	--	--	--
St. Vincent	--	--	--	--	--	--	--	--	--	--
Sudan	--	--	11.7	--	--	--	--	--	--	--
Tonga	--	--	--	--	--	--	--	--	--	--
Vanuatu	--	--	--	--	--	--	--	--	--	--
Viet Nam	--	--	--	--	--	--	--	--	--	--
Western Samoa	--	--	--	--	--	--	--	--	--	--
Yemen Arab Republic	--	--	--	--	--	--	--	--	--	--
Yemen, P.D.R.	--	--	--	--	--	--	--	--	--	--
Subtotal	-	-	11.7	-	-	-	-	-	-	-
Total	1547.0	1253.3	1264.4	1795.2	554.0	907.1	1062.6	1073.2	991.7	36.6

Sources: Staff reports (for Fund arrangements) and World Bank data base (for Bank adjustment operations).

^{1/} India and China are SAF-eligible but have undertaken not to use the facilities at the present time.

^{2/} IBRD, IDA, and SFA commitments to SAF-eligible countries.

^{3/} Includes commitments under SBA, EA, EFF, SAF, ESAF, and the first credit tranche.

^{4/} As of March 31, 1990.

