

INTRODUCTION

This report provides a summary and analysis of the procurement performance of Canadian firms in projects and activities funded by the World Bank over the last year¹, and reviews the activities of the Office for Liaison with International Financial Institutions (OLIFI) at the Canadian Embassy in Washington.

The report also identifies some significant trends relating to World Bank lending and the implications and outlook for commercial opportunities in the coming years.

WORLD BANK LENDING - FY 1990

WB Loan Approvals

In the fiscal year which ended June 30, 1990, new commitments from IBRD (International Bank for Reconstruction and Development) and IDA (International Development Association) totaled \$20.7 billion for 222 new projects, compared with a total in FY'89 of \$21.3 billion.²

Combined IBRD and IDA lending to Africa in FY'90 was \$3.93 billion, compared with \$3.92 billion in FY'89. The FY'90 combined total for Asia was \$6.4 billion, compared with \$7.83 billion a year earlier. New commitments from IBRD and IDA to Europe, Middle East and North Africa totaled \$4.41 billion, compared with \$3.77 billion the previous year. Latin America and the Caribbean obtained \$5.96 billion in new commitments, compared with \$5.84 billion in FY'89. {Exhibit 1 highlights the geographic and sectoral breakdowns of the Bank's FY'90 loan approvals.}

Structural and sectoral "adjustment" program lending accounted for about 19%, or \$3.9 billion, of new loan approvals in FY'89. An additional \$1.4 billion (6.7%) in new loans were approved for "debt reduction".

WB Disbursements

During FY'90, approximately \$11.8 billion was disbursed by the WB to its borrowing countries for foreign purchases of goods, services and other commitments. This compares with \$9.3 billion of foreign disbursements last year. It should be noted, however, that \$2.16 billion of the foreign disbursement total this year was for "debt reduction". Accordingly, foreign disbursements for the supply of consulting, works, goods and equipment, net of debt reduction disbursements, actually amounted to only \$9.6 billion.

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