

the borrowing countries, for work completed under contracts previously awarded by the Bank. Contract award data are available from the World Bank and are used in some analysis in this report, however this data is not a reliable indicator of any given country's true procurement performance. The World Bank estimates that 1992 contract award data may represent almost 50 percent of the contracts actually awarded. Disbursement data, which measures payments to member country suppliers, on the other hand are considered to be reliable.

## **World Bank Lending - FY 1992**

### **World Bank Loan Approvals**

In the fiscal year which ended June 30, 1992, new commitments from the International Bank for Reconstruction and Development (IBRD) and the International Development Association (IDA), totalled \$21.7 billion for 222 new projects, a decrease of 4.3 percent from new commitments in FY 1991 which amounted to \$22.7 billion.

Combined IBRD and IDA lending to Africa in FY 1992 was \$3.97 billion, up from the \$3.4 billion figure of the previous year. This total represents a return to a volume of lending to Africa comparable to that of FY 1990.

The fiscal year 1992 total for Asia demonstrated an almost \$1 billion increase from \$7.5 to \$8.4 billion. This is likely a result of the increase in lending to China which amounted to \$2.5 billion in new approved projects. Lending to India increased marginally from \$2 billion to \$2.2 billion while lending to Indonesia remained approximately the same at \$1.6 billion. New lending to Pakistan fell by more than 50 percent to \$324 million from \$677 million in FY 1991. New lending to Sri Lanka also declined from \$359 million in FY 1991 to just \$69.5 million in FY 1992.

New commitments from IBRD and IDA to Europe, the Middle East and North Africa totalled \$3.6 billion compared with \$6.6 billion in FY 1991.

This decrease indicated a significantly different lending pattern in FY 1992 as compared with FY 1991, largely as a result of reduced emphasis on lending to several countries which were of central priority in FY 1991. Lending to Hungary, for example, decreased from \$550 million to \$200 million and lending to Poland fell from \$1.440

billion to \$390 million. Both of these countries had seen substantial increases in new loan commitments in FY 1991 as compared to FY 1990. New commitments to Czechoslovakia also decreased significantly over the last fiscal year, from \$450 million to \$246 million. Lending to Algeria was halved; lending to Egypt also declined from \$524 million to \$375 million. Other decreases in lending occurred in Iran (\$250 million to \$134 million), Morocco (\$626 million to \$325 million), Tunisia (\$900 million to \$385 million), and Yemen (\$95.6 million to \$47.2 million). Bulgaria, on the other hand, experienced an increase in project approvals, from \$17 million to \$250 million, as did Romania, with an increase in new project lending from \$180 million to \$650 million over the FY 1992.

The Latin America and the Caribbean (LAC) region, obtained \$5.66 billion in new approved lending, up from \$5.2 billion in FY 1991. As a comparison, the IDB approved \$5.3 billion in new loans to the region in the calendar year (CY) of 1991 and projections suggest that the IDB will lend \$6 billion to LAC in CY 1992, and approximately \$7.2 billion in CY 1993. Accordingly, although World Bank lending to LAC increased in FY 1992, the IDB is expected to surpass the volume of IBRD and IDA lending to the Latin America and Caribbean area by the end of the 1992 calendar year.

Structural and sectoral adjustment program lending accounted for almost 27 percent or \$5.85 billion of new World Bank commitments in FY 1992, showing an increase from the 25 percent or \$5.7 billion figure of FY 1991. Exhibit 1 highlights the geographic and sectoral breakdowns of the Bank's FY 1992 loan approvals.

### **World Bank Disbursement Patterns**

Disbursements are payments made for the most part, on prior years loan commitments. Hence, despite any increase in new loan commitments, disbursement levels generally reflect previous years activities and variances in the multi-year implementation of projects.

During FY 1992, approximately \$9 038 million was disbursed by the Bank to its borrowing member countries for foreign purchases of goods, equipment, civil works, consulting services and other commitments. This compares with foreign disbursements of \$9 159 million in FY 1991 and \$11 879 million in FY 1990. The FY 1992 figure