

Co-financing of loans adds another influence and complication. When loans are jointly financed by the ADB and another agency, particularly if that agency is national as opposed to multi-national, it is felt that suppliers from the co-financing country are favoured either informally or through formal agreement. In 1984, a total of 23 projects valued at just over \$1.1 billion U.S. were jointly financed by the ADB and another agency. We understand from you that plans for 1986 call for 21 projects to be subject to co-financing and that the total value of ADB contributions will be about \$550 million. An examination of co-financing trends and opportunities is thus critical. However, at least in the short-term, co-financing is not likely to be a factor in a new type of lending to be undertaken by the Bank.

To date the Bank has only granted loans to Governments or to the private sector with Government guarantees. In October of 1985 a new program was announced to allow Bank lending to the private sector without government guarantees. This is initially a two year program with a one year interim review and an annual budget of \$100 million U.S. While now small, this program could bear promise for aggressive suppliers.

For the purposes of the proposed study to be undertaken for External Affairs, the above brief description has several implications:

- o The ADB has a good information system, which probably extends to historical records;
- o Early country plans are not detailed in terms of product requirements;