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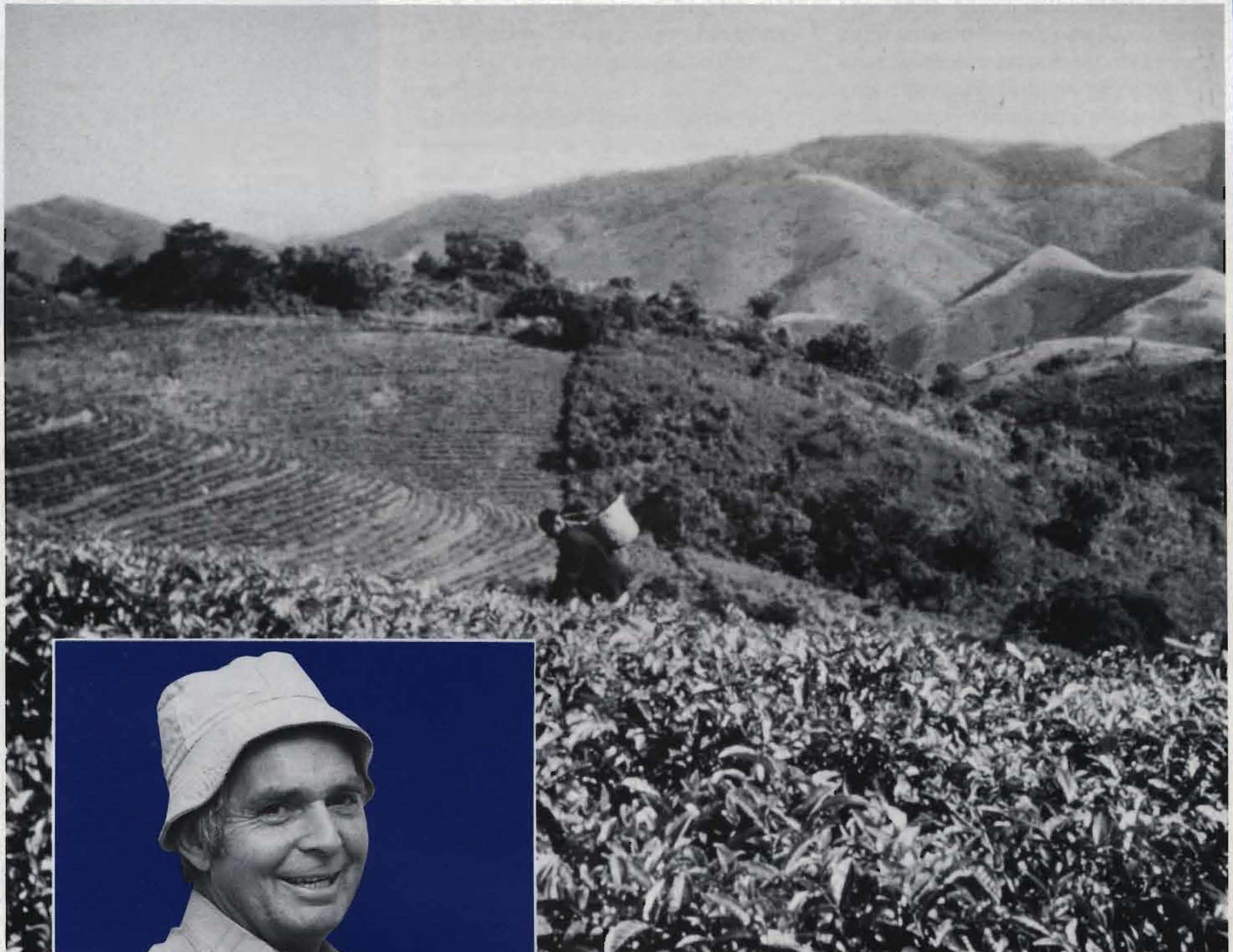
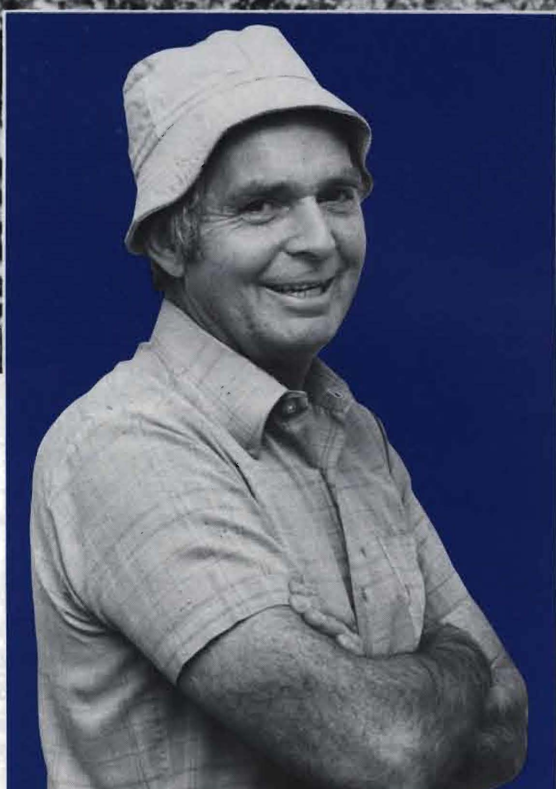




Senior Official Looks at Lending, Related Issues

Stern: 'Lending Decline Is Highly Localized'

by Alan Drattell

Ernest Stern, Senior Vice President, Operations, in response to staff concerns about a diminished IBRD lending program in FY85, answered some questions about the lending pipeline and discussed some related issues recently in an interview with *The Bank's World*. Here is that interview:

Q. Only a few months ago, we were talking about a $12.6 to $13.3 billion lending program this fiscal year. A month ago, that figure was down to $11 billion. What does a lending decline say about the Bank as an institution? For example, does it say we are less important than before to our borrowers?

Stern: The decline that we see in the lending program today is highly localized, and involves no more than half a dozen countries. And while I recognize that to the outside world a decline in the lending program, coming after so many years, may be construed as a fundamental issue, I think we in the Bank are quite certain that it is nothing of the sort.

The lending decline involves those countries where, I think, there is general agreement among all kinds of providers of external capital that there is a continuing problem. In a few countries, these problems have begun to be resolved, but it is going to take some time for us to get project operations started again after a gap of a couple of years.

I think one also has to put lending into context. While it is true Bank lending will decline somewhat, it is still true that very few institutions lend $11 billion a year. An institution which has that kind of involvement with so many of its member countries clearly is continuing to fulfill its basic development role.

I think it is also worthwhile to point out that for years we have been saying to ourselves that we shouldn't believe that the only thing The World Bank provides is money. It is a little surprising to see that now, with a slightly reduced lending program, people forget about their own exhortations to us, which I think are correct in the first place.

Our economic analysis work continues to expand even in those countries where we have not done any lending or as much lending as we hoped this year. And our work in aid coordination has expanded even though it is not matched by any increase in Bank lending because this expansion is primarily in Africa and through IDA.

Also, it is important to note that the Bank is not immune to global economic uncertainties. Therefore, we must adjust to the reality that our lending levels can no longer be projected with the degree of certainty to which we ourselves and the outside world have become accustomed.

Q: Can you give me an example of the type of difficulties encountered in reaching our lending program for a country?

Stern: We had hoped to have a substantial lending program this year in

COVER: Stephen Carr (inset), a Senior Agricultural Officer in the Western Africa Projects Department, Agriculture Division B, looks back on his life with farmers in Africa.

Photos by Stephen Carr and Giuseppe Franchini

> 'While it is true Bank lending will decline somewhat, it is still true that very few institutions lend $11 billion a year.'
>
> —Stern

one of these countries. We discussed with the government a couple of years ago the conditions for an expansion of the lending program, and we have been making progress in that direction.

However, the country has run into major economic difficulties. There has been a change in government. The new government has carried out a substantial review of its investment priorities and has begun to put its economic house in order. It has had discussions with the IMF, but no final agreement.

A substantial portion of our lending program in that country would have been structural adjustment loans, which as you know we only make once we are sure that a stabilization program is in place.

We also have a number of projects there which we negotiated a long time ago. These still have not moved forward because they are awaiting final government action.

Q: You say, in effect, that the quality of lending is more important than its quantity. Yet, many staff feel under pressure to deliver operations, particularly in the second half of this fiscal year. Could you comment?

Stern: Obviously, we have an obligation to try to do as much as we can for our borrowing countries, and, therefore, it is important that staff at all levels continually seek appropriate ways to address borrowers' needs. But it has never been suggested that—just because we have a budget problem—we give up on trying to resolve issues we believe are important. And I would think that by now managers have been able to convey this message to their staff.

Q: Is this smaller lending program an aberration? If so, when do you expect lending will pick up again?

Stern: Well, I think it is an aberration in the sense that we have for the last few years a tremendous number of developing countries going through very large changes, facing great economic difficulties. And the expectations are that this problem will not continue. Investment programs are beginning to grow again. But it is also true that in some countries the process has not been completed. Some countries are just starting.

We expect the lending program to go up in FY86. How much exactly it will grow is hard to predict.

Q: According to one journalist, the Bank persists in stressing "project" loans, which many countries no longer can afford because they can't put up their own required share of the funding. Instead, he says that critics have been saying for the past two years that the Bank has to do more "program" lending, which allows Third World borrowers more leeway to use the funds with less new commitment of their own. Should we be doing more program lending rather than project lending as is suggested?

Stern: Possibly we should be doing more non-project lending, but certainly not for the reasons this gentleman gives. I think one has to keep in mind that if you borrow money—I am talking about Bank money, as you know, there's no shortfall in IDA at all—or if you borrow money from commercial banks, you are incurring substantial debt. Bank interest rates are a little over 9%, repayable over a maximum of 20 years. In order to pay off that debt or any other debt you incurred, you have to put the resources you borrowed to productive purposes. You have to generate enough income to pay back, otherwise you'll be worse off than you are today. I think that's simple economics.

It is true that at the moment countries which have severe budgetary difficulties cannot finance new investments or as many new investments as in the past. But that is simply a reflection of the amount of investable resources that they can generate domestically.

And while the Bank has, and does, increase its share of project financing to middle-income countries—and again I would stress we are talking about Bank countries, because in the case of IDA countries the Bank finances up to 95% of project costs—one has to recognize that when we finance local costs, countries are borrowing for things which under normal circumstances they and we would expect to be financed by domestic resource mobilization. This local cost financing means that in the future countries have to export even more to pay us back.

Whether that is the best advice we can give a member country today—a country which may already have to pay off some very heavy debt service burden, with tremendous needs for increased exports to pay back their commercial bank debts—that is certainly not all that clear. There may be cases when this is justified; in those cases we do it, but in general we do not provide non-project financing unless it is associated with a structural adjustment program clearly designed to support structural change. Otherwise, such financing would simply be another type of balance-of-payments finance. The World Bank is not in the business of balance-of-payments financing, and I don't think it would be very wise for us to get into this business for the simple reason that unless you have a clear agreement on policy change and an investment framework, there is a very high probability that the resources you put in cannot be traced and any productive policy change cannot be achieved. Therefore, this financing would not increase the country's productive capacity or its ability to service its debt.

Q: Are countries less willing to incur Bank loans because of increased conditionality in recent years?

Stern: This is a question that gets asked often, of course. My own belief is that this is not a factor in the decline that we now experience with Bank lending. After all, you have to recognize that in a country like India, where we're lending $1.5 billion in Bank money this year; $1 billion in Indonesia; $600 million in China; over $1 billion in Brazil, these are not countries which are unconcerned about their national prerogatives or who would let the Bank dictate to them what they ought or ought not to do.

I don't think we behave differently in those countries than we behave in any other. The conditions we discuss do not stand in the way of a very large lending program. I find it a little hard to believe that these conditions are the cause of the decline.

Q: Many of our critics, and some of our friends, see the lending squeeze as symptomatic of larger, more diverse problems in the Bank. They suggest that the Bank has lost its direction. Could you comment?

Stern: I don't think the Bank has lost its direction. Until we informed the Board of the expected lending level for FY85, which was below the anticipated lending, the Board by and large was very complimentary about the Bank and its ability to react quickly to changing circumstances, about the direction of structural adjustment lending, expansion of other types of quick disbursement systems, and about the direction of the Special Assistance Program and our special efforts on Sub-Saharan Africa.

All these seem to me a reflection of the fact that the Bank has responded and continues to respond efficiently to changing circumstances facing our members. And the circumstances facing our members have changed, and, therefore, the Bank too has adjusted its direction. But that, of course, is not the same as losing our sense of direction.

Q: In the past week, we have seen many donor countries give strong support to multilateralism by subscribing to the Africa Facility; on the other hand, the United States gave strong support to bilateralism by indicating it would not build in budget funds for IDA 8 at this time. Aren't these conflicting signals on the future of multilateralism?

Stern: I think you have to recognize that the Special Facility for Africa is a major achievement for the Bank. And it consists both of direct contributions as well as associated special joint financing which come from bilateral sources. And indeed if all those who have indicated that they would make special joint financing available can do so under terms which are acceptable to the Facility, the terms of contributions, either multilaterally or bilaterally, are not going to be all that different.

I think it was a great achievement for the Bank because we were able to (a) get countries to recognize there is something beyond the essential emergency humanitarian assistance for Africa which needs doing now, (b) it is a Fund especially dedicated to support policy reform in Africa, and (c) it collects what is after all a quite respectable amount of money at a time when everybody believed—and still believes—that there is great aid weariness around them. And, I think, the Bank can take great pride in this. But it is not clear what it signals for bilateral/multilateral support since we have both kinds of money in the Facility.

Obviously, the U.S. indication in its budget is similarly a mixed signal. I believe it reflects only the current concerns of the budget deficit, and does not reflect their position that they would not contribute or participate in the discussions for the next IDA. They certainly have never said that, and I think one should not read too much into the entrails of the budget argument. ■

Qureshi, Rotberg Tell What the Figures Mean

IBRD's Financial House Is in Good Order

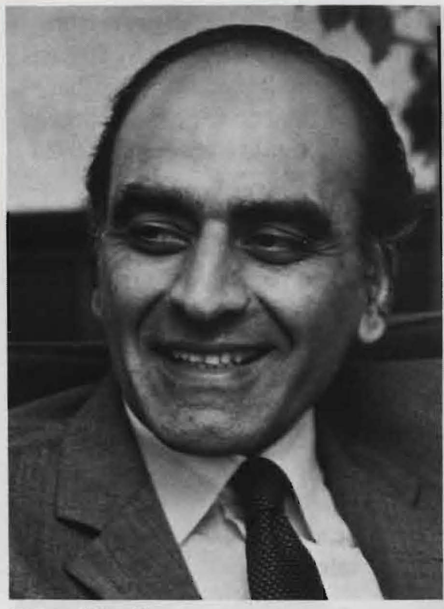
by Ellen Tillier and Sheldon Rappaport

Why should the IBRD have a sizable net income when its mission is to lend for development? For the first six months of FY85, the Bank earned $588 million, and is headed for a record year. Some people ask: What does this do for developing countries?

Answers to this question were provided by Moeen A. Qureshi, Senior Vice President, Finance, and Eugene H. Rotberg, Vice President and Treasurer, at the mid-year financial press conference held in the Bank last month.

Since very little of IBRD lending is funded by member governments—more than 90% of funds are borrowed from the private sector and government sources at market-based rates—profitability is very important. Profits demonstrate to the markets the Bank's financial strength, and because of this strength, the Bank can borrow and lend to developing countries at the lowest possible rates.

Mr. Qureshi stated that it is the Bank's financial strength that has allowed it to reduce charges to developing countries. At the press conference, he announced that the previous day the Board had decided the Bank should reduce the 0.25% front-end fee to zero. Earlier, on January 1, the



Moeen Qureshi

semi-annual lending rate was lowered from 9.89% to 9.29%.

Also, he noted, the record profits should make it possible to consider a large transfer to IDA and to be responsive to the needs of the Sub-Saharan African countries.

This year's profitability, according to Mr. Qureshi, is the result of a fundamental review that began 3-1/2 years ago to ensure that the Bank would be in a position "to continue to act as a leading financial intermediary for long-term funds for development in the Third World."

The review triggered several financial policy changes. Mr. Qureshi explained: "We introduced a variable lending rate system that established a firm relationship between our borrowing costs and our lending rate.

"We introduced a front-end fee as a new tool to underpin the Bank's income in a period of very great volatility. We broadened the Bank's borrowing program. We went to new markets. We borrowed in more currencies. We made use of new borrowing instruments—floating rate notes, short-term discount notes, and a Central Bank Facility. The Bank has been the major innovator in currency swaps."

Today, the Bank is in a very strong position, he affirmed, not only because of its profits but because it has been able to fund its expanding needs from the capital markets.

The success of that process is seen in the borrowing and investment programs' contribution to the Bank's mid-FY85 financial results. Reported Mr. Qureshi: "We borrowed the equivalent of $6.3 billion—a record amount.

"Borrowing costs were lower than for the same period last year. Currency swaps have helped bring down these costs, and so has the judicious timing of issues and choice of currencies. (See table.)

"The Bank's reputation in capital markets is better than ever, and we've been able to borrow at the narrowest spreads we've ever achieved."

On the investment side, earnings on the Bank's liquidity were higher. Mr. Qureshi said: "In the first half of FY85, the Bank earned 14.16% on its short-term dollar investments, and 11.29% on its non-dollar short-term liquidity, inclusive of net capital gains. Overall, this realized investment return averaged 13.55%, compared to 9.81% for the first half of FY84."

Mr. Rotberg added that the financial rate of return, that is, including unrealized capital gains and losses on the dollar portion of the Bank's liquid asset investments for the same period, was 17.62%.

"These returns reflect the active

Eugene Rotberg

management of our liquid funds and our quick reactions to market movements," said Mr. Qureshi. "Our liquid assets, which stood at $15.2 billion at the end of December 1984, equal about one-third of our outstanding indebtedness."

On the reduction of the front-end fee, Mr. Qureshi explained that a zero-level front-end fee doesn't mean it has been abolished. Because it served its purpose well, the fee has been retained as a tool should there be need to reinstate it.

"On the lending side," he continued, "IBRD disbursements reached a first-half high of $4.5 billion. For the whole year, we expect IBRD disbursements to run substantially ahead of the FY84 level of almost $8.6 billion."

Picking up on the financial policies the Bank had pursued to set itself in such a strong position, Mr. Rotberg talked about borrowings, investments and their implications for the Bank.

Favorable Rates

"The fixed rate medium- and long-term borrowings cost the Bank 7.61%," he said. How was the Bank able to borrow at such favorable rates? Mr. Rotberg gave four reasons.

First, the Bank pursued a strategy of increasing the proportion of its borrowings in currencies—Swiss francs, Deutsche mark, Japanese yen and Dutch guilders—with interest rates that are nominally lower than that of the dollar.

Second, access to these low-cost currencies was gained not only through direct borrowings, but, indirectly, through the use of swap transactions which lowered the costs even further since the Bank only does a swap if it is less costly than a direct Bank borrowing in the same currency. Swaps, said Mr. Rotberg, "had the effect of taking the dollars and sterling off our books and substituting Deutsche mark, yen and Swiss francs."

Third, continued Mr. Rotberg, was the extensive use of new forms of borrowing. Most important was floating rate instruments linking the Bank's interest payments to Treasury obligations rates rather than to LIBOR (the London Interbank Offered Rate). LIBOR is the rate commercial banks charge each other, and is more costly than Treasury bill rates.

Fourth, adding to Mr. Qureshi's statements on borrowing at narrow spreads, Mr. Rotberg said that the Bank "is now borrowing at or about the same yield as for government obligations in Deutsche mark, yen, and U.S. dollars."

Most of the Bank's low interest rate borrowing program was done in the first half of FY85, he explained. Most of the Bank's borrowings in higher interest currencies, however, are likely to take place in the second half. Therefore, the average borrowing cost for the full fiscal year is expected to be about 8.3%, compared to 7.82% for the first half.

Under the Bank's pool-based variable lending rate system, there's a direct link between borrowing costs and lending rates. By borrowing in low rate interest currencies, the Bank has been able to decrease the rate of its loans. "Swaps alone," said Mr. Rotberg, "lowered the lending rate from what it otherwise would be by 80 basis points (hundredths of 1%). In other words, if we had done no swaps, the lending rate would have been 10.09% instead of 9.29%."

The costs the Bank incurs to borrow funds are passed on to developing countries that receive loans from the Bank. Developing countries also assume the currency exchange risk. Thus, if the currencies disbursed for a loan revalue upward (or downward) against the dollar, those costs are borne by the borrowers. It is expected that adverse changes will not be greater than the savings from the lower interest rate.

First Half FY85 (July 1 – December 31, 1984)
(US$ equivalent, millions)

Borrowing Costs	Amount	Average Cost %
Medium- and Long-Term		
Fixed Rate	5,943	
Before swaps		8.63
After swaps		7.61
Floating Rate	76	11.07
Additional Short-Term		
Central Bank Facility	301	10.92
Total	6,320	7.82

Borrowings By Currency*	Before Swaps Amounts	Before Swaps %	After Swaps Amounts	After Swaps %
U.S. dollars	1,076	17	221	4
U.S. dollars (increase in outstanding Central Bank Facility short-term borrowings)	301	5	301	5
Deutsche mark	1,020	16	1,155	18
Swiss francs	1,509	24	2,266	36
Japanese yen	1,175	19	1,247	20
Dutch guilders	467	7	516	8
Austrian schilling	65	1	25	—
Belgian francs	50	1	—	—
Canadian dollars	153	2	153	2
Canadian dollars (MLT Variable Rate)	76	1	76	1
ECU (European Currency Units)	144	2	117	2
Norwegian kroner	29	1	29	—
Pounds sterling	255	4	214	3
Total	6,320	100	6,320	100

*Medium- and Long-Term (MLT) Fixed-Rate borrowings, unless otherwise indicated.

Foreign Exchange Reserves

Most developing countries have their foreign exchange reserves in dollars, Mr. Rotberg noted. Therefore, when they have to repay loans disbursed in Deutsche mark, yen and Swiss francs, they use these dollar reserves to buy these other currencies to make loan payments.

"If all loans The World Bank disbursed over the last seven years in Deutsche mark, yen and Swiss francs were repaid now," he said, "the borrowers would save about $6 billion." Mr. Rotberg explained that because of revaluation, the $31 billion borrowed in these currencies are now worth $25 billion.

For the repaid portion of loans, the gains have already been captured. For the outstanding loans, he stated, borrowers may wish to take hedging actions to lock in additional gains.

Mr. Rotberg also pointed to the Bank's profit as a sign of financial strength leading to lower cost of funds. "In lieu of dividends," he said, "the Bank may use those profits where it will do some good.

"There is in fact no conflict between those profits and our role as a development institution. To the contrary, the financial resources remain in the system of the Bank, and are therefore available for allocation to the various constituencies which are relevant and important to the Bank."

Farmer Stephen Carr—a Bank Staff Member—Has Insight into Problem

Why They're Starving in Africa

by Ellen Tillier

A farmer picking tea in Uganda. Photo by Stephen Carr

"You may find it difficult to believe, but barring a few years in Nairobi, I've never lived in a city," says British staff member Stephen Carr who arrived in Washington, D.C., in March 1984, to work at Headquarters.

Now a Senior Agricultural Officer in the Western Africa Projects Department, Agriculture Division B, Mr. Carr looks quite comfortable in his Bank office. Nothing in his demeanor suggests that he has spent more than 20 years in rural African communities, living the life of a smallholder farmer. What drove him there was a conviction nurtured during his early years in post-war England that he should devote his life to helping the less fortunate. But the choice of Africa was left to chance.

"It was quite coincidental that I went to Africa," he says. "I wanted to offer my services and be involved. It so happened that the Director of Agriculture in Sudan whom I met at my college took an interest in me and tried to offer me a position there as a civil servant. But I wasn't ready for that. My wife and I first went out to the Sudan in 1952 under the aegis of the Church of the Sudan (Anglican)." That was the beginning of Mr. Carr's mission of love and labor that has only lately taken the form of a position at the Bank.

Not many Bank staff have Mr. Carr's practical and intimate knowledge of the African farmer's practices and reactions to change. At a time when the crisis in Africa is drawing worldwide attention, Mr. Carr has a few things to say about the African farmers he knows so well. His main concern is to dispel some of the misunderstandings concerning the farmers' patterns of behavior.

"My first experience as a smallholder farmer was when we joined a village community in Southern Sudan in order to gain an understanding of how people farmed as well as to be financially independent. My wife and I lived there for eight years and we were very happy."

How to Survive

"For the first 18 months, we watched our neighbors carefully and learned how to survive. With the help of the local people, we built ourselves a house with sticks and mud like the others in the village. We organized our household in the African way, and came to understand the underlying efficiency of this way of life.

"It was only after I had understood their system thoroughly that I started to use my own knowledge. I introduced coffee growing, swamp rice and several varieties of beans. My wife—who had studied agriculture and tropical nutrition in England—and I only ate what was available in the village. In fact, the local diet made us very fit. We learned the local language, called 'Kakwa.' In time, I thought and even dreamed only in Kakwa.

"Between the local farmers and us, it was a mutual effort. We learned from them and contributed some of our skills to their farming. We discovered the many aspects of African life as we were absorbed in the local community. We lived like our neighbors with no outside support. I've grown crops with my own hands, and gained a detailed knowledge of African farming practices. So when I speak about my commitment to the small-holder in Africa, I want to make clear that I speak with a bias based on my own experience there."

When discussing agriculture in Africa, Mr. Carr warns against indulging in generalizations. "Conditions in Africa are so diverse that simplistic and generalized solutions do nothing but cloud the real issues," he says. "We're dealing with situations which spread from the desert to some of the wettest forests in the world, with a much wider range of crops than that grown on the entire American continent, and with population densities that go from almost empty to severely overcrowded areas."

Two Common Threads

"Despite this diversity, there are two common threads in African agriculture. First, on the whole, the great bulk of agriculture production comes from very small farmers. What this means is that a lot of small holders—generally not under the control of any outside body, whether it be the state or large landlords—are making millions of independent decisions which determine the pattern of agricultural production."

Second, Mr. Carr is convinced that these small farmers are efficient managers of their perceived resources. "They have built up their expertise over long periods of time," he says, "and have learned to survive in conditions many other human beings would find impossible."

Mr. Carr also quickly counters the charges of conservatism often levied at the African farmer. In fact, he maintains that African farmers have been extremely innovative in recent years. They have adopted and adapted those new technologies they find to be truly advantageous. But, he emphasizes, the farmers must see the advantages for themselves. In the majority of cases where farmers have rejected a new technology, they have had perfectly good reasons for not accepting the changes being pressed on them.

"Those who doubt the farmers' ability to change," Mr. Carr points out, "should take a look at some of the major crops grown in Africa today—maize, cassava, sweet potatoes, groundnuts, tobacco. All have been introduced, and in many areas, as recently as the last 40 to 50 years. All are now so much part of the African landscape that many people believe they are indigenous.

"What we have here are millions of people who, with little outside help, have adopted completely new crops, integrated them into their farming system, and changed their pattern of work and their diet. The picture of African farmers as a particularly conservative group, unwilling and resistent to change, needs to be erased."

Mr. Carr saw this flexibility for himself when he and his wife were forced to leave the Sudan in 1962 because of the civil war. They moved to a poor and remote mountainous area in Southwest Uganda. The nearest road was 16 miles away. Using the knowledge acquired from their earlier experience, the Carrs built themselves another set of mud and wattle houses, learned a new language—"Runyankore"—and joined a new rural community until 1973 when they had to leave the country because of its political problems.

Tea Growing in Uganda

In Uganda, the idea was to introduce tea growing to the local people who had never seen tea in their lives. "Yet, within a few years," says Mr. Carr, "2,000 farmers were successfully growing tea. This means they had adapted the crop into their farming system and lifestyle, and stayed with it for the next 20 years. I provided planting material, advice and helped the farmers with the marketing of tea plus a range of horticultural crops. I did this for four years and then left them to run their own affairs—which they've done very successfully."

Mr. Carr then turned to helping some 5,000 people move from the most overcrowded mountainous areas to emptier land where they established a successful new community. After this, he began to concentrate on some of the problems of the local highland food crops and started his own experimental work on potatoes, peas and wheat. "Once again, I found my neighbors open to suitable new varieties," he says.

After being expelled from Uganda, the Carrs went back to Southern Sudan where, at the invitation of the newly-formed Southern Ministry of Agriculture, he first became a civil servant. "But I didn't sit in an office," he is quick to say. "I created my own job. A great deal had to be done in a country destroyed by war. It was a matter of rebuilding again. Finally, in January 1976, I joined the Bank as part of a preparation team in Tanzania. I came in through the gate of The World Bank Agricultural Development Services (ADS) and subsequently moved into the Nairobi office."

Increasing Crop Failures

With the success of his personal projects behind him, Mr. Carr gives his interpretation of why African farmers are facing the serious problems of increasing crop failures and the rapid deterioration of the soil. "The problem with African agriculture today," he says, "is that fundamental changes have to be made too quickly. Never before in history has there been a population explosion of this magnitude—where a population has doubled in 17 years."

Moreover, he continues, not only has the population doubled, but the proportion of able-bodied adults engaged in agriculture has been declining. On the one hand, there is the phenomenon of urbanization which is taking people away from the land; on the other, during a period of rapid population growth, an increasing proportion of the population is either below or above the able adult working age.

Looking back at Europe in the second half of the 19th century, Mr. Carr says that European farmers also were unable to rise to a comparable challenge. They were unable to feed the people. In those days, however, Europe was able to save itself by making use of large tracts of virgin land outside the continent—in the prairies of America, Argentina and Australia. Europeans didn't find the immediate solution internally. They went out into the rest of the world and drew food from there.

But Africa can't afford to follow the same pattern while it adjusts its farming methods. And the demand for a rapid increase in production is putting too great a strain on people's ability to respond to changes coming too quickly. In other parts of the world, the move from bush fallowing to regular annual cropping evolved over centuries. In many parts of Africa today, because land availability is dwindling so fast, farmers are being asked to make these changes in one generation. "There is simply not enough time to gradually test and develop a new system suited to a particular environment," he says.

Fresh Production Pattern

"Elsewhere, the move from a well-watered area into semi-arid lands, or from a plateau onto a steep hillside took place over many generations. People had the time to adapt to new circumstances and learn how to handle a fresh production pattern. In Africa today, the jump is being made in a decade, and farmers just have not had the time to make the absolutely fundamental changes in their whole mode of production, which is quite different from absorbing a new idea or a new crop into an existing system," he explains.

What may be necessary in this type of situation, he continues, is for the world community to provide farmers with a breathing space to prevent them from destroying their environment in their struggle for survival. Help may be needed to feed communities while they terrace their hillsides, protect their grazing land or evolve micro-irrigation systems to enable them to produce more in the future.

Where conditions are more favorable, Mr. Carr says it is important for farmers to receive the right signals to produce what is needed. But this is easier said than done. Some governments, sometimes with Bank support, have at times thought they were giving the farmer a clear signal to produce more of one crop—say, tobacco—when the main government policies were, in fact, encouraging them to produce another—say, maize. For successful agricultural development to take place, careful attention must be paid to understanding the farmers' behavior patterns and to induce governments to send the appropriate signals.

Farmers are being asked to make changes in one generation.

On the question of why research has not produced the expected results when twice as much money has been spent per cropped hectare in Africa as in Asia, Mr. Carr puts the blame on the lack of communication between the research workers and the farmers. The successes of agricultural research in Africa—hybrid maize in Southern Africa, the development of wheat in Kenya, the major advances in tea technology, for instance—have happened in communities with large-scale, non-indigenous farmers. "The breakthroughs occurred," he says, "when the researchers and farmers spoke the same language, literally and figuratively. With small farmers, that has just not been the case in all too many situations.

"One reason why research has not yielded more results in the small-holder sector is that until recently researchers didn't bother to look at the overall farming pattern used in the regions. Today, researchers realize that these systems are complex and that any discoveries must be able to be fit into them. Because some of these farming systems integrate as many as 30 to 40 different crops at various times of the year, the introduction of a new variety of crop must be based on an understanding of how suited it is to the overall pattern."

Inevitably, according to Mr. Carr, the slight impact of research has lowered the status of researchers in the eyes of governments, which, in turn, has lowered the researchers' morale, and, of course, slowed any results still further. "It's a vicious cycle," he says. "But in order to improve the situation, researchers are going to have to obtain results which have a real impact on the farmers."

The Farmers' Constraint

"The most useful advance of recent years is that staff are realizing that they have to focus on lines of research compatible with the new farming systems. As research workers come to understand the farmers' constraint, they will be much more likely to produce ideas that will be readily accepted by the farmers."

Mr. Carr believes that this increasing awareness of the farmers' capabilities will spark progress. "Until recently, the opinion of many influential people has been that farmers are backward and ignorant. This is changing and there is a new realization that the farmers' decision-making is based on very sound and complex judgment."

Convinced that the farmers hold many of the answers to Africa's problems, Mr. Carr still makes sure he spends up to 75% of his time on mission with small farmers. A newcomer to Washington, he now covers two countries in Western Africa and makes frequent visits there. He still corresponds with some of his old farmer friends from the Sudan and Uganda and looks forward to the day when he and his wife will retire, most probably to the same remote rural area in Uganda where they spent 11 years. ■

What to Look for and What to Watch Out for

So You Want to Charter an Airplane

by Alan Drattell

"You're playing with your life" when you charter an airplane, warns Ray Messerly, the Bank's Travel Services Adviser. And while most charters are safe, Bank staff and consultants are cautioned to observe certain rules when using a non-commercial aircraft.

The main one is that you do not charter aircraft on your own if the Bank or IFC has a Resident Mission in the country. The Resident Representative will do it for you. If there is no Resident Mission, you will have to make the decision, but you should be aware of certain procedures and considerations.

One is weight. "Aircraft should not be loaded more than 90% of full take-off capability," says Mr. Messerly. The reason is that all weight is based on standard temperature sea level air density, and most Bank charters take off from high temperature or high altitude airports where an aircraft's weight carrying capacity is lower.

Baggage on Their Laps

Mr. Messerly cringes when he relates the story of a recent Bank charter where the flight was so overloaded that the passengers were forced to carry some of the baggage on their laps. "And flying over water, too," Mr. Messerly says, shaking his head. A flight should always carry suitable emergency equipment for the type of terrain being overflown.

Normally, according to Administrative Manual Statement 4.01, aircraft may be chartered when there are no scheduled commercial flights or other convenient modes of transportation operating to the destination to which you want to go. "Bank staff and consultants use about 300 such flights a year," adds Mr. Messerly, "and the vast majority are in Africa."

The Bank has been concerned for many years about the safety of its staff members and consultants when their missions require that they use non-scheduled small aircraft. When it became necessary for a Regional Vice President to ban the use of aircraft charters following two serious accidents, the Administrative Services Department was asked to conduct surveys of charter aircraft in Africa.

Surveying Operators

Mr. Messerly and the late Wren Zetterstrom, the then Senior Aviation Engineer at the Bank, surveyed 14 countries. Working through Resident Missions, they met with the government people responsible for civil aviation as well as with representatives of aviation companies. They surveyed 36 charter operators and found at least one in each country satisfactory for Bank/IFC use. A list of the 36 operators is available from the Travel Office and the Resident Representatives.

"We were quite impressed by the quality of aircraft we saw in certain countries," Mr. Messerly says.

"We saw a number of encouraging things, particularly where some companies are training local pilots. However, the mechanics who work on the aircraft are mostly expatriates."

But there are still pockets of problems, and Mr. Messerly urges staff and consultants to be wary of them. In some cases, this may mean planes that may not be particularly well maintained or pilots who may use unsafe procedures. "Aero club, or Sunday pilots," he says, "are usually amateurs; only professional pilots may carry paying passengers."

One way to protect yourself is to determine the following information:

1. The charter operator has the required valid Certificate for Public Air Transportation.
2. The aircraft to be used has a required Certificate of Airworthiness.
3. Scheduled maintenance on the aircraft has been done in accordance with appropriate government standards (based on aircraft operating time).
4. The aircraft is loaded below full capacity (not over 90% of full take-off weight).
5. The pilot holds a current professional license authorizing transportation of paying passengers.
6. The aircraft has working communications/navigation equipment.
7. The pilot has up-to-date meteorological information.
8. A flight plan has been filed and a weight and balance load sheet prepared.
9. The aircraft has sufficient fuel to reach its destination and has an emergency alternate airport.

Use Twin-Engine Plane

Also, do not use a single engine plane if a twin-engine plane is available.

"The Bank requires you to determine these factors and to supply some of the data as well as other information to your department and to the Travel and Shipping Division in Headquarters. It is also prudent for you to do so," says Mr. Messerly.

A final word of caution: "Under no circumstances should a staff member or consultant overrule the judgment of a pilot who is hesitant to fly," adds Mr. Messerly. "After all, he knows better than you do if conditions are safe." ■

On the Record

Press Conference on Africa Facility

The following are excerpts from a press conference held in Paris February 1 following the Special Meeting on Sub-Saharan Africa. The Chairman of the meeting, Abdlatif Y. Al-Hamad, former Finance Minister of Kuwait, and Ernest Stern, Senior Vice President, Operations, of The World Bank, answered the press' questions.

Mr. Al-Hamad: I am very pleased and satisfied that The World Bank's Special Action Program for Sub-Saharan Africa is finally decided and concluded, and that the donors' meeting over the last couple of days has been a great success in the sense that we not only reached a total of $1.1 billion over the next three years for a Special Facility for Sub-Saharan Africa, but, if we consider the other pledges that have been made without figures mentioned at this stage because of budgetary cycle and government consultations, we may even exceed that figure (see the back page of this issue of *The Bank's World*). We are really delighted because this is a turnaround in world solidarity. It's gratifying that the support for the Action Program, the commitment for the Facility, have shown a great sense of responsibility (on the part of all who participated).

Geoffrey Lean, *The Observer*: Is there hope of more governments who were here (at the meeting), but are not anywhere on these lists (contributing in the future)?

Mr. Al-Hamad: Yes, there is very strong hope that other countries may join. Other countries have not made up their minds. You have to realize that this whole program was put together on rather short notice. The initial approval of the program came during the Annual Meetings in September. You know as well as I do that governments need a little more than just a couple of months to make up their minds and find resources and so on.

Marie Joannidis, Agence France Presse: Has the French proposal that the market be closed to rich non-contributors been accepted by the others?

Mr. Al-Hamad: On the question of untying, and this basically is the position of a number of the donors, it has been accepted by everybody that there would be reciprocity. The resources of the Facility, the resources that are available for this Facility, are untied on procurement. And those countries such as Japan, Germany and Switzerland, who have agreed to untie their contribution, would be treated on similar counts.

Mr. Stern: Procurement from the funds made available by countries to the Facility will be limited to the donors to the Facility and reciprocally with those providing special joint financing which have untied their money. The only exception to that is The World Bank's contribution which comes out of net income generated by all of our members and, therefore under our rules, has to be available for competi-

tion to all members of the Bank and also to Switzerland.
Paul Lewis, *New York Times*: To summarize, American companies could get contracts financed by the $150 million World Bank contribution, but not by those financed by any other part of the money?
Mr. Stern: Yes.
Lauri Karen, *Helsingin Sanomat*: When this Fund starts its operations in July, what will be the first operation or priority? In which countries and which field?
Mr. Stern: That is a little hard to say. We have discussed with the contributors to the Special Fund the criteria by which we will select the countries. There are a number of countries which already meet these criteria, which are essentially that they should have effective stabilization programs in place and be committed to undertake or are undertaking programs of structural change either economy-wide or related to specific major sectors, such as agriculture or public enterprise reform. Between now and July, of course, the Bank and IDA will continue their operations in Sub-Saharan Africa, and some of the operations which are now in the process of being designed may be negotiated and completed before then. It is a little hard to tell you which operation will, in fact, be ready to go on July 2. But (the programs will be) in the area of agriculture, or maintenance imports for the provision of supplies in agriculture to restart production after the ravages of drought; in connection with imports to promote export diversification; and no doubt for programs for the maintenance and rehabilitation of infrastructure, particularly infrastructure needed for industrial production and exports.
Barry Lando, CBS: Could you tell us how fresh is this money?
Mr. Stern: I think the important point here is that this money without a doubt would not have been available for commitment this year in Africa for the purposes that this Facility supports. And this Facility is not a general slush fund for Africa. This Facility is intended very specifically to promote structural change; it, therefore, will be used selectively, not in all countries in Africa, only in those which have adjustment programs in place.
Geoffrey Lean, *The Observer*: To put this triumph in perspective, if I may, the meeting has saved the Fund; it hasn't exactly saved Africa.
Mr. Stern: This Facility is certainly no cure for Africa, and it is certainly not going to fill a balance-of-payments gap. But we believe very much that it is a central feature of providing support in association with continued bilateral assistance programs, as well as the funding from the African Development Bank, to those countries which are prepared to change their policies in order to resume growth. And after this drought, this is obviously more important than ever. Such a Facility has very specific purposes. We think these purposes will spread. As they spread, certainly the capital requirements will continue to increase. The Facility is no more than a catalyst. I would point out that although it is only about $1.1 billion, it is more than lunch money. But it is a very important beginning to support the changes which are necessary in Africa.
Tom Lines, Reuters: Can you tell me, please, who will take, and on what level, the decisions on particular credits will be made? Will they be made only by full member countries of the Fund or by countries which are cofinancing or by the IDA?
Mr. Al-Hamad: The specific decisions as to operations and loans and so on would be made by the Board of Executive Directors of IDA, which means this is very much in line with the general decision-making mechanism of The World Bank and IDA.
Tom Lines, Reuters: So this means the countries which did not contribute to the Fund will have a say in where the money is directed?
Mr. Al-Hamad: Except that the countries who are contributing to the Fund will have a form of consultation to which they have agreed, and they also have representatives on the Board of IDA and therefore are in a position to have a decision-making role in the choice or selection of the projects, the countries and the timing of it.
Mr. Stern: This is exactly the same system that was used, I guess about 10 years ago, when the EEC (European Economic Community) asked the Bank to administer its trust fund for the least developed countries. We expect no difficulty in replicating this process, and it is a very unlikely prospect that the recommendation of the management after having consulted with the contributors will experience any difficulty with the Board.
Barry Lando, CBS: What difference did the absence of the United States make to you in trying to set up this Facility?
Mr. Stern: The United States had made it clear from the outset that they had initiated their own program to support economic policy change in Africa. The United States indicated at the meeting here that they expect to work closely with The World Bank and the Special Facility and make sure that, as much as possible, their operations will be in the same countries. Obviously, it would have been desirable if the United States could have joined. It might have made earlier negotiations easier. But I think all of the contributors recognized and accepted that the United States was simply not in a position to contribute here. I do not believe that it has affected the amount of money that was raised (from other contributors).
Jack Starr, BBC: What sort of controls are envisaged to make sure the money gets to the right recipients?
Mr. Stern: The Bank has been asked to administer the Fund, and so we would follow our normal procedure within the eligibility criteria we have agreed on with the donors. The operations will be designed and formulated by The World Bank staff, and after approval we will supervise in the same way that we supervise our own direct lending.

An Interview with Sir William Ryrie

Changes to Help IFC Meet Tomorrow's Challenges

by Alan Drattell

The challenges are there, notes Sir William Ryrie, IFC's Executive Vice President.

A reorganization of IFC's senior management, announced last month, is designed to help the Corporation meet these challenges, achieve the objectives of its second Five-Year Program announced this past summer, and increase the effectiveness of the organization's contribution to development through the private sector.

The new organization, Sir William says, will involve a senior management group of four—three vice presidents and he.

Judhvir Parmar will become Vice President for Investments worldwide. Mr. Parmar, formerly Vice President, Operations, for Asia, Europe and Middle East in the Corporation, will be in charge of all new investment operations, handled by the six regional investment departments.

> 'I want to make sure that IFC is better known in the developed world.'
> —Ryrie

Innovative Activities

"There will be a new Vice President for Corporate Affairs and Development," Sir William notes. "This position will be filled by Francisco Alejo of Mexico, who will join the Corporation March 1. He will spearhead a number of the more innovative of IFC's activities, including introduction of new technologies, providing advice to member countries on ways to promote private sector investments, and the development of capital markets."

A Vice Presidency for Portfolio and Financial Management, which will deal with IFC's portfolio of existing investments as well as the Corporation's finances and budgeting, is also being created. K. Georg Gabriel will continue as Vice President for Finance until a candidate for the new post is recruited from the private sector. Mr. Gabriel will then return to being a full-time Vice President in the Bank.

"There will be no regional vice presidents in the new organization," Sir William explains. "However, in the case of Sub-Saharan Africa, there are certain very important special tasks which need to be performed. So I've taken the opportunity, at the same time as this reorganization, to launch some new initiatives in Africa which Sven Riskaer, the present Vice President for Africa, will undertake."

The initiatives will involve working out a more detailed strategy for IFC in the region; negotiating for a project development facility for private sector projects with the assistance of other agencies, donors and international organizations; and trying to establish a management services company to provide personnel to help African companies improve their management.

"The reorganization was necessary," Sir William says, "because we have considerable challenges facing us in IFC, including the expansion program based on our capital increase, which will double the activities of the Corporation, as well as a number of new activities which we have to undertake. I think experience has shown that the existing top structure of the Corporation, while it may have served the needs of the past reasonably well, is not best suited to the needs of the present and the future."

Citing the new activities, Sir William notes that IFC "needs to do a lot more promotion. IFC is not a very well-known organization. I want to make sure that we're better known in the developed world, and that we multiply our contacts with private companies who are interested in investing in the Third World.

"We also want to do more in the way of introducing technologies. Most of our business at present is done by going to developing countries and finding businessmen who have ideas, and we will continue doing that. But we can also sometimes introduce ideas ourselves, and we need to develop our capacity to do that."

Technical Assistance

"Another area is technical assistance to governments. We are getting requests from quite a number of governments for advice on matters such as how to transfer state enterprises to the private sector, what kind of legislative regime a country should have for foreign investment, and how to go about restructuring some companies which got into difficulties. Those are areas where our activities are not so much investment as giving advice, and we need to staff ourselves and equip ourselves for that."

Sir William notes that these are not the main traditional activities of IFC "and I thought we should have some new leadership to carry them forward. Hence, the new post of Vice President, Corporate Affairs and Development. At the same time, on the regional side, I think we have been a little overstaffed at the senior level, and I want to give the Investment Department directors more responsibility and more scope; they are key people in our organization. The reorganization will enlarge their role."

In a recent letter to IFC staff, Sir William noted that the Corporation is "at a special moment of opportunity and challenge."

"Well," he explains, "the expansion program that we have just started on has been approved by our Board and our shareholders, and that is indicative of the fact that people expect the private sector to play a larger part in the development process than in the past.

"It is significant that the greater part of the international development effort over the last two or three decades has focused on the public sector—I mean government to government activity. But I think there's now a general feeling that the private sector has not had enough attention. That's not, as some people imagine, just a reflection of the political color of some Western governments. It is a change in the developing world where we find governments are now more interested in encouraging the private sector."

Sir William is optimistic that IFC will respond to the challenges it faces. "I have no fear on that score at all," he says. "We won't fail to respond. The staff of the IFC are a keen, enthusiastic, highly professional bunch of people, and we will succeed."

Underscoring the role of IFC and The World Bank, he wants more cooperation between the two organizations. "We are members of the same family of institutions; we are fundamentally serving the same purposes. It is very important that we cooperate, that we complement each other and not compete with each other."

Special Skill

"Our job, our special skill, in IFC is dealing with private companies, getting private investors to come in to do things which they are not going to do unless we participate. The Bank is also engaged heavily with the private sector, but the Bank's special skills and knowledge have to do more with the public sector and investment and with the policies that governments follow, and that helps to set the environment in which we, the IFC, work. We are having a lot of talks between our staff and Bank staff. We have recently set up a committee to look at ways in which we can cooperate more closely in practice, to try to make sure that each of us knows what the other is doing in each country, and that we act in agreement."

Thinking

Learning to think and speak under pressure is essential to good communication, says the book, *Think on Your Feet*, quoted by "Communication Briefings" newsletter. The trouble is many people become needlessly repetitive when trying to collect their thoughts on the spur of the moment.

Here is a proven way to organize your thinking when confronted with the need to come up with fast answers in an impromptu situation. It's called the PREP Formula and also works well in formal speaking and in writing.

- ***P*oint of view. This is where you stand on a matter. It's a clear, direct statement presented in one sentence.**
- ***R*easons why. This explains why you hold your point of view. It's an expression of the standard of thought that interpreted the facts.**
- ***E*vidence, or examples. Here you cite the hard proof and specific examples that led to your conclusion. Use only tangible data that can be verified.**
- ***P*oint of view restated, leading to an action. Restating your point of view helps make it clear. Always ask for a response and specify the action you want your audience to take.**

Returning to Headquarters

by H. J. Dyck
Assistant Director, Operations
Personnel Management
Department

The major reentry problems of the past have been solved; yet, reentry remains a staff concern. Reentry is more than readjusting to Headquarters life after a field or external service assignment; it also means getting the kind of job wanted upon return.

Until a few years ago, staff members who accepted field or external service assignments did not know where they would be placed when they returned to Headquarters. Although most staff with good records encountered no problems, some who had not been guaranteed a job in a specific department ran into difficulties.

Guarantee a Position

Now, the vice presidency or department releasing a staff member to accept an assignment in a resident mission or on external service must guarantee the person a position upon return to Washington. Thus, staff are assured they will rejoin their department or vice presidency if a more desirable position is not identified elsewhere in Headquarters. This is, in effect, a safety net, but it does not preclude the staff member from exploring other options.

For example, in the Eastern and Southern Africa Projects Department, field staff are an integral part of a particular division at Headquarters. Staff returning from the field are assigned to that same division unless they have accepted an offer in another region. During a transition period of six months following their return, they may look into other opportunities or they may choose to stay in the division. This arrangement takes the pressure off them to make a decision before they are satisfied that it is the right one and eases their transition back to Headquarters.

Nick Krafft, who spent 5-1/2 years in the Regional Mission in Eastern Africa (Nairobi) as a Senior Agricultural Economist, praises the system. "It gave me a chance to look around and contact people without feeling hurried or pressured," he says. "It just isn't possible to do that from the field or on a quick trip back to Washington." He accepted a position in the Management Systems and Budget Unit in the Office of the Senior Vice President, Operations, about three months after he returned from Nairobi.

Despite existing safeguards, some staff believe that reentry remains a problem, especially for those assigned to resident missions.

Aware of the responsibility they have exercised in the field, they may feel they should be promoted to a higher level or assume a position immediately on return that has at least as much scope and responsibility as the field assignment.

The Bank does recognize that a field assignment is an essential part of career development; therefore, staff with field experience often have a competitive edge. However, since there are many people with such experience—and only limited opportunities for promotion—returning staff may not immediately get the positions they seek.

In the 12 months ending September 30, 1984, fifty-seven staff members returned from field or overseas assignments. All but two are now in regular assignments. Some placement difficulties occurred with senior staff, or where staff members sought immediate promotion to a managerial position or a change of occupational streams on reentry, typically from Programs to Projects.

Be Realistic, Patient

The Personnel Management Department is committed to do all it can to help, but we must ask returning staff to be realistic, patient, and to take some responsibility for their reentry. By that I mean following through themselves on seeking new Headquarters assignments.

PMD Personnel Officers will continue to provide full support to returning staff. In addition, we plan to set up a review group of directors who will meet every May to assist staff returning that summer who have not been placed by April 30. ■

A Personal View of Job Grading

by Jill Roessner

Ask almost anyone in the Bank for his or her opinion of Job Grading and you're likely to get a less than enthusiastic response.

"It's just an excuse to downgrade people and save the Bank money."

"*They* aren't qualified to make the judgments. What do *they* know about the work of an irrigation engineer/ agronomist/(put your own job title here)?"

"*They* have no right to change the rules now. *They* brought me here from my country to do a specific job at a specific grade level and salary, both of which I negotiated prior to accepting the position..."

Who are *they* anyway, the "villains" in this unpopular exercise? To find out more about the way in which the job grading exercise is being conducted, *The Bank's World* went behind the scenes and met some of the people most involved. It's a bit disconcerting to realize that, for the most part, *they* are *us*.

Careful and Fair People

The Evaluation Committees, for example. They're the four teams evaluating the "unique" positions. These are 20 men and women drawn from various levels throughout the institution who have been seconded into the role. Most of them were not enthusiastic about the assignment, which some have compared with jury duty. Unlike jury duty though, these individuals were not selected at random, but suggested by managers as the type of competent, careful and fair people who, guided by Hay Associates methodology, would be able to evaluate their peers' job descriptions impartially and properly.

While the group represents a cross section of Bank staff, from different cultural and professional backgrounds, they do share a common commitment: to complete their part of the job grading exercise with consistency, accuracy and fairness. Says Committee No. 1's Graham Donaldson, who is a Division Chief in the Operations Evaluation Department, "It is a much more serious exercise than anyone realized, and I felt that by participating I could make a serious contribution."

"It's a challenge," declares Assistant Secretary Zerubaberi Bigirwenkya of Secretary's Department.

Unless at least four of the five staff members are present, the committee does not proceed. In addition, there is a secretary to each committee whose responsibility it is to record the results of each evaluation as well as to write a brief rationale for the committee's conclusion.

Finally, there is a facilitator—either a Hay consultant, or another consultant Hay Associates has trained in its methodology.

And what about these outsiders, Hay Associates? How much can a consulting firm really know about an international organization such as The World Bank with its multicultural staff, representing such a multiplicity of disciplines? Are their people qualified to design and help implement a system that can accurately assess the work of our people?

5,000 Clients Worldwide

Hay Associates has an impressive roster of more than 5,000 clients worldwide, including Alusuisse, Australia and New Zealand Banking Group, British Airways, the Canadian Government, Ciba-Geigy Corporation, Forca Aerea Portuguesa, IBM Corporation, Nestlé, The Organization of American States, Petroleos de Venezuela, Rolls-Royce, Sime Darby Berhad, U.K. Post Office, Volvo, Zenith Radio Corporation—to give some examples from A-Z.

So what? Prestigious though their clients may be, that doesn't guarantee that Hay is completely familiar with every aspect of the hundreds of different positions World Bank staff hold.

The Hay method is a rigorous process for comparing jobs; many multinational and multicultural organizations have used it. But it is not set in concrete, and before the Bank's project actually began, managers from throughout the institution reviewed and revised the Hay guide charts, adapting and modifying, to ensure they would be relevant to our needs and accurate tools in assessing the differences among Bank jobs.

Something of a Misnomer

Calling the exercise job grading is something of a misnomer. The ultimate objectives go a great deal further, seeking to enhance opportunities for career development as well as matching people to jobs and matching jobs to the needs of the institution. A massive undertaking.

The first step in the exercise occurred when 500 staff in 500 different positions wrote detailed descriptions of their own jobs. Five-hundred of us created the so-called "benchmark" positions, against which colleagues with similar job content were matched. After exhaustive efforts to ensure these benchmarks were described accurately—with neither exaggeration of their content nor, just as important, less than complete definition of their responsibilities—the work of matching the rest of us to the benchmarks took place, those of us who could be matched that is.

Those who didn't match wrote their own "unique" position descriptions, and that brings us back to the Evaluation Committees. *The Bank's World* was permitted to sit in for a while and watch a committee in action.

After three months of being confined together, the members enjoy a comfortable rapport, and each team has developed a personality of its own. Committee No. 1 (which is one of the teams evaluating J-O "unique" positions) includes John Blaxall, Assistant Director, East Asia and Pacific Projects Department, who serves as Chairman; James Brown, Agro-Industries Adviser, Agriculture and Rural Development Department; Andrew Vorkink, Division Chief, Legal Department; as well as the aforementioned Messrs. Bigirwenkya and Donaldson. Dharam Dhillon, Compensation Policy Division, Compensation Department, serves as secretary to this team.

According to Mr. Blaxall, the Hay methodology is "intellectually respectable." When used properly, you can "test" it by applying it to a number of jobs with which you are familiar. You discover the results come out just about the way you would expect. When you get a conclusion that appears odd, you investigate more thoroughly and discover there is justification. The evaluations, using the Hay methodology, capture reality well. This gives the team confidence that it is still being fair even when it is assessing job content not well known to any of its members.

The committee members had a day of intense training in the system before they embarked on their duties, and now that they have been engaged in the exercise for three days a week for the past three months, they have become quite adept. But these are the "unique" positions that they examine and, as such, each presents a separate challenge.

They sit around the table each armed with several immense black binders and an array of highlighting pens. They agree on the next job to be scrutinized (trying to take related positions consecutively), and the facilitator draws a chart to pinpoint this particular position's place in the scheme of things within its division or unit.

There is absolute silence while they read, furiously highlighting key phrases that indicate the position's characteristics in terms of know-how, accountability and problem-solving.

If anything is not clear to each and every one of them, they do not hesitate to ask the supervisor of that position for clarification. There is no guessing or assuming.

They are serious indeed—at least about the job descriptions that are in front of them. But, according to facilitator Jack Rosenfeld, they don't take themselves too seriously, and each is willing to listen to any of the others. That's fortunate since scores are reached by consensus, not by averaging or voting. Every team member has to agree on every score, and there is no one imposing his opinion on the others. Wherever there are discrepancies in their decisions, they talk it over. If they cannot agree, they put the position aside and look at it another time when subsequent evaluations may influence their thinking.

Reevaluating First Efforts

Now that the exercise is winding down, they are going back to reevaluate their first efforts and to review certain clusters of jobs with similar titles or characteristics, so as to ensure internal consistency within the committee's results. In addition, there are innumerable checks and cross checks among committees, and by the Steering Committee, Quality Assurance groups, and so on.

If the activities of the Evaluation teams are a basis for judgment, Job Grading must be credited with being a professional undertaking that is being handled with integrity and care.

Probably it is not possible to design a perfect system for an institution such as ours. All we can strive for is "the least imperfect" system that will rectify the current one which over the years has become defective with serious anomalies. The test for the new system, apart from being reasonably fair when implemented, is to see if it will be flexible enough to be adapted to meet changing needs of the institution as well as career development opportunities.

Other Evaluation Committee Members

Committee 2 (J-O)		
Cyrus Ardalan	Division Chief	Financial Operations Dept.
Ronald Duncan	Division Chief	Economic Analysis and Projections Dept.
Radwan Jabri	Senior Counsel	Legal Dept.
David Steel	Program Coordinator	Office of the Vice President, External Relations
Humphrey Winterton*	Attorney	Legal Dept. (IFC)
Committee 3 (J-O/5-1)		
Janet Damron	Office Technology Officer	Office of the Vice President, Eastern Africa Region
Hywel Davies	Adviser, Data Administration and Systems	Office of the Senior Vice President, Finance
Tenley Jones	Senior Counsel	Legal Dept.
Lois Leach	Administrative Ass't.	Western Africa Projects Dept.
Allen Shapiro*	Assistant Director	Information Resource Management Dept.
Committee 4 (A-H/5-1)		
Robert Townsend	Division Chief	Administrative Services Dept.
Gundi Radspieler	Senior Staff Ass't.	Investment Dept.
Merlyn Hunger	Administrative Sec'y.	Europe, Middle East, and North Africa Region, EM1
Eugene McCarthy*	Division Chief	Energy Dept.
Elizabeth Trask	Operations Assistant	South Asia Projects Dept.

*Committee Chairman

Getting the Message

by Luis Descaire

Many Bank and IFC staff who use cable and telex services are receiving their messages earlier and dispatching them more quickly, thanks to the recently installed telex message switching system.

The system electronically routes incoming and outgoing telex messages. It can process inbound messages in one hour or less (instead of in four), and outbound messages in two hours or less (instead of up to 15), depending on their time of arrival in the Cable Services Section, Administrative Services Department (ADM).

When it is operational Bankwide, the system will reduce manual intervention by Cable Services staff and eliminate hand delivery by messengers.

In the last 10 years, Bank/IFC cable and telex communications have increased 322%—from 163,532 to 690,217 messages per year. Despite this enormous gain, the Cable Section has been able to maintain a high level of service by introducing improved technologies, such as optical character recognition (OCR), and by some staff increases.

Solution to the Problem

However, it can no longer absorb additional volume without newer technology. It's not only a question of handling volume increases, it's also a question of making services more efficient to meet modern demands. The Section has to handle more messages faster, and the switching system is a solution to the problem.

The system comprises telex terminals located in users' offices connected via computer to a message switching system in the Cable Services office. Cable Services receives incoming messages on video display terminals (VDTs) and routes them to addressees' offices. Offices which have special printers linked to the system receive the routed messages automatically on the printers. Offices which do not have such automatic printers have to retrieve their messages from the VDT, and they can print hard copies if they need them.

To date, IFC and the following Bank units receive their incoming cables and telexes electronically: Eastern and Southern Africa Region; EMENA; South Asia; Latin America and the Caribbean Region; Cashier's; EDI; the Loan, Energy and Industry Departments; and ADM's Travel and Shipping Division. All other Bank organizational units are expected to be integrated into the system during 1985.

Current users are delighted with the dramatic improvement in message delivery. "It is the best thing that has happened to the division in a long time," says Maureen Parde, a secretary in the South Asia Region.

To Ensure Security

As for outgoing telex messages, the originators prepare them on their word processors or other terminals which have communications capability and transmit them electronically to the message switching system. To ensure security, access to the system is restricted to authorized users. The system automatically transmits the telex messages to the addressees. Cable Services staff intervene only when there is difficulty in delivering a message—for example, when lines overseas are not available or the addressee's telex machine is out of order.

The originator of each message receives a "delivery notice" from Cable Services indicating the time the message was put into the system and the time it was delivered to the addressee. Thus, originators have a complete history of each message.

The switching system is also programmed to route incoming and outgoing messages automatically to the appropriate Bank/IFC information center to ensure completeness of the center's official records.

Around the Bank

Ethiopian Famine Panel Reports

Supplies donated to help Ethiopian famine victims are getting through, representatives from five of the six agencies sharing the $135,000 contribution from Bank staff confirmed during a panel discussion held Tuesday, January 29, in the Eugene Black auditorium. More than 400 staff and guests attended.

The Ethiopia Famine Relief Volunteers organized the meeting to inform staff of how their contributions are being used.

Representatives from five of the agencies—Catholic Relief Services, Church World Service, OXFAM America, the Red Cross, and UNICEF—described their relief operations. The sixth agency, Save the Children Fund, did not send a representative to the meeting. The *Washington Post*'s Blaine Harden joined the panel to explain the media's role in focusing attention on the crisis. Deane Jordan, Senior Loan Officer, Northeast Division, Eastern and Southern Africa Country Programs II Department, spoke on behalf of the Bank.

Each speaker assured listeners that supplies were getting through to famine victims. "It is a very elementary situation," said Blaine Harden. "If the people do not get food, they die."

The agencies' immediate relief operations include distributing grain, high protein biscuits, tents, blankets, medicines, and water supplies. Church World Service does not run its own operation but supports relief work through local institutions such as the Christian Relief Development Association and the Ethiopian Orthodox Church.

The most vulnerable in the population, said UNICEF's Mai Ayub—children under 5, pregnant and lactating mothers, and the elderly—are target groups.

The next planting season, which begins in June, is critical. Agencies are providing seeds, farm implements, draft animals, credit and fertilizers so that farmers are prepared to plant when the season begins. Michael Scott of OXFAM warned that relief will be needed until the planting season ends next November. And, if rain does not come this year, Ethiopia will need relief operations for at least 12 months beyond that. ■

Hittmair Succeeds Wiehen As Appeals Chairman

Hans Hittmair, Vice President and Controller, has succeeded Michael H. Wiehen as Chairman of the Appeals Committee for a term of three years. Mr. Wiehen is Director, Country Programs Department II, in the Eastern and Southern Africa Regional Office.

An original member of the Appeals Committee when it was established in 1976, Mr. Wiehen became Chairman in 1978. At that time, the Committee was the sole formal recourse mechanism available to staff. Since then, the Administrative Tribunal and the Office of the Ombudsman have been established. Mr. Wiehen played a leading role in adapting the Committee's procedures to fit into this new framework.

The procedures have been simplified to reduce formalities, while retaining the Committee's character as a forum to which staff members can appeal for a fair hearing on an administrative decision. Through the years, the number of staff who have had recourse to the Appeals Committee has steadily increased.

The other members of the Appeals Committee are: Eugenio Lari, Ping-Cheung Loh and Giovanni Vacchelli (appointed by management in consultation with the Staff Association); Harinder Kohli, David Mead, Hilda Ochoa, Jean O'Donnell (appointed by management); and Annabel Bracher, Fernando Cabezas, Vincent Riley, and Bengt Sandberg (appointed by the Staff Association). Committee Secretaries are Elizabeth Adu and Akhtar Hamid. *(Editor's Note: See "Strengthening the Appeals Process,"* The Bank's World, *August 1983, for a description of the work of the Appeals Committee.)* ■

Transportation Photo Contest

The Transportation Department in cooperation with the International Camera Club is sponsoring a photography contest on the theme "Think Transportation."

The contest is open to all Bank/IFC and Fund staff, retirees and dependents. Up to ten 35mm slides may be entered no later than March 29, 1985 by sending them to Curt Carnemark in Room B-608. Call Mr. Carnemark on Ext. 72645 for complete details and entry form. ■

Correction

In the article "Training Course Offers New Dimensions for Managers," January issue, page 7, the caption under Masood Ahmed's photo should have identified him as "Deputy Chief, Energy Assessments Division, Energy Department." Our apologies to Mr. Ahmed. ■

Getting Ahead

What separates top managers from less effective ones? According to Warren Bennis, Professor of Management at the University of Southern California, who studied the leadership styles of 100 top executives:

- Good managers compel the attention of others. They possess the speaking, writing and motivating skills necessary to get others interested in their projects.
- They are open and trustworthy. There isn't anything hidden in the good leader.
- They believe in themselves and in others. They have a strong personality and enough self-confidence to take chances.
- They focus on the positive. They shed worries about pitfalls, problems and failures. They learn from mistakes.

Professor Bennis' study results appeared in *Communication Briefings*, a newsletter for decision-makers.

When Ending a Letter

Communication Briefings also quotes *DM News* on four things to remember when ending a letter:

1. Your final paragraph is read last and remembered longest.
2. If you're asking for permission or action, devote your entire last paragraph to your request.
3. Show why it is important to take action now.
4. Spell out how to do it.

Burney, Others Look Back

How Things Have Changed

by Jill Roessner

The January 1955 issue of *Bank Notes* (predecessor of *The Bank's World*) in its "Welcome to New Staff Members" column introduces Mahmud Burney, graduate of the University of Sind, Karachi, who joined the Bank as a Training Assistant. Mr. Burney came to the United States on a Fulbright Scholarship in 1952 and attended the University of Washington in Seattle until joining the Bank in December 1954.

5 Bedrooms for $250

That same issue of the newsletter advertised a beautiful, fully furnished, five-bedroom home for rent in Chevy Chase—for $250 per month! Times have changed in the past 30 years. Mr. Burney can testify to that—although he insists the Bank's mission remains unchanged.

"We were fewer than 600 when I joined the Bank," he says. "The Bank and the Fund were both housed at 1818 H Street, and there was room to spare."

Opening Offices

The Training Division of the Personnel Department, where Mr. Burney started his career, was a forerunner of the Economic Development Institute. Subsequently, Mr. Burney spent more than 15 years in the programs side of the Bank as a Loan Officer and a Division Chief. He has spent nine of the last 30 years outside the United States, having opened the Bank's offices in Addis Ababa, Lagos and Geneva. Since 1974 he has been responsible for the Bank's relations with the United Nations, both from Geneva, and now here at Headquarters where he is Senior Adviser in the International Relations Department.

What next? "A lot more," he says. "The years have gone by quickly, but I am still learning."

Other staff who celebrated 30th anniversaries with the Bank during 1984 include Georges Delaume who actually started his career with the Fund in 1950. He transferred to the Bank in 1954 when an opening for a financial lawyer occurred. At that time, he was the only French lawyer in the institution, and so it fell to him to handle negotiations with all the French-speaking countries. He traveled extensively, particularly in Africa.

Mr. Delaume's Bank career has spanned three phases: Operations lawyer; legal policy adviser; and, for the last four years, Mr. Delaume has been assigned full-time to the International Centre for Settlement of Investment Disputes (ICSID).

Although he is still a Bank staff member—ICSID is technically independent of the Bank—Mr. Delaume says that the work is a contrast to

Still learning, after all these years (left to right): Colin Russell, Georges Delaume, Don Jeffries, and Mahmud Burney. Photo by Michele Iannacci

Operations. However, both foster the same priorities, and Mr. Delaume's job is to assist in the resolution of disputes that could otherwise jeopardize promotion of investment in developing countries.

The small group of individuals who have spent 30 years with the institution, as of 1984, includes one woman who prefers to remain anonymous. "The Bank has been a wonderful experience," she says, adding how much she has enjoyed the multicultural exposure.

The Human Contribution

During his three decades with the Bank, Giuseppe Morra, Senior Training Specialist, Education Department, has served in various capacities. The last dozen years or so he has been involved with training. He believes that during the past 10 years some progress has been made in the field of manpower development, but is convinced there is still a good deal more to be done. He emphasizes the fact that institutions are no better than their people. Millions of dollars can be spent on hardware, but the human contribution is the most valuable.

Don Jeffries, Senior Economist/Financial Analyst, South Asia Regional Office, compares the disquieting prospect of his impending retirement—all too soon—with the frequent changes to which one inevitably must adapt during a long career in the Bank. He reminisces about why he joined the institution, and why he stayed so long.

He says that he wanted to see other parts of the world and to associate with people of many different backgrounds, although now he realizes that we have more in common within the Bank than do staff of most single-national organizations. Mr. Jeffries credits the Bank with having given him a unique opportunity to do many different things.

"For example," he says, "my first assignment in the Bank was Japan, then a needy borrower. We loan officers then were hard put to convince some of our more technical colleagues that there might be a Bankable project in the steel industry in Japan and even in a heavy industry project to start making trucks and cars. I must admit to having been a bit skeptical myself about cars.

"Then came India—more heavy industry. We had just opened a one-man office in New Delhi. I have been working on India again during the past two years, now on extension and social forestry, and the office in New Delhi seems about the same size as the entire Bank was 30 years ago. So much for change."

The Lives of Others

"I would like to think that the most compelling reason for most of us to stay on here, whatever the nature of our work, is an interest in doing something that enriches the lives of others in many parts of the world as well as our own."

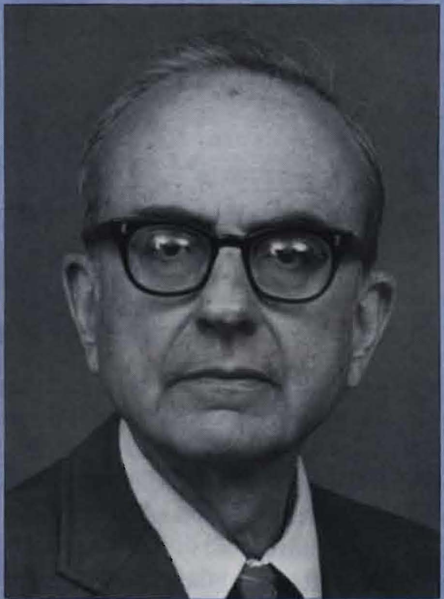
Another veteran, Colin Russell, Chief, Mail and Distribution Section, is a man of few words; he summed up his feelings in three words: "Thirty enjoyable years." ■

36 Years Plus

by Patricia D. Nepomuceno

"Lawyer in the Bank's Legal Department: August 23, 1948, to January 31, 1985."

No fancy resumes for Leopoldo Cancio, Senior Legal Adviser in the department's Administration and General Affairs section. That one line, he says, sums up his 36 years, four months, and 23 days in the Bank.


Leopoldo Cancio

When pressed, he says that "I've done everything"—mostly on the legal side of lending operations. I served under Presidents McCloy, Black, Woods, McNamara, and Clausen. I guess in a way it's the end of an era because I'm the last one to leave among the people hired by Chester McLain, the Bank's first General Counsel.

"The bottom line is," he says, allowing himself a non-legalese term to make a point, "I have loved the Bank. Now it's time to turn the pages."

His life outside the Bank has revolved around numismatics, the study of the history of coinage. He has written extensively about the subject in numismatic publications worldwide.

He's proud of his sons, whom he expects to see more of now. One is in medical school, another is a physicist, and a third is in the Naval Academy in Annapolis. "No lawyers, thank goodness," he mumbles.

To a colleague who makes him promise to keep in touch, he goodnaturedly replies, "I promise, but I'll try not to be obnoxious." He goes so far as to claim, "I will resist any consultancies," quickly adding, "my friends tell me 'never say never.'"

Then, as he prepares to go to the 12th floor to exchange some parting words with Mr. Clausen, Mr. Cancio says with a twinkle in his eyes, "The best thing I owe the Bank: It was here where I met my wife." ■

Senior Staff Appointments

JOSE BOTAFOGO GONCALVES, a Brazilian national, has been appointed Vice President, External Relations, effective in April. Currently Mr. Botafogo is Secretary of International Technical and Economic Cooperation at the Ministry of Planning, Brasilia, coordinating Brazil's bilateral and technical assistance agreements and relations with The World Bank and other multilateral development agencies. He has served in Brazil's embassies in Moscow, Rome, Santiago, Paris and Bonn, where he was responsible for bilateral and multilateral trade and economic relations. Mr. Botafogo, who holds the rank of Ambassador, has also held senior appointments in the Ministry of Foreign Affairs and in the Ministry of Agriculture in Brasilia. In his new job, he will also serve on the Bank's Managing Committee.

* * *

FRANCISCO JAVIER ALEJO has been appointed Vice President, Corporate Affairs and Development, in the International Finance Corporation, effective March 1. A Mexican national, Mr. Alejo is currently Economic Adviser to the Minister of Finance and Public Credit of Mexico. In this ministry, he has held the posts of Director General, Economic Culture Fund, and Under-Secretary. In 1975, he was appointed Minister of National Patrimony. In 1977, he became Director General of the Industrial Complex of Sahagun, charged with liquidating the major state investment complex except for the Diesel Nacional Corporation; he then became Managing Director of this corporation. In 1979, Mr. Alejo was appointed Mexico's ambassador to Japan and the Republic of Korea.

GERARDO P. SICAT, a Philippine national, has been named Chief, Public Economics Division, Development Research Department. Mr. Sicat was Professor of Economics at the University of the Philippines from 1958 until 1970. Since 1970, he has held positions in the government. From 1972 to mid-1981 he was Director General and also Minister of Economic Planning at the National Economic and Development Authority. Between 1981 and 1984, Mr. Sicat was Chairman of the Board of the Philippine National Bank. His appointment was effective January 4.

FREDERICK SAI has been named Senior Adviser, Population, in the Population, Health, and Nutrition Department. He will also fill a special advisory role to the Vice President, Operations Policy Staff. From 1955 until 1972, Dr. Sai, a Ghanaian national, held a number of positions in his country's Ministry of Health and was responsible for establishing the Department of Social and Preventive Medicine in the Ghana Medical School. During this period he also did consulting for several international organizations, including the Food and Agriculture Organization, and various governments. In 1972, Dr. Sai was appointed Assistant Secretary General, Forward Planning and International Liaison, for the International Planned Parenthood Federation. From 1978 to 1982, Dr. Sai served the United Nations University as Inter-regional Coordinator for Africa. In 1984, the World Academy of Art and Science presented Dr. Sai with the Clarence J. Gamble Award for his notable contributions in the field of population. Later last year, at the United Nations International Population Conference in Mexico City, Dr. Sai chaired the Main Committee which formulated Conference recommendations for population policy and programs. His position with the Bank was effective January 7.

VINEET NAYYAR has been promoted to Division Chief, Energy Division, East Asia and Pacific Projects Department. He succeeds Jack Beach, who is retiring at the end of this month. An Indian national, Mr. Nayyar joined the Bank in 1977 as Energy Economist in the Energy, Water and Telecommunications Department. The following year, he moved to the Petroleum Projects Division where he was promoted to Senior Energy Economist in 1979. In 1981, he was promoted to Deputy Division Chief in the Energy Department's Petroleum Projects Division 1 (Asia and EMENA).

Retirees

No photograph available

Mary Tieslink
January 31

Eva Heller
January 31

New Staff Members

Maria Aceituno
Colombia
Secretary/IND/1/14

Malik C. Annabi
Tunisia
Investment Officer/IFC/1/7

Jane Armitage
United Kingdom
Young Professional/YPP/1/3

Deborah G. Barry
United States
Secretary/IRM/1/22

Carmela O. Batol
Philippines
Secretary/AEP/1/14

Katerina Baxevanis
United States
Secretary/ACT/1/28

Shohreh Beiglari-Mahan
Iran
Research Asst./ASP/1/16

Denise T. Burgess
United Kingdom
Secretary/LEG/1/28

Nathalie J. Caron
Canada
Secretary/WAP/1/22

Marta A. Cervantes
United States
Secretary/IND/1/7

Lynn Cormican
United Kingdom
Secretary/COM/1/14

Kristi S. Cruzat
United States
Documentation Asst./ADM/1/14

Alice M. Da Costa
United Kingdom
Secretary/EAP/1/14

Sara J. Darter
United States
Secretary/IRM/1/28

Myrtle L. Diachok
United Kingdom
Secretary/AEA/1/22

Bruce Fitzgerald
United States
Economist/CPD/1/4

Alicia Gonzalez
Uruguay
Secretary/LCP/1/2

Richard Herbert
United Kingdom
Editor/WA2/1/18

Sukanda Jetabut
Thailand
Secretary/LOA/1/2

Regina R. Kalasky
United States
Secretary/ADM/1/14

Robert M. Katz
United States
Pension Actuarial Officer/SRP/12/20

Albert Kennefick
United States
Financial Analyst/ASP/1/2

Minhnguyet Le Khorami
United States
Clerk/CLE/1/2

Marilyn Klutstein-Meyer
United States
Secretary/EAP/1/14

Olivier J. Koenig
France
Energy Economist/EGY/1/14

Charles P. Larkum
United Kingdom
Economist/EPD/1/2

Vincenzo La Via
Italy
Young Professional/YPP/1/15

Victoria E. Lee
United States
Editorial Assistant/PUB/12/17

Moshe Levy
Israel
Extension Specialist/WAF/1/16

Jens Lorentzen
Denmark
Special Assignment Appointment/WUD/1/22

Maria J. Mar
United States
Secretary/ADM/1/2

Fernando L. Masi
Paraguay
Statistical Asst./EPD/1/18

Nilda Maypa
Philippines
Secretary/WA1/1/2

Darayes Mehta
India
Power Engineer/AEP/1/14

Medardo P. Ocampo
Philippines
Personnel Policy Specialist/PMD/1/7

Andrzej Olechowski
Poland
Economist/DRD/1/3

William T. Onorato
United States
Legal Adviser/LEG/1/31

Aung Pe
Burma
Executive Director's Asst./EDS/1/4

Twain Revell
United States
Secretary/OED/1/2

Davinder Sakhuja
India
Secretary/IRM/1/2

Daphne P. Sathya
India
Secretary/EAP/1/14

Ashok Seth
United Kingdom
Agriculturist/EAP/1/3

Alain R. Seznec
France
Agriculturist/WAP/1/7

Lesley-Ann Shneier
Australia
Personnel Officer/PMD/1/22

Curt H. Simmons
United States
Software Systems Specialist/IRM/1/24

Marlene Sims
Peru
Secretary/LCP/1/2

Piritta Sorsa
Finland
Young Professional/YPP/1/2

Jacques G. Toureille
France
Operations Officer/WAP/1/14

Marilou Jane D. Uy
Philippines
Young Professional/YPP/1/14

Vijay S. Vyas
India
Senior Adviser/AGR/1/24

Karin Waelti
Guatemala
Secretary/IND/1/14

Michael Webb
United Kingdom
Energy Economist/ASP/1/2

Estela D. Zamora
Philippines
Secretary/DRD/1/28

AnswerLine

The purpose of this column is to answer questions of broad interest concerning The World Bank/IFC's policies and procedures. Because of space limitations, only questions of wide interest can be published. If you have such a question, send it to: Answer Line, The Bank's World, *Room D-839.*

Question: Recent articles in the press have drawn attention to a charge of sexual harassment in the Bank. To the Staff Association's surprise, there appears to be no explicit policy dealing with sexual harassment. The Personnel Manual is silent on the subject. Just where does the Bank stand on sexual harassment? Will there be a staff rule which unequivocally states the Bank's position?

Answer: You are right in saying there is no written policy in the Personnel Manual dealing with sexual harassment. But let me make the Bank's position on the subject very clear: The Bank does not condone sexual harassment and it will not be tolerated anywhere in the institution. Complaints of sexual harassment will be taken seriously and offenders will be disciplined if such behavior does occur. We plan to issue during this calendar year a staff rule on disciplinary measures dealing with various aspects of misconduct, including theft, fraud, and sexual harassment. *A.P. Williams, Director, Personnel Management Department.*

As we go to press...

GOAL REACHED FOR SPECIAL FACILITY: Donor countries pledged almost $1.1 billion for a Special Facility for Sub-Saharan Africa at a meeting in Paris January 31 and February 1. The money, to be used to support economic recovery and policy reform in the region, is slightly higher than The World Bank's objective of raising $1 billion.

Pledges for the Special Facility itself amounted to $667 million, which includes $150 million the Bank is expected to contribute from future net income. Other donors agreed to provide special joint financing for the same purposes and countries, under equivalent terms and conditions as the Facility. The amounts for 1985 were committed, and similar amounts were indicated for the next two years. The total special joint financing is expected to be $425 million.

Some countries participating in the meeting were unable to state their contribution at this time but indicated they would do so in the near future.

Several of the commitments made and to be made are subject to legislative approval. The Bank's contribution is subject to approval by its Board of Governors.

The Facility resources are expected to be fully committed by 1987. The Facility is expected to begin operations by July 1, 1985.

The Facility will provide fast-disbursing financing in support of reform programs undertaken by a number of African governments. These actions would complement food relief efforts by addressing the underlying structural problems affecting food production. Bank representatives have underlined that without financial support from the Facility, there is a risk that the momentum of economic recovery would be lost and that the efforts of African governments to reform their economies would falter.

The proposal to establish the Facility emerged from a joint Program of Action for Sub-Saharan Africa the Bank launched last August.

BANK CONTRIBUTES $3 MILLION MORE FOR FAMINE RELIEF: The Bank is contributing a further $3 million to the World Food Programme (WFP) to help speed up the delivery of emergency food supplies to drought-stricken areas of Sub-Saharan Africa. The grant is the second the Bank has made from its administrative budget for this purpose within the last year. In April 1984, the Bank gave $2 million to WFP.

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CHINA RESIDENT MISSION: Bank President A. W. Clausen has announced that, in agreement with the government of the People's Republic of China, the Bank will establish a Resident Mission in Beijing.

Edwin Lim, a Philippine national, will head the mission, which will initially comprise about five higher-level staff from Headquarters. He will assume his new assignment July 1, 1985.

The mission will represent the Bank to all agencies of the Chinese government and to all external agencies stationed in China. It will also play a major role in the country dialogue, facilitate Headquarters' work on the development and implementation of the lending program, and promote further cooperation between China and the Bank.

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BRETTON WOODS COMMITTEE: A newly constituted "Bretton Woods Committee" met in Washington last month to create a constituency in the United States for strong, active support for The World Bank and the International Monetary Fund.

The Committee plans to spend the next two years urging the American public, business and labor that they have a direct interest in supporting these institutions.

So far, membership consists of 136 senior business executives, bankers and former government officials. Former Presidents Gerald Ford and Jimmy Carter are honorary co-chairmen. Charls Walker, former Deputy Treasury Secretary in the Nixon administration, and Henry Fowler, former Treasury Secretary under President Johnson, are co-chairmen.

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