

THE **IFC**
DIFFERENCE
2001 ANNUAL REPORT



International Finance Corporation

Since its founding in 1956 IFC has committed more than \$31 billion of its own funds and has arranged \$20 billion in syndications for 2,636 companies in 140 developing countries. IFC coordinates its activities with the other institutions in the World Bank Group—the International Bank for Reconstruction and Development, the International Development Association, and the Multilateral Investment Guarantee Agency—but is legally and financially independent. Its 175 member countries provide its share capital and collectively determine its policies.

The IFC Annual Report on the Web: www.ifc.org/ar2001
Enhanced this year for easier navigation and searches for IFC investment and portfolio projects.

Note: Management's discussion and analysis, the audited financial statements, and IFC's fiscal year 2001 investment portfolio appear in Volume 2 of the annual report.

Currency is given in U.S. dollars throughout unless otherwise specified.



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FINANCIAL HIGHLIGHTS

OPERATIONAL RESULTS SUMMARY, FY 2001

New projects committed	205
Total financing committed	\$ 3.9 billion
Financing committed for IFC's own account	\$ 2.7 billion
New projects approved	240
Total financing approved	\$ 5.4 billion
Financing approved for IFC's own account	\$ 3.7 billion
Total disbursed loan & equity portfolio*†	\$ 10.9 billion
Equity as a % of disbursed portfolio	25%
Loans as a % of disbursed portfolio	75%

RESOURCES AND INCOME, FY 2001

Operating income	\$ 241 million
Paid-in capital	\$ 2.4 billion
Retained earnings	\$ 3.7 billion
Borrowing for the fiscal year	\$ 3.6 billion

* Does not include guarantees and risk management products
 † For IFC's own account as of June 30, 2001

SECTOR DISTRIBUTION, FY 2001

APPROVALS BY SECTOR	\$ millions	%
Financial*	1,797	33.5%
Utilities & transportation	1,207	22.5%
Information	739	13.8%
Industrial & consumer products	479	8.9%
Other	1,135	21.2%
TOTAL	\$5,357	

* Includes finance, insurance, and collective investment vehicles

PROJECT APPROVALS, FY 2001



APPROVALS BY PRODUCT	\$ millions
Loans*	2,793
Equity & quasi-equity	949
Syndicated loans/underwriting	1,615

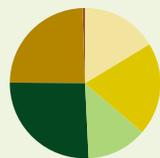
* Includes guarantees and risk management products

WHAT WE INVESTED IN, FY 2001

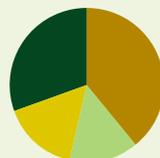
COMMITMENTS BY SECTOR*	\$ millions	%
Financial**	1,185	30.2
Utilities & transportation	827	21.0
Information	701	17.8
Oil, gas, & mining	309	7.8
Industrial & consumer products	151	3.8
Nonmetallic mineral product manufacturing	149	3.8
Health care & education	139	3.5
Chemicals	118	3.0
Primary metals	71	1.8
Other	281	7.2
TOTAL COMMITMENTS	\$3,931	

* All commitment data include guarantees and risk management
 ** Includes finance, insurance, and collective investment vehicles

WHERE WE INVESTED, FY 2001



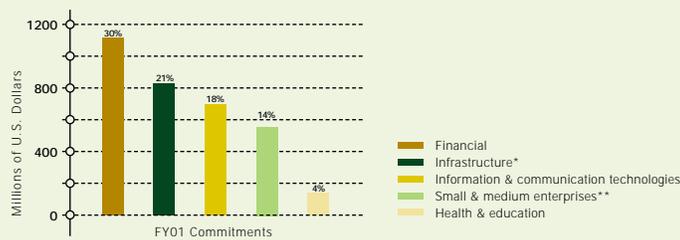
Region	\$ millions
Sub-Saharan Africa	642
Asia & the Pacific	784
Europe & Central Asia	510
Latin America & the Caribbean	1,017
Middle East & North Africa	956
Global	22
TOTAL	\$3,931



Product	\$ millions
Loans	1,526
Guarantees & risk management	570
Equity & quasi-equity	636
Syndicated loans	1,199
TOTAL	\$3,931

STRATEGY AND INVESTMENT, FY 2001

IFC strategy emphasizes sectors targeted for their high potential for sustained development impact.



* Not including information and communications; includes utilities and transportation
 ** SME investments are derived from all industry sectors

LETTER *to the* BOARD *of* GOVERNORS

The Board of Directors of the International Finance Corporation has had this annual report for the fiscal year ended June 30, 2001, prepared in accordance with the Corporation's by-laws. James D. Wolfensohn, president of IFC and chairman of the Board of Directors, has submitted this report with the accompanying audited financial statements to the Board of Governors.

The Directors are pleased to report that in fiscal 2001 IFC continued to expand its positive developmental impact through private sector project financing operations and advisory activities.

DIRECTORS¹

Abdul Aziz Mohd. Yaacob
Girmai Abraham
Khalid M. Al-Saad
Yahya Abdulla M. Alyahya
Andrei Bugrov
Yuzo Harada
Neil F. Hyden
Finn Jønck
Matthias Meyer
Jean-Claude Milleron
Terrie O'Leary
Franco Passacantando
Phillippe M. Peeters
Stephen Pickford
Jan Piercy
Moises Pineda
Jaime Ruiz
Ahmed Sadoudi
Helmut Schaffer
Balmiki Prasad Singh
Mario Soto-Platero
Pieter Stek
Bassary Toure
Zhu Guangyao

ALTERNATES¹

Nguyen Doan Hung
Richard H. Kaijuka
Mohamed Kamel Amr
Abdulrahman M. Almofadhi
Eugene Miagkov
Masanori Yoshida
Lewis D. Holden
Anna M. Brandt
Jerzy Hylewski
Emmanuel Moulin
Sharon Weber
Helena Cordeiro
Emin Dedeoglu
Rosemary B. Stevenson
(vacant)
Jose H. Machillanda
Luis Antonio Balduino
Inaamul Haque
Eckhardt Biskup
Mahbub Kabir
Roberto Garcia-Lopez
Tamara Solyanyk
Paulo F. Gomes
Chen Huan

FROM LEFT TO RIGHT: Andrei Bugrov, Girmai Abraham (seated), Finn Jønck, Balmiki Prasad Singh, Neil F. Hyden, Jean-Claude Milleron (seated), Matthias Meyer, Rosemary B. Stevenson* (seated), Terrie O'Leary, Phillippe M. Peeters, Bassary Toure, Moises Pineda (seated), Pieter Stek, Jan Piercy, Helmut Schaffer, Jaime Ruiz (seated), Mario Soto-Platero, Mohamed Kamel Amr*, Ahmed Sadoudi (seated), Franco Passacantando, Yahya Abdulla M. Alyahya, Yuzo Harada (seated), Zhu Guangyao, Abdul Aziz Mohd. Yaacob.

*alternate director

BRETON LITTLEHALES



¹ As of June 30, 2001

MESSAGE *from the* EXECUTIVE VICE PRESIDENT

At IFC, we are optimists. We have to be. Our mission is to make progress against one of the oldest, deepest, and seemingly most intractable problems of humanity: poverty. That mission requires a philosophy of hope. It requires us to engage, inform, invest, and innovate.

And keep at it. Even in times such as this past year. The year started with bright prospects. We were looking at a global economy—in particular, world trade—that was growing at record rates.

In the wake of the Asian financial crisis of 1998, private investment seemed poised for a strong return to emerging markets. Indeed, it was on an upswing. Advances in information technology and telecommunications were raising hopes of far-reaching productivity gains. Those gains, in turn, held the promise of spurring robust growth and a reduction in inequality.

Much of that has changed, of course. The global economy slowed sharply in 2001. Private lending to emerging markets is now falling. Political problems in several emerging markets have delayed economic reforms and are now being exacerbated by the world economic slowdown. Optimism surrounding the high-tech sector has dissipated.

These sobering economic trends are a powerful reminder that growth cannot be taken for granted. Nor can we take for granted the social, economic, and political frameworks that are necessary for growth.

Economic globalization can be reversed, as happened a century ago. Unforeseen challenges can also emerge. Lessons of past mistakes can be forgotten or rejected, particularly by those who fail to prosper in the global economy.

So our challenge at IFC is to do more than expand our investments in developing countries. It is to demonstrate that responsible, sustainable, and environmentally sound economic growth led by the private sector is still possible in these markets. It is to demonstrate that the freedom inherent in well-regulated markets over the long run still provides the greatest chance for the greatest number of people to thrive and succeed.

BRETON LITTLEHALES



LEFT: President James D. Wolfensohn and Executive Vice President Peter Woicke.



NICK FLANDERS

NORBERT SCHILLER

Building on Our Strengths

The theme of this year's annual report is "the IFC difference." I would argue that among the most important characteristics of IFC are its long-term perspective, ability to innovate, and willingness to renew itself. Our growth in investments this past year has not matched that of recent years. During the 2001 fiscal year, operating income declined 37 percent from the previous fiscal year to \$241 million, mainly due to unfavorable economic conditions that affected our portfolio. Gross investment commitments rose slightly to \$3.93 billion, while commitments for our own account rose 14 percent to \$2.73 billion. More important than these numbers, however, is the challenge that we have set for ourselves and the course upon which we have embarked. Increasingly, we are seeking to add value to projects in ways that go far beyond the provision of capital.

Long-term perspective

Despite the ups and downs of this past year, we have kept a long-term perspective and set even higher goals for IFC. For example, several years ago we decided to place a strategic emphasis on a few sectors with strong development potential—even though they might be more difficult to pursue. This year, the combination of those priority sectors—financial institutions; infrastructure; information and communications technologies; small and medium enterprises; and social sectors, such as health and education—climbed to more than 70 percent of gross investment commitments.

Our investments targeting small and medium enterprises grew to 14 percent of gross investments. More than ever, we are working with large businesses to develop opportunities for these enterprises. We are increasingly, through financial intermediaries rather than directly, supporting smaller and riskier projects undertaken with local business sponsors.

We expanded our reach in high-risk or low-income countries. More than 40 percent of our investments for our own account this year were made in countries falling into one or both of those categories.

Committed financing activities in the Middle East and North Africa increased from \$106 million last year to \$956 million in FY01, and we saw an 86 percent increase in commitments in Sub-Saharan Africa to \$642 million. We more than doubled commitments for our own account during the past fiscal year in the South Asia and the East Asia and Pacific regions to \$767 million.

Innovation

IFC's record of creative and path-breaking initiatives in the financial sector is second to none. We believe this not only helps create robust local institutions and deepen markets, it widens access to capital and helps buffer the volatility of the global economy for developing nations. About one-third of our investments this year were made in the financial sector. Those investments will make a tangible difference in the lives of home buyers, employees, entrepreneurs, and business owners.

This year, assistance to microfinance institutions helped create self-employment opportunities for the poor in countries such as Bolivia, Bosnia and Herzegovina, Mexico, Moldova, and Ukraine. We assisted in establishing Namibia's first merchant bank, which will provide investment services to local businesses. We also helped promote the issue of mortgage-backed securities by Mexico's Su Casita, which will in turn provide housing finance to lower-middle-class families. These are just a few examples of the nearly \$1.2 billion in gross financial sector investment transactions signed this year.

I am especially proud of our achievements in supporting clients through structured finance products and innovative risk management techniques. Recent innovations include partial guarantees and credit enhancement products tailored to specific clients and markets. Guarantees increased to \$547 million in FY 2001.

In India alone, we were able to help companies like Bharti Telecom and textile company Ballarpur Industries gain more affordable long-term financing for their businesses through IFC partial credit guarantees. These transactions broke new ground in the domestic market and are likely to open new debt financing opportunities for other companies. Using securitization techniques, we helped launch India's first private sector student loan program, thereby providing a model for future programs.

Renewal

This year, the IFC Management Group asked our strategists to reappraise the way that IFC approaches development. In years past, our approach to development had sought to maximize economic benefits but merely satisfy environmental and social requirements. But we have come to recognize that a more comprehensive approach to development is essential to reducing poverty and improving lives. So our new Sustainability Initiative seeks to take us beyond minimum standards, toward an approach that increases the environmental and social benefits of investments.

Fortunately, this new approach builds on progress underway. It builds on our pioneering work at the project level. For example, this year in Peru, we supported a medium-sized ecotour venture that promotes sustainable environmental and social development in the rain forests. We also supported a guarantee program that convinced Hungarian banks to lend money to improve energy efficiency.

We recognize that this renewal of our mission will require more than new ideas. It will require reorienting the capacity and expertise of IFC. But as I look around IFC today, I see incredible potential. We have a vibrant intellectual partnership with other members of the World Bank Group. We have increased synergy by merging key departments with the World Bank. And we have momentum. A decade ago, IFC employed a single environmental specialist. Today we employ more than 40, and environmental and social safeguards are an integral and growing part of the investment process.

With our clients, we are learning a new way of doing business. The old model of business was the model of the Carnegies and Rockefellers. They made enormous sums of money first, then gave part of their wealth back to their communities and the nation. Andrew Carnegie called it the “Gospel of Wealth”: money first, and then responsibility, through taxes, philanthropy, and grants.

The new model—the model IFC is developing—is fundamentally different. It recognizes the speed and the needs of the new millennium. It recognizes that financial success is compatible with a broader social responsibility *as wealth is being created*. The new Gospel of Wealth means responsibility in “real time,” from the start.

What does this mean? It means understanding how both global issues such as climate change, labor standards, and natural resource preservation and

local issues such as community relations, the business environment, and the quality of air and water affect firms’ markets, costs, and risks. It means actively pursuing more direct ways to help local communities participate in productive economic activity. It means factoring in the social or environmental impacts of one’s operations, not avoiding them. It means demonstrating to firms that they have a long-term interest in more transparency and better corporate governance. It means developing explicit sustainability measures for IFC personnel. It means working to promote efficient use of the natural resources associated with our investments.

Our challenge is to help developing nations use this new model as they grow. It is to identify business partners who can both compete successfully and incorporate sustainability. It is to help the leaders in sustainability while ensuring that other firms and sectors are not left behind.

There is no road map for achieving this goal. There are no easy solutions. This is not the best time to be attempting this redefinition of our basic philosophy. But we are very proud of the progress of the past year.

The credit, of course, goes to the extraordinarily talented and diverse team of men and women who work at IFC. Together, we are making progress in reducing poverty and improving lives. Together, we are building an institution that will sustain those aspirations. We are optimists.



Peter Woicke, Executive Vice President

THE IFC DIFFERENCE

At IFC, our difference is our strength.

In a world full of potential entrepreneurs but risk-averse  commercial lenders and investors, IFC fills a unique role. IFC is the only multilateral institution that  provides both affordable capital and global experience to private businesses in developing nations.

Our unique position generates a different way of fostering market-oriented development. There is a difference in our  knowledge of markets and experience in structuring transactions in developing countries. There is a difference in the good corporate governance principles we promote. There is a difference  in the strength of our partnerships with project sponsors, local communities, and others that benefit from the projects we finance. There is a difference in the high environmental and social standards our projects meet.

The value we add to each transaction and advisory project  we undertake sets us apart as a financier of business in the developing world.



MARK FALLANDER



NICK FLANDERS

ENRIQUE DOMENGE

RENCE

IFC has been promoting good business practices for many years. For nearly a decade, we have worked systematically to advance better environmental and social outcomes and stronger corporate governance by increasing our due diligence and internal capacity in those areas. Today, we strive to demonstrate best practices through the projects we finance and the policies we follow.

We are focusing our efforts more strategically on projects where we can have the strongest developmental impact. This is taking us to countries where the private sector is undeveloped and into sectors that have not traditionally attracted private sector financing. We are focusing especially on investments in the financial sector, which is essential to expanding access to capital. In many cases this support results in increased financing for small and medium enterprises. The other sectors we are targeting are infrastructure, information and communication technologies, and social sectors such as health and education. This year over 70 percent of our committed investments involved target sectors, and 14 percent related to small and medium enterprises.

Building on our strengths, we are determined to become a more effective leader of the private sector in promoting sustainable development. We are committed to showing that a greater awareness of the risks and opportunities related to environmental, social, and corporate governance factors can be part of a business strategy to produce better profits through growth, improved efficiency, lower costs, increased revenues, better access to capital, and a more positive brand image. That positive image, backed up by positive action, can reduce the risks for companies that recognize a broader responsibility to society and local communities.

The financial and economic viability of projects remains at the heart of our approach to long-term sustainability. As we go forward, our staff and business partners must do more than incorporate environmental, social, and minority investor safeguards into the private sector projects that we finance. A sustainable approach to doing business means linking together the strengths IFC already brings its clients, thus enabling us to deliver “the IFC difference” in a more coherent, efficient, and innovative way.

RICHARD LORD

MARK FALLANDER

INNOVATIVE TECHNIQUES



IFC strives to demonstrate the long-term viability of markets and mobilizes private financiers to take risks they would be unwilling to take on their own. A long-term perspective allows us to finance new opportunities in frontier markets. In countries and sectors with limited access to capital, we seek innovative ways to make our projects successful and encourage others to follow once we have paved the way.

With our large clients, this year we established innovative programs that support small and medium enterprises in markets with poorly developed private sectors. With steelmaker Ispat Karmet in Kazakhstan we provided advice and approved a project to finance the inclusion of smaller local businesses in the steel production supply chain. We are developing similar projects with the sponsors of the Chad-Cameroon Petroleum and Pipeline Development project and the Mozal Aluminum project in Mozambique.

Through credit guarantees, in which IFC assumes all or part of a borrower's liability in the event of default, we are providing businesses with

access to more affordable sources of domestic and foreign capital. The use of guarantees grew rapidly this year to \$547 million in transactions signed, up from \$3.8 million the previous year. Through our first local currency partial credit guarantee in India, we helped pulp and paper manufacturer Ballarpur Industries raise its credit rating and lengthen the maturity of its bond issue, which set a benchmark for domestic long-term private bond issues (see p. 46). We also worked with clients this year in Bolivia and Indonesia to structure risk management transactions to manage currency risk by better matching liabilities with revenues.

BELOW: Bhartiya Samruddhi Finance provides financial services to the rural poor to promote sustainable livelihoods. This family received a loan for their small business.



This year, we helped banks and other financial institutions expand private sector economic opportunities. We are leading the development of mortgage-backed securities markets in Latin America, for example, which will result in better access to housing and strengthen financial institutions through more effective asset management. We committed or approved financing to promote the first major issues of mortgage-backed securities in Mexico and Peru (see boxes, pp. 55 and 57). In Argentina, Brazil, and Colombia we gave assistance to the first housing finance corporations.

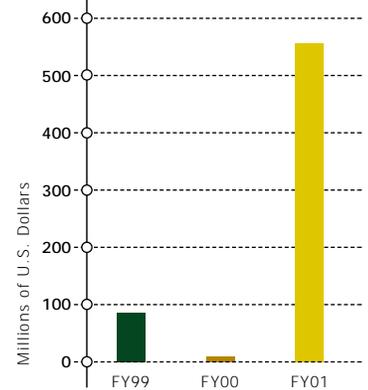
In China, we supported the first foreign investment in the insurance sector (see box, p. 43). When IFC can identify infrastructure or information and communications technology needs in markets bypassed by commercial financiers, we can pioneer private sector

participation. This year we supported IWorld, a project to establish a global Internet portal for the infrastructure sector. IFC structured a bond issue for Bharti Telecom to enable the company to connect its network to smaller towns in India that lack cellular service. The issue was structured as three different offerings with tenors of five, eight, and ten years to target different investor market segments. IFC spent considerable time educating prospective buyers about the guarantee structure in order to facilitate secondary trading. In another transaction, we financed the first Internet service provider in Togo.

This year we branched out further into social sector businesses. For example, in Brazil we supported a start-up Internet-based education venture, and in Argentina we made loans to two universities to support higher education (see p. 56).

IFC GUARANTEES

Volume Committed



The use of loan guarantees grew dramatically during FY01. Through guarantees IFC supported trade facilities and local currency bond issues.



LEFT: IFC is increasingly supporting financial sector projects through advice and financing.

India: A First for Student Loans

Through a novel student loan program in India, IFC helped fill an urgent need, since private lenders have avoided higher-education loans, viewing them as a state responsibility or a loss-making proposition. Working with experienced partners, we devised a way to make our first major investment in student financing by helping launch a large-scale private sector loan program. Using loan securitization techniques, the financing structure provides for different levels of risk shared among IFC, Citibank, and NIIT Limited, a higher-education institution with a strong reputation in information technology.

Lending under the program is based on a student's future earning capacity, thereby making loans accessible to lower-income families that could not otherwise afford tuition fees. A majority of

students who take loans under the program are expected to earn more than their parents after graduation from NIIT.

We will provide a mezzanine credit guarantee in local currency for 10 percent of the program. It will cover credit losses on a portfolio of student loans extended by Citibank to students of NIIT who enroll in a three-year computer course. The loan portfolio will build up over five years to as much as 4.2 billion rupees (\$90 million).

By promoting financially sustainable student loans with no public subsidies, this project should encourage similar initiatives in India and other countries.

BEST CORPORATE GOVERNANCE

AND MANAGEMENT METHODS



Global capital flows are of limited value to many companies in developing countries because too often they fail to translate into better financing opportunities. Following the market volatility of recent years, investors are selecting targets more cautiously. In this environment, companies with better management and capacity to protect minority owners will be more attractive to investors.

We help companies strive to achieve international best practices. By encouraging companies experienced in the global marketplace to invest in developing countries, we foster better management techniques at the local level. We also promote improved corporate governance practices and legal frameworks as we select, negotiate, and supervise our own investments, advise governments and other clients, and offer grass-roots support.

For example, IFC supported the Bank of Shanghai through both donor-funded technical assistance and our influence as an investor. With

assistance from the Japanese government and the European Union, we have been providing the Bank of Shanghai with a long-term comprehensive technical assistance program since 1995. This assistance has covered all major management and operational aspects of the bank. This year IFC's Management Advisory Services conducted a human resource management review, working closely with bank management. The next phase of technical assistance will provide training to improve skills in credit analysis, as well as credit policies and procedures.

BELOW: Natalia Kosheleva, deputy project manager of an IFC corporate governance technical assistance initiative, discusses issues relating to the role of corporate secretaries at a conference in Moscow.



"THE TASK IS TO PROVIDE EMERGING AND DEVELOPING ECONOMIES WITH AN ASSURANCE THAT CAPITAL IS MORE LIKELY TO FLOW TO THOSE COUNTRIES AND COMPANIES THAT DEMONSTRATE A RESPONSIVENESS TO GOVERNANCE ISSUES."

—Ira Millstein, Chairman, OECD/World Bank Private Sector Advisory Group on Corporate Governance

This investment marked IFC's first in a Chinese bank. Through investments, first made in 1999, we have been able to help improve the bank's corporate governance. We made an initial investment of \$22 million for a 5 percent equity stake. We followed up by taking part in a rights issue in 2000.

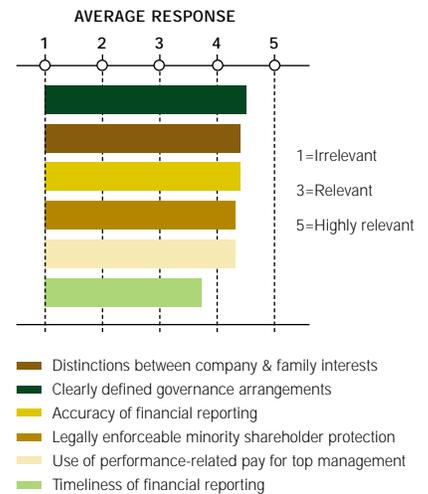
An IFC-appointed director on the Bank of Shanghai's board has been working actively with other board members and senior management on improving corporate governance and transparency to meet international best practices. Due to these efforts, the board is playing a more active role in governing

the activities of the bank. The board is also in the process of setting up committees on auditing, risk management, and compensation that will provide it with better information and capacity to review operations in the future.

Our activities with the Bank of Shanghai exhibit how we continue to positively influence companies in our portfolio long after transactions are completed. Further, the introduction of international banking standards and best practices to the Bank of Shanghai demonstrates their value to other banks and is having an impact throughout China's banking sector.

VALUING GOOD GOVERNANCE

Importance of corporate-level factors when selecting emerging market companies in which to invest



Source: McKinsey Emerging Market Investor Opinion Survey 2001

This survey of 46 private equity investors with approximately \$5 billion under management was carried out at IFC's Global Private Equity Conference (May 11, 2001, see www.ifc.org/funds).

MARK FALLANDER (2)



PHOTOS: GUM (left), one of Moscow's oldest department stores, and Krasny Oktyabr (Red October, right), a well-known chocolate company, are working with the Private Enterprise Partnership to build investor confidence in locally owned and managed companies.

Promoting Best Practices in Russia

In transition economies, the modern corporation is itself a relatively new and unfamiliar form of economic organization. In Russia, emerging private companies need to strengthen their boards of directors, internal controls, accounting and disclosure practices, and other elements of corporate governance to build investor confidence.

This year IFC's Private Enterprise Partnership, with support from the government of the Netherlands, started a corporate governance project in Russia to respond to this need among local companies. Although new to Russia, the program is based on the partnership's similar initiatives in Ukraine and Armenia.

The partnership draws on IFC investment and technical assistance experience in advising local companies on the corporate governance practices they need to adopt. The partnership sets up

training programs for managers, directors, and shareholders of joint stock companies. It also develops and distributes practical manuals on corporate governance and internationally accepted best practices, advises authorities on local legislation and regulation, and assists joint stock companies in drafting company charters and conducting board of directors and shareholder meetings.

To disseminate information widely, the partnership participates in a series of national and regional roundtables jointly with the OECD/World Bank Group Global Corporate Governance Forum. These roundtables promote improved corporate governance practices through discussions of how to build investor confidence in local enterprises.

A PARTNERSHIP APPROACH



IFC carefully cultivates client relationships to ensure that our transactions foster strong business performance.

Our emphasis on partnerships extends beyond those involved in financing transactions. By building solid links to communities, governments, and nongovernmental organizations and within the World Bank Group, we can bring parties together to develop innovative approaches to issues that benefit all concerned.

This year we collaborated with Mozambique's Mozal Aluminum for the second time not only to finance the expansion of a project critical to the country's economy but to support Mozal's development of an HIV/AIDS program.

During FY01 we committed a \$600 million debt package, including \$25 million for IFC's own account. The first phase of the Mozal Aluminum project three years ago helped put Mozambique on the foreign investment map, encouraging others to invest in a poor country still recovering from a dev-

astating civil war. IFC financed the first phase of this project with \$120 million in loans, at the time our largest single investment in the world.

Mozal's highly competitive aluminum smelter began production in 2000, ahead of schedule and \$100 million under budget. With expansion, Mozal will become an even more potent force for future economic development by creating jobs, foreign exchange, tax revenues, industrialization, local business opportunities, and international recognition of Mozambique as a good place to do business.

BELOW: Mabati Rolling Mills in Mombasa, Kenya, received financing from IFC.



RICHARD LORD

MARK FALLANDER

RICHARD LORD



RICHARD LORD

Our partnership also helps further Mozal's leadership in corporate responsibility. The Mozal Community Development Trust, created as part of the new financing package, is expected to spend \$2 million annually on social and community initiatives. It has undertaken a groundbreaking HIV/AIDS awareness program that consists of intensive, repetitive, face-to-face encounters between trained field workers and community members. IFC will provide a matching contribution through the

"IFC Against AIDS" pilot program, to ensure the continuation of the program among the 100,000 target population in the Mozal area.

We are also working to build partnerships between Mozal and local businesses to maximize subcontracting opportunities for local small and medium enterprises. The Africa Project Development Facility will provide capacity-building support for those businesses to help expand their role as contractors to Mozal.

RICHARD LORD



LEFT: Cheese from UzDutch, an IFC project, being loaded into a shopowner's car.

RIGHT: Dana, a Russian soft drink producer, was established and grew due to the development of financial leasing services, which were encouraged through the Private Enterprise Partnership.



MARK FALLANDER

Mauritania: Advice for Better Phone Service

Mauritania wanted to liberalize its state-run telecom sector to expand access and improve service to the general public. As part of this effort, the government engaged IFC as principal advisor for the privatization of the national telecom operator, Mauritel.

Along with the World Bank, we worked with the government to provide policy and transaction assistance. IFC's attention to social impact helped ensure that the transaction included a universal access fund to support the development of infrastructure in rural areas, which will expand service beyond central city addresses to rural populations that might otherwise go unserved.

Mauritel must quadruple the size of its fixed-line network within five years under the terms of the privatization. The financial structure of the deal should provide the company with the capacity to invest to meet the requirements.

IFC's mandate involved reviewing and finalizing the competitive framework and defining the privatization strategy. We conducted a \$43 million financial restructuring that enabled the company to acquire its cellular license before privatization. We marketed the transaction to investors, organized the bidding, and closed the transaction.

The winning bidder, Maroc Telecom, paid \$48.1 million (\$14.4 million share purchase and \$33.7 million capital increase) for 54 percent of the company. Based on per line value of over \$4,000 or based on earnings valuation, the price compares well with any telecommunications privatization in Africa to date.

AN ENVIRONMENTAL AND SOCIAL OUTLOOK



IFC addresses environmental and social issues from the outset of the investment process. We actively seek to help our clients extend their environmentally beneficial practices. We saw such an opportunity this year in Peru.

We worked with Inka Terra, a leading ecotour operator, to help put its business on a sound financial footing. In Inka Terra, IFC saw an attractive opportunity to promote ecologically friendly rainforest management and conservation and invest in a company with good financial prospects. We moved quickly to make sure Inka Terra's financing needs were met, signing the transaction only four months after an initial meeting.

Harvard professor and biodiversity advocate E.O. Wilson identified an Inka Terra site at Cuzco Amazónico as having the world record number of ant species in a single location. Inka Terra's site at Machu Picchu has the largest known collection of native orchid species in their natural habitat

observable by the general public. It is a genetic bank. Primary rainforest inventories of this type help determine the importance of conservation.

The company owns and operates two small hotels near Machu Picchu and the Madre de Dios forest, offering visitors an opportunity to view the tropical flora and fauna and cultural heritage sites of these distinct parts of Peru. Inka Terra has operated in Amazonia for more than 25 years and has established a track record of balancing tourism with nature conservation. Its president is an emeritus board member of Conservation International, a nonprofit organization dedicated to protecting the Earth's biologically richest areas and helping people who live there improve their quality of life.

BELOW: Observing orchids at a garden surrounding an Inka Terra site.



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RICHARD LORD

The company works closely with local communities, providing jobs and creating interdependence between their economic well-being and nature conservation. We are helping Inka Terra with the expansion of its existing properties and the construction of additional lodges. Like many medium-sized businesses in Latin America, it had trouble finding affordable financing. Longer-term financing at a lower cost put this company's ecotour business on a more sustainable growth path and will allow management to focus on its core areas of conservation and tourism.

Although the company already had strong environmental policies in place, the review of policies by IFC allowed Inka Terra management to evaluate its own practices against international standards to better understand its model. Inka Terra's management credits IFC with encouraging the company to make practices more efficient and to consider new growth opportunities. Inka Terra learned about financing new activities through the Global Environment Facility, which provides concessional funding for private sector projects that further biodiversity.

ENRIQUE DOMENGE



"IFC PROVIDED THE BEST BANKING EXPERIENCE I EVER HAD. THE FINANCING WAS COMPLETED VERY FAST AND THE LOAN TERMS WERE VERY BENEFICIAL TO US. WE ARE PAYING LESS THAN HALF IN FINANCING COSTS THAN BEFORE IFC WAS INVOLVED. THIS ALLOWS US TO CONCENTRATE ON THE BUSINESS OF ECOLOGICAL CONSERVATION."

—José Koechlin, President, Inka Terra, SA

LEFT: An IFC technical assistance project in Madagascar helped maintain the environment for wildlife.

A GOOD BUSINESS PERSPECTIVE



IFC integrates international best practices into financing activities, but our accumulated expertise and experience and our unique place in the market have positioned us to provide a new kind of leadership in private sector development. Under our Sustainability Initiative we aim to measure future performance based on financial, socioeconomic, and environmental sustainability—or a triple bottom line.

We mean to deliver on our mission by supporting enterprises that can prosper in the marketplace without relying on economic distortions for survival, benefit the environment, and contribute tangibly to the well-being of people in host countries and communities. Many IFC projects incorporate sustainable practices that bring commercial benefits to our clients. This year, for example, we approved an investment to help develop the Spier Estate in South Africa. The management of the estate views complex environmental and social issues as a significant opportunity to foster viable businesses through a sustainable approach.

The Spier Estate, established in 1659 in the Stellenbosch region of South Africa, now includes organic farms, vineyards, a winery, a conference center, several restaurants, and a festival theater. Tourism and conference promotion are

important elements of the Spier management plan to provide an economic base on which to build a sustainable community.

Spier's management is committed to maximizing economic and social benefits to nearby residents and contributing to a new vision in post-apartheid South Africa. But the Spier community faces many of the problems of the country at large, such as a lack of jobs for unskilled workers and social tensions that lead to high crime rates. Widespread economic hardship undermines a rich local culture. The area also faces environmental pressures, including abundant nonnative vegetation that lowers the water table. Yet the potential of the people and the natural environment holds tremendous promise if nurtured and developed through well-designed businesses. IFC was intrigued by the potential of this project because of Spier's approach to building up its business in a sustainable fashion.

“A SUSTAINABLE APPROACH ASKS PEOPLE TO THINK DIFFERENTLY AND MAKE A FUNDAMENTAL LEAP IN PERSPECTIVE. WE FIND THAT WHEN PEOPLE ARE ABLE TO SEE THE DIFFERENCE, THEIR PERSPECTIVE CHANGES.”

—Eve Anneke, Executive Director, Spier Holdings

We approved financing to support an ambitious \$81 million development plan that calls for construction of a 250-room hotel aimed at international travelers, a 150-room limited-services hotel that would offer accommodation to conference attendees, and new housing developments on the estate. We plan to commit over \$19 million in loans and equity to provide the financing for those activities. The funding will also help expand existing smallholder farms in areas adjacent to the estate, enhance farming activity on the estate, and establish a leadership institute with the University of Stellenbosch.

The hotel manager, Ritz-Carlton, will train unskilled workers for new, well-paying jobs. Local black farmers will be trained in organic farming techniques to provide fresh produce to the hotel. A crafts village will be expanded, a school will be constructed, and new housing will be available for low-income residents.

Development plans require the use of sustainable construction methods

that make maximum use of renewable resources, operate efficiently, and require relatively little maintenance. Construction methods take into account site sensitivity, ecological impact, and the energy required to produce building materials. The entire physical plant will operate in an ecologically sustainable manner. Water will be conserved through low-flush toilets and the use of drip irrigation in the vineyards, and wastewater will be filtered for recycling. Solid waste will be separated and recycled or used for compost, with the result that only 10 percent of solid waste will end up going to the municipal dump.

Spier's management credits IFC not only with seeing the long-term value of this approach but also with helping other financial investors understand that value. Spier's business approach was in place before IFC arrived, but our enthusiasm for its economic, social, and environmental vision helped bolster management's efforts to pursue sustainable business practices more confidently.

COURTESY OF SPIER ESTATE



LEFT: The Spier Estate now includes organic farms and vineyards. Under a development project supported by IFC, local black farmers will be trained in organic farming methods.

WHY IFC?

Over the years the International Finance Corporation has shown that good investment returns are compatible with creating employment, a healthy environment, and an improved quality of life in developing countries.

Our mandate is to further economic development through the private sector. Working with business partners and financial institutions, we invest in sustainable private enterprises in challenging business environments. We promote financially sound businesses and projects with the prospect of operating profitably. We also set high standards for corporate governance and social and environmental soundness and bring our expertise to project transactions to help our partners achieve the best performance.

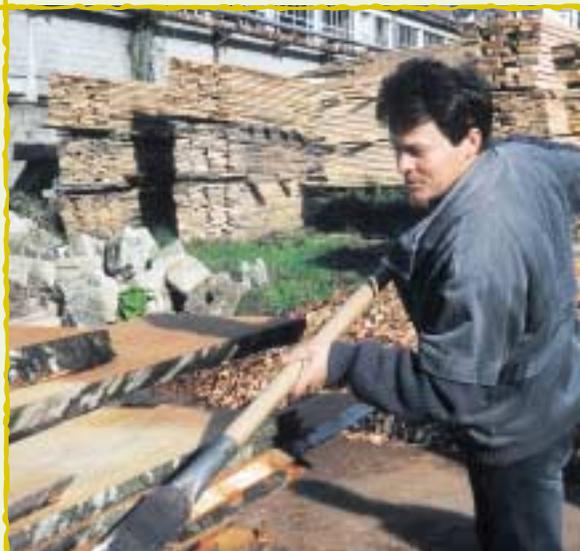
We finance projects in regions and sectors underserved by investment from private sources. We find new ways to develop promising opportunities in markets that commercial investors consider too risky or politically unstable to provide any measure of security, profitability, or growth without IFC's participation. In those environments we see—and encourage—opportunity and profitability.

Putting our own capital at risk, we buy shares in project companies or financial institutions. We also make long-term loans to our clients and offer guarantees and risk management services. We mobilize additional resources from private capital markets through syndicated loans and placement of equity and provide extensive advisory services to our clients.

Our reputation and standing as an international organization allow us to bring parties to a transaction together. Our participation can reassure foreign investors, local partners, other lenders, and government authorities about the viability of our projects.

IFC was established in 1956 and is a member of the World Bank Group. Its share capital is held by 175 member countries. Building on our relationship with the World Bank with its global resources and experience, IFC can bring significant benefits to a country beyond the scope of a single transaction.

ROB WRIGHT





LEFT: IFC finances the capital-intensive businesses needed for a modern economy.

BELOW: Through specialized facilities IFC supports small firms, like this Moscow dry cleaner, with advice.



MARK FALLANDER

RICHARD LORD

PROMOTING A SUSTAINABLE PRIVATE SECTOR

IFC promotes sustainable private sector investment in developing countries, helping to reduce poverty and improve people's lives.

In seeking to fulfill that mission, we are selective. We invest only in companies with the potential for long-term vitality, growth, and profitability. We will not pursue investments for which the private sector is a better-suited financier.

We seek partnerships with a wide range of co-investors, including local and foreign private businesses, commercial banks, institutional investors, development banks, and export credit agencies.

We pursue sustainability. We are increasingly looking at the long-term outcome of our projects through a triple bottom line of financial, socioeconomic, and environmental performance. All IFC projects must be financially promising, have strong developmental potential, and reflect our commitment to responsible environmental and social performance and high standards of corporate governance.

To learn more...

www.ifc.org

A complete list of office locations and contact details can be found in the appendixes.

"[IFC PROJECT] BOUNDARY HILL WILL ENABLE OUR COMMUNITY TO BECOME SELF-SUFFICIENT AND RUN OUR OWN DEVELOPMENT PROGRAMS. WE HOPE TO BE ABLE TO SUPPLY DRINKING WATER TO OUR SUBVILLAGES AND HAVE SCHOOLS FOR ALL CHILDREN IN OUR COMMUNITY."

—Sagir Ole Kibiriti Village Councilor, Maasai Village of Lokisale, Tanzania (see p. 37).



MARK FALLANDER

LEFT: IFC supports a wide range of businesses in Russia through advice and financing.

PRODUCTS AND SERVICES

INVESTMENT TOOLS

EQUITY AND QUASI-EQUITY

IFC risks its own capital by buying shares in project companies, other project entities, financial institutions, and portfolio or private equity funds. We generally subscribe to between 5 and 20 percent of a project's equity. We will not normally hold more than a 35 percent stake and are never the single largest shareholder in a project. We are a long-term investor in our projects. When it comes time to sell, we prefer to exit by selling shares in the capital markets following a public offering.

Through our quasi-equity instruments, we invest through products that have both debt and equity characteristics. Some instruments, like subordinated loans and convertible debt, impose fixed-repayment schedules. Others, such as preferred stock and income notes, do not require such rigid repayment arrangements.

LOAN AND INTERMEDIARY SERVICES

We finance projects and companies through our A-loans, which are for IFC's own account. IFC does not accept government guarantees. Maturities of A-loans generally range between 7 and 12 years at origination, but some loans have been extended to as long as 20 years. Most IFC loans are provided in major currencies, and we are expanding our capacity to offer local currency loans.

We carry out comprehensive due diligence before investing in any project. Because of our extensive lending experience in developing countries, we are uniquely qualified to evaluate the risks associated with projects. We are willing to extend loans that are repaid only from the cash flow of the project, with only limited recourse or without recourse to the sponsors.

We also make loans to intermediary banks, leasing companies, and other financial institutions through credit lines that result in further on-lending. These credit lines are often targeted at small businesses.

MOBILIZATION

Mobilization of private sector financing in developing countries is fundamental to the fulfillment of IFC's role as a development catalyst. We can broaden our impact by mobilizing loans from other financial institutions that are willing to lend to projects only with our participation.

Syndicated loans, or B-loans, are the cornerstone of IFC's mobilization efforts. Through this mechanism, financial institutions share fully in the commercial credit risk of projects while IFC remains the lender of record. Participants in IFC's loans share in the advantages that IFC derives as a multilateral development institution, including preferred access to foreign exchange. Where applicable, banks are also exempted from the mandatory provisioning that regulatory requirements impose.

We also mobilize private capital for companies by engaging in underwriting, private placements, and equity fund investments, which help clients gain access to international capital markets, often for the first time.

GUARANTEES AND RISK MANAGEMENT

Loan and bond guarantees and standby financing allow our clients to use IFC's good credit to help them secure financing from international capital markets.

IFC offers credit enhancement structures for debt instruments. These include partial credit guarantees, which allow IFC to use its triple-A credit rating to help clients attract new sources of financing, reduce financing costs, and extend maturities. Credit guarantees cover all credit risks during a specified portion of the financing term or up to a specified capped amount and often serve to extend maturities beyond what private creditors would otherwise provide.

We can extend a partial guarantee either in a local currency or in a foreign currency. The partial guarantee in local currency benefits borrowers by providing access and sought-after maturities and in the process helps develop local financial markets. In the international bond markets, a partial credit guarantee in foreign currency helps an IFC client company establish its own name with international investors and thus assists the client in diversifying its funding sources.

Our risk management services enable clients to access derivatives markets through IFC as an intermediary. With IFC's currency-hedging instruments, our clients can hedge exposure related to foreign currency borrowings. With IFC's interest-rate hedges, clients can transform the nature of their borrowings (for example, fixed rate to floating rate or vice versa). IFC's commodity price-hedging products allow clients to reduce risks related to price volatility. We also provide risk management facilities so that clients can use hedging products for a fixed period of time on a pre-approved basis.

OTHER SERVICES

ADVISORY SERVICES

IFC advisory services are designed to improve the investment climate in member countries and the business practices of companies in which we invest. They play an increasingly important role in the way IFC approaches its investment activities.

We undertake a wide array of financial market advisory assignments, specializing in securities markets and banking and credit institutions. Assignments address areas such as local debt market development and capacity building at financial institutions.

The work of the Private Sector Advisory Services, jointly managed by IFC and the World Bank, covers policy issues, sector advice, and specific transactions. Our activity in this area includes advice on competition policy, structuring of privatization deals, and policy analysis of foreign investment issues.

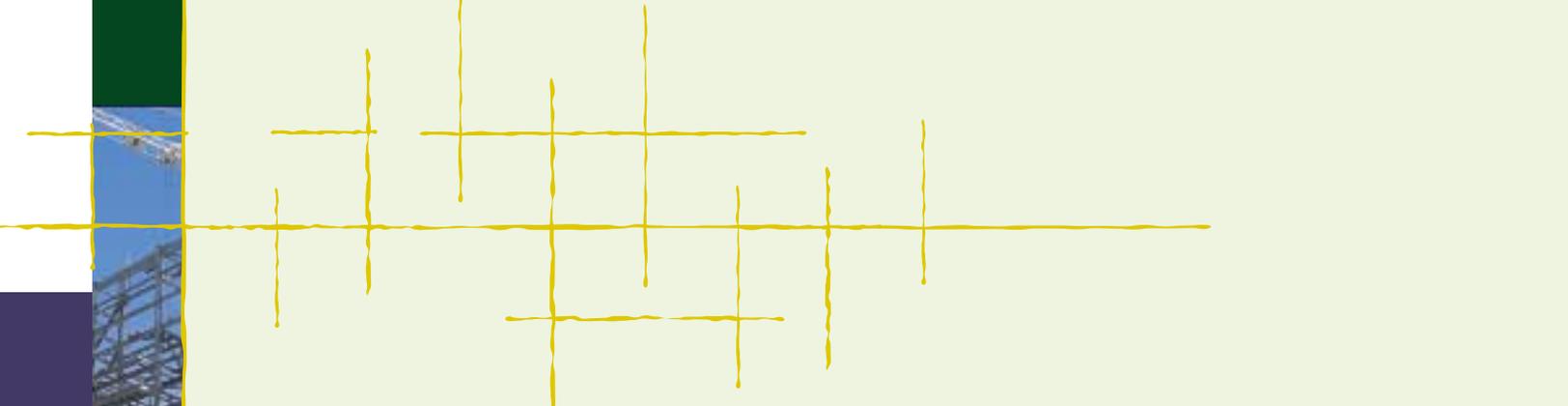
Another newly created and jointly managed unit, the Small and Medium Enterprise Department, focuses on business environment issues, capacity building, and the development of innovative financing techniques. The IFC Corporate Governance program provides advice on practices and policies at IFC investee companies, assistance in addressing country-specific risks, and information on promoting strong corporate governance.

TECHNICAL ASSISTANCE

Technical assistance further complements IFC's investment activities by providing advice and training to governments and private companies. IFC manages special project development facilities that give assistance to small and medium enterprises. IFC also manages the Technical Assistance Trust Funds, which are supported by donor governments. These funds sponsor feasibility and sector studies, training initiatives, environmental and social review of projects, and advisory assignments to governments.

IFC INVESTMENT TOOLS

EQUITY	Direct investment in shares of companies, financial institutions, or project entities.
QUASI-EQUITY	Instruments that incorporate lending and equity features, such as subordinated loans, convertible debt, or preferred shares. They provide risk-return alternatives that lie between those of pure loan and equity investments.
A-LOAN	Senior loan funded with IFC's own resources.
B-LOAN	Participation in an IFC loan sold to other financial institutions.
GUARANTEE	Assumption by IFC of specified portions of a borrower's liability in the event of default.
RISK MANAGEMENT PRODUCTS	Several credit intermediation products, including currency and interest rate swaps, and other hedging instruments.



ADDING VALUE

GOOD BUSINESS THE IFC WAY

The demanding job IFC undertakes is making business opportunities profitable in the world's riskiest and most uncertain markets. In many countries the private sector is undeveloped, local or foreign partners are inexperienced, or business practices fall short of international standards. To address these needs, we tailor our services as the situation demands. We also focus on seeing that natural resources are used to increase national wealth on equitable social terms while maintaining a healthier environment.

We have assembled a staff of 1,951 men and women from 130 countries with the specialist skills necessary to build relationships, appraise financial options, assess technical and environmental obstacles, and work with local communities to structure broadly beneficial transactions for people in developing countries.

When the global investment climate changes, we work to anticipate the needs of our clients and respond resourcefully. We seek to fulfill our role as a pioneer by taking on projects in the most challenging business environments and in largely untapped markets. IFC has the depth and flexibility to deal with the unique challenges and opportunities developing countries face. In reforming and post-privatization environments and sectors of high developmental priority, IFC helps demonstrate the viability of investment by private firms.

Project finance skills and risk management expertise are at the core of our services to clients. We add to our core services in many ways. For some clients we introduce international best practices

that help make their businesses operate and perform in ways they could not have achieved on their own. We can do this through the efforts of our various specialist departments.

We provide advice on good governance and other best practices through technical assistance projects or as part of our investment services. By instituting and following those practices, our clients are better able to attract international investors, who

"IFC TELLS CLIENTS EVERYTHING IT KNOWS TO HELP A COMPANY. AND THAT'S JUST ONE PART OF IT. WE INSIST THAT A CLIENT BECOME A GOOD CORPORATE CITIZEN."

—Mukhtar Gulamhussein,
IFC portfolio officer



LEFT: At headquarters in Washington, D.C., Atul Mehta, Kalim Shah, and Toshiya Masuoka (left to right) discuss Latin American investments and strategy.

BRETON LITTLEHALES (2)

insist that companies recognize lenders' and investors' rights. We also advise governments, stock exchanges, and business associations on ways in which companies can improve their structure and governance.

We make an array of resources available to our clients to improve their project performance. Our staff includes more than two dozen industry specialists who offer technical know-how for investments and focus on new industry sectors and trends.

Many of our projects have little or no environmental or social risks associated with them, but we review all projects and, when necessary, put safeguards in place to ensure that they are environmentally and socially responsible. Our team of more than 40 environmental and social specialists incorporates best practices into our investment activity. We maintain a unit that trains and monitors the financial intermediaries that benefit from IFC investments, and we have a special unit to promote environmentally beneficial investments.

Our strategy for targeting future investments has been reviewed and reinvigorated this year through our

"WHEN WE FIRST OBTAINED FINANCING FROM IFC, THE ENVIRONMENTAL STANDARDS SEEMED LIKE AN OBSTACLE, BUT WE NOW REALIZE THAT THEY HAVE HELPED US TO BUILD A STRONG BUSINESS. IN FIVE YEARS, THERE WILL BE NO ACCESS TO INTERNATIONAL MARKETS FOR COMPANIES THAT DO NOT SHOW RESPECT FOR THE ENVIRONMENT. IT IS BECOMING FUNDAMENTAL TO INTERNATIONAL TRADE."

—Rafael Wong, Executive Vice President, Reybankcorp, Ecuador

Sustainability Initiative. This approach will allow us to make full use of IFC's social and environmental expertise, not only by ensuring compliance with high standards in those areas but also by further advising firms on ways to benefit from improvements in their environmental and social performance.

The additional expertise and experience we bring to projects distinguish the work of IFC for project sponsors, while making our projects a benefit to the countries and local communities affected by them. This is how we demonstrate the value of good business in our developing member countries.

BELOW: The management group providing leadership to IFC and the private sector activities of the World Bank Group consists of Peter Woicke (seated, front), four IFC vice presidents (from left to right) Farida Khambata, Assaad J. Jabre, Dorothy H. Berry, and Carol F. Lee, and Nemat Taaalat Shafik (standing, left), IBRD vice president.



IFC Shareholders: Guiding Activities

The International Finance Corporation's 175 member countries, through a Board of Governors and a Board of Directors, guide our programs and activities. Each country appoints one governor and one alternate. IFC corporate powers are vested in the Board of Governors, which delegates most of its powers to a board of 24 directors. Their voting power on issues brought before them is weighted according to the share capital each director represents.

The directors meet regularly at World Bank Group headquarters in Washington, D.C., where they review and decide on investment projects and oversee general management policies.

Committees advise the Board on management issues. The Audit Committee has a mandate to focus on external and internal audit as well as financial policy issues. The Budget Committee considers certain aspects of business processes, administrative policies, standards, and budget issues. The Committee on Development

Effectiveness monitors and assesses the Bank Group in its effort to reduce poverty. The Personnel Committee reviews and advises on compensation and other significant personnel policy issues.

James D. Wolfensohn is president of each World Bank Group institution—IFC, the International Bank for Reconstruction and Development (IBRD, or the World Bank), the International Development Association (IDA), and the Multilateral Investment Guarantee Agency (MIGA).

Peter Woicke, who assumed the position of executive vice president of IFC in 1999, oversees our day-to-day operations. He is also a managing director of the World Bank. In that role he is charged with the Bank's private sector operations and with formulation of a coordinated private sector development strategy for the World Bank Group.



RICHARD LORD



BRETON LITTLEHALES

TOP: An investment officer discusses a project in Kenya.

BOTTOM: Staff from the Syndications and International Securities Department discuss plans for its annual participants meeting, led by Suellen Lazarus, director.

INVESTMENT, ADVISORY, AND PORTFOLIO AND RISK MANAGEMENT ACTIVITIES

Our core business of investment and advisory activities falls into two areas: operations and portfolio and risk management. The operations side of management oversees new business from origination through the commitment of funds, as well as treasury operations. Those in charge of portfolio and risk management supervise investments including credit review, risk management, monitoring, and trust fund operations. World Bank management for private sector development shares responsibility for special IFC–World Bank departments that were created last year to

broaden the range of policy and investment product options to clients. Those jointly managed departments provide investment, advisory, and portfolio management services.

The Legal Department offers policy-related advice and transactional support to senior management, operational departments, and the financial complex. As the chief legal officer, the vice president and general counsel advises on all issues arising under IFC’s Articles of Agreement and on the conformity of proposed transactions with policies and practices.

“[THE CHAD-CAMEROON PETROLEUM AND PIPELINE DEVELOPMENT PROJECT] IS AN AMBITIOUS ATTEMPT TO SHOW THAT BIG OIL CAN MAKE MONEY WHILE IMPROVING THE LIVES OF THE LOCAL PEOPLE WHERE IT DOES BUSINESS. IT’S THE WAY GLOBAL DEVELOPMENT OUGHT TO WORK.”

—Paul Raeburn, senior writer at *BusinessWeek*, on National Public Radio, April 11, 2001

The terms of the project were developed by the World Bank and IFC. IFC committed \$100 million for its own account and arranged a B-loan of \$100 million for the project in June 2001.

OPERATIONS

We work with clients through our regional and industry departments to finance and advise on projects that are financially viable, socially and environmentally beneficial, and economically sustainable.

At the corporate level our Operations Strategy Group formulates strategic priorities. Our seven regional departments (Central and Eastern Europe, East Asia and the Pacific, Latin America and the Caribbean, Middle East and North Africa, South Asia, Southern Europe and Central Asia, and Sub-Saharan Africa) develop localized strategies for member countries in their region. These strategies assess the relative impact of support-

ing different sectors in many countries and weigh the need for IFC support.

The regional departments work closely with clients, cultivate relationships with governments and the private sector, and coordinate with other parts of the World Bank Group. Each of those departments processes projects in financial markets that help build domestic institutions as well as projects in manufacturing and service businesses. Each regional department has a substantial presence in the field, bringing us closer to clients and enabling us to be more responsive.

We add more than regional perspective to our transactions. We also bring

global sector expertise through our specialized industry departments, including Agribusiness, Infrastructure, and Power. An IFC Social Sectors group seeks opportunities to work with pioneering companies in this area, especially in health and education. Our Private Equity and Investment Funds Department was created in FY01 to handle IFC's extensive portfolio of funds and help carry out related investments in this area. Our Global Financial Markets Department provides leadership for our advisory and investment operations in international financial markets.

Three specialist industry departments are jointly managed with the World Bank: Global Information and Communication Technologies; Mining; and Oil, Gas, and Chemicals. The Small and Medium Enterprise and Private Sector Advisory Services departments are also jointly managed Bank-IFC units supporting our investment activity and offering advisory services. IFC's attorneys and legal assistants collaborate with the regional and industry investment departments to identify and analyze legal and regulatory issues and to structure and negotiate terms of IFC investment.

Through our Treasury Department, we offer clients products that help them

manage business risk, including currency and interest rate swaps and hedging instruments. The same department carries out the market borrowings program and manages a \$13.3 billion liquid asset portfolio as well as the assets and liabilities on our balance sheet. Our lawyers assist in a range of treasury activities, including IFC bond issues, swaps and other derivatives, liquidity management, and securitization transactions.

Lending from our own account is not the only way we serve clients. We can structure transactions in a way that gives other international lenders the risk mitigation they need to provide loans for our clients. The Syndications and International Securities Department mobilizes financing from outside sources, particularly through the syndication of B-loans, underwriting activities, and private placements.

PORTFOLIO AND RISK MANAGEMENT

We use our experience in project finance and financial markets to review credit risks associated with our investments and manage our portfolio of existing investments.

Before investments are made, they are vetted by Credit Review, which establishes standards and maintains independent oversight. The Financial Operations Unit processes and settles all investment and borrowing transactions and payments and manages the settlement and custody of our liquid asset investment and equity investment portfolios.

The Corporate Portfolio and Risk Management Department has developed a comprehensive risk framework and financial policies for our treasury and business activities. It also maintains portfolio monitoring systems and information. The Special Operations Department manages troubled projects, with the objective of improving prospects for recovery.

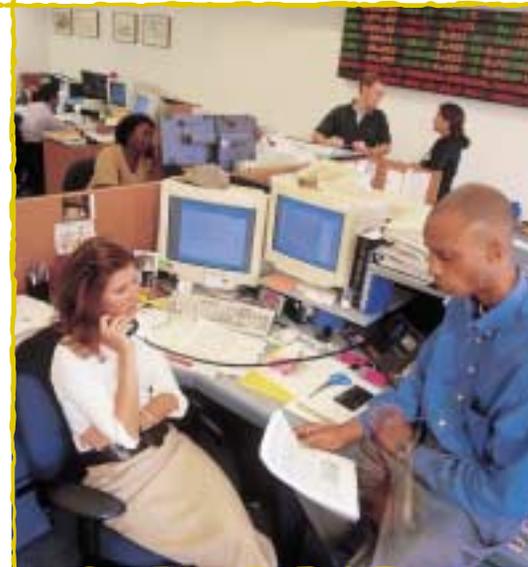
A complete organizational chart and management list can be found in the appendixes.

"THERE ARE MANY COUNTRIES IN THE WORLD WHERE THE IFC UMBRELLA IS ESSENTIAL FOR US. [IN THOSE COUNTRIES] I THINK IT WOULD BE VERY DIFFICULT TO GET A DEAL TOGETHER WITHOUT THE INVOLVEMENT OF A MULTILATERAL INSTITUTION LIKE IFC."

—Martin Wuerth, Director, Global Project Finance, HypoVereinsbank

BELOW: Treasury Department staff in the IFC trading room. The department has taken the lead in applying innovative risk management techniques to help clients compete on a global basis.

BRETON LITTLEHALES



"IFC CREATES A RELATIONSHIP THAT CONTINUES AS LONG AS YOU ARE WITH US. WE HAVE A PROGRAM TO VISIT COMPANIES ON A REGULAR BASIS, AND WE PROVIDE ADVICE AS NEEDED."

—Elijah Chindra, IFC engineer

EVALUATING PERFORMANCE

Evaluation is an integral part of the IFC management process. Investment departments execute self-evaluation reports on a random sample of mature investment projects and all completed technical assistance projects. The independent Operations Evaluation Group verifies the findings. OEG contributes to corporate learning and accountability for results through annual reports and special studies, including country evaluations, sector and thematic evaluations, and process evaluations. The cases below are derived from OEG's latest Annual Review of IFC's Evaluation Findings, which synthesizes performance patterns, draws inferences relevant to strategy, and makes recommendations to management and the Board for improving effectiveness (see p. 72 for a summary of the Annual Review).

REPLICATING SUCCESS

IFC has learned to replicate lessons from successful mature projects. In one case, we financed part of the capital expenditure plan to rehabilitate a recently privatized water and sewerage system, Aguas Argentinas. The project resulted in improved efficiency, lower water rates, and increased access to clean water and sewerage for a large segment of the urban population. Capacity increased 26 percent, resulting in nearly 1 million new water customers and about 400,000 additional sewerage customers in a city of 9.4 million people. Operations became profitable after years of losses and subsidies.

The success of the project illustrated the importance of the commitment and flexibility of government and project sponsors, who ensured in this case a fair and transparent regulatory structure. We learned to look for partners with a long view who accept that the major benefits of a project accrue from profitable operations over time.

We also found that worker cooperation and good labor relations are critical in postprivatization projects. In this case, the company increased average salaries by 40 percent, undertook an intensive training program for employees, designed a voluntary retirement program with worker participation, and developed an employee ownership scheme. The result was a highly motivated, productive, and competitive work force.

LEARNING FROM EXPERIENCE

Since not all projects are successful, we also draw lessons from those with unsatisfactory outcomes. In one such case, we supported the upgrade of meat-processing plants intended to enhance export product quality, expand the domestic product range, and improve hygiene standards. Operationally the project succeeded, but market conditions and a change in management caused it to fail financially.

The company had expected small competitors to go out of business when the government enforced hygiene standards and tax rules. But that failed to happen, while beef consumption declined in export markets.

From this experience, we learned not to underestimate competitors' strengths or the flexibility of small operators in an environment where reforms are untested. We learned how disruptive ownership and management changes can be during a depressed industry cycle. We also learned that we can avoid misunderstandings by better clarifying environmental reporting expectations as part of the project appraisal and investment negotiations.

ENSURING ACCOUNTABILITY

COMPLIANCE ADVISOR/OMBUDSMAN

The Compliance Advisor/Ombudsman promotes better accountability of IFC and MIGA management to people affected by their projects. It is an independent office, reporting directly to the president of the World Bank Group rather than to IFC or MIGA management. Its mandate is to assist people affected by projects by addressing complaints in a fair, objective, and constructive manner and to enhance the social and environmental impact of IFC and MIGA projects.

The CAO carries out its function in three ways: by serving as ombudsman, responding to concerns from outside the organization; by advising on broader environmental and social issues; and by auditing compliance with environmental and social safeguard policies.

In its ombudsman role, the CAO began receiving formal complaints in August 2000. In its first year, it received a total of nine complaints, and accepted seven. Two complaints were rejected. It advised on 17 projects and addressed one project in its compliance role.

Using its flexibility, the CAO seeks to develop mechanisms to resolve complainants' issues and to avoid future problems. This may take the form of negotiations, mediation, or fact-finding involving IFC and MIGA staff, project sponsors, and the affected parties. For example, this year the office made recommendations on the Jordan Gateway project, an industrial estate at the Jordanian-Israeli border. They were provided to the Board of Directors by the president in time for the

Board's decision. These recommendations were incorporated into IFC's agreement with the project sponsor.

This year the CAO also completed its first compliance audit, began a mining sector audit, and completed a guide on compliance audits for IFC staff. In its advisory role the CAO provides informal and formal advice on projects, an activity that does not prejudice the involvement of the CAO in its other roles. This year advisory areas included IFC's Sustainability Initiative and the extractive industries' review of the World Bank Group.

To ensure that the people who need the CAO's services know how to access them, the CAO office is spreading the word. Its operational guidelines are now available in print and electronically in Arabic, Chinese, English, French, Portuguese, Russian, and Spanish. The CAO visited regional hubs and country offices to speak to staff and meet with nongovernmental organizations and other partners.

INDEPENDENT, FLEXIBLE, AND RESPONSIVE

The independence of the CAO office provides opportunities to address accountability in ways that are not strictly part of its mandate.

For example, in June 2000 there was a mercury spill relating to Peru's Minera Yanacocha, in which IFC has a minority stake. IFC is also a senior lender and has mobilized financing from participant banks for this project. The shareholders jointly approached the CAO to request that it manage an independent investigation into the causes of the spill and prepare recommendations on preventing similar incidents. A commission was convened in July, and the CAO published a report in September 2000. The CAO is now monitoring implementation of the commission's recommendations.

Through flexibility and responsiveness to unfolding events, the CAO office is already demonstrating how it can be effective in enhancing the developmental impact of IFC and MIGA.

OPERATIONS

IFC pursued investments this year under challenging circumstances. Private capital flows to emerging markets continued to be depressed in FY 2001 despite stronger growth in many of the countries that are recovering from the 1997–98 financial crisis. Since then, private debt flows have declined to below 1992 levels, an indication of investors' low appetite for risk in today's financial marketplace. Today's lenders tend to be short-term oriented and concentrated on large, well-established businesses.

Demand for IFC's services remains high under these conditions; yet we need to focus our resources where we can add the most value for our clients and promote the strongest development impact. Our strategic directions approved by the Board put an emphasis on frontier markets, priority sectors, and innovation in structuring products otherwise unavailable to meet the special needs of our clients.

Our activities in frontier markets consist of working with clients in countries that either are considered high risk by commercial investors or have low income per capita. In those markets, IFC has a special role in promoting private sector investment. Priority investment sectors consist of finan-

cial services, infrastructure, information and communications technologies, small and medium enterprises, and social services such as health and education. Our innovation during the year led to path-breaking transactions for our clients in areas ranging from local currency financing and partial credit guarantees to student loan financing, distressed debt buyouts, and corporate-linked financing of small and medium businesses.

In FY01, over 40 percent of the investments for our own account were in low-income or high-risk countries and over 70 percent in our priority sectors. We committed funds for the first time to projects in Armenia, Chad, Saudi Arabia, and the Syrian Arab Republic.



FRANK AJILORE



RIGHT: Nigeria's micro, small, and medium enterprises are benefiting from IFC's new Support and Training Partnership Program.

IFC OPERATIONS AND RESOURCES, FY 1997-2001

For the year ending June 30 (Millions of U.S. Dollars)

	FY97	FY98	FY99	FY00	FY01
OPERATIONS					
Investment commitments					
Number of projects [†]	-	-	228	210	205
Total commitments signed** \$	5,558	5,138	3,688	3,909	3,931
For IFC's own account**	2,402	2,699	2,890	2,379	2,732
Held for others	3,156	2,439	798	1,530	1,199
Investment approvals					
Number of projects	276	304	255	259	240
Total financing approved*** \$	6,722	5,905	5,280	5,846	5,357
For IFC's own account***	3,317	3,412	3,505	3,505	3,742
Held for others	3,405	2,493	1,775	2,341	1,615
Total project costs	17,945	15,726	15,578	21,136	16,427
Investment disbursements					
Total financing disbursed \$	5,110	4,291	3,296	3,307	2,370
For IFC's own account	2,003	2,054	2,102	2,210	1,535
Held for others	3,107	2,237	1,194	1,097	835
Committed portfolio*					
Number of firms	1,046	1,138	1,280	1,333	1,378
Total committed portfolio** \$	18,992	20,608	21,685	22,168	21,851
For IFC's own account**	10,512	11,448	13,364	13,962	14,321
Held for others	8,471	9,160	8,321	8,206	7,530

RESOURCES AND INCOME

(Millions of U.S. Dollars)

	FY97	FY98	FY99	FY00	FY01
Capitalization					
Borrowings	\$ 10,123	11,162	12,429	14,919	15,457
Paid-in capital	2,229	2,337	2,350	2,358	2,360
Retained earnings	2,503	2,749	2,998	3,378	3,723
Operating income	432	212	249	380	241
Net income	\$ 432	246	249	380	345

[†] Includes first commitment to projects in the fiscal year. Projects involving financing to more than one company are counted as one commitment. Figures maintained for commitments prior to FY99 do not compare.

* Total committed portfolio and held for others include securitized loans.

** Includes loan guarantees and risk management products for FY99-01

*** Includes loan guarantees and risk management products for FY97-01

Note: Certain prior period amounts have been reclassified to conform to current period presentation.

BALANCE SHEET HIGHLIGHTS

As of June 30 (Millions of U.S. Dollars)

	1997	1998	1999	2000	2001
ASSETS					
Liquid assets, <i>excluding derivatives</i>	8,748	10,747	11,369	13,740	14,581
Investments	8,423	8,976	10,039	10,940	10,909
Reserve against losses	-1,076	-1,522	-1,825	-1,973	-2,213
Net investments	7,347	7,454	8,214	8,967	8,696
Derivative assets	11,400	11,944	12,290	14,224	1,143
Receivables and other assets	1,480	1,476	1,583	1,788	1,750
Total assets	28,975	31,621	33,456	38,719	26,170
LIABILITIES					
Borrowings outstanding	10,123	11,162	12,430	14,919	15,457
Derivative liabilities	12,181	12,678	13,011	14,990	1,768
Payables and other liabilities	1,934	2,697	2,671	3,077	2,850
Total liabilities	24,238	26,537	28,112	32,986	20,075
CAPITAL					
Capital stock	2,229	2,337	2,350	2,358	2,360
Retained earnings	2,503	2,749	2,998	3,378	3,723
Other	5	-2	-4	-3	12
Total capital	4,737	5,084	5,344	5,733	6,095

Note: As a result of the adoption of new accounting standards on derivatives and hedging in FY01, with respect to investments, borrowings, and derivative assets and liabilities, the FY01 balance sheet is not comparable with prior fiscal year-end balance sheets

INCOME STATEMENT HIGHLIGHTS

For the year ending June 30 (Millions of U.S. Dollars)

	FY97	FY98	FY99	FY00	FY01
Interest and financial fees from loans	580	583	607	694	715
Interest from time deposits and securities	412	537	547	634	790
Charges on borrowings	-536	-651	-670	-812	-961
Net interest income	456	469	484	516	544
Net gains and losses on trading activities	-1	13	-15	-38	87
Income from equity investments	344	314	265	262	222
Provision for losses on investments and guarantees	-266	-481	-333	-215	-402
Net noninterest expense	-101	-103	-152	-145	-210
Operating income	432	212	249	380	241
Other unrealized gains and losses on financial instruments	-	-	-	-	11
Cumulative effect of change in accounting principle	-	34	-	-	93
Net income	432	246	249	380	345

Supporting Smaller Businesses through the Financial Sector

Micro, small, and medium enterprises are the lifeblood of developing economies, creating jobs and opportunities that are otherwise scarce. But entrepreneurs lack access to formal financial intermediaries. They are instead limited to their own savings or less reliable sources of capital.

Reversing the trend where banks and other lenders view small business as a high-risk, low-return proposition would bring many development benefits and is a top priority for the new Small and Medium Enterprise Department, jointly managed by IFC and the World Bank. This group is assisting smaller businesses as well as local financial institutions in becoming more competitive. One of its key

initiatives is in South Africa, where a project facility is helping build regional small business investment funds related to the Johannesburg-based Khula Enterprise Fund.

As part of our financial sector focus aimed at small and medium enterprises, this year we launched a global initiative in e-finance, adapting proven lending techniques that revolutionized the U.S. market for small business credit in the 1990s. Better technology makes lending to small businesses more manageable and affordable for banks.

Cameroon: Meeting Electricity Needs

Cameroon's state electrical utility company was bordering on bankruptcy. Société Nationale d'Electricité (SONEL) had seen customer service tariffs fall in real terms because of devaluation and faced losses of 30 percent of revenue. In addition, SONEL's debt had reached the point where it was unable to service loans.

SONEL needed to make considerable investments to meet expected annual demand increases of 5 percent over the next 20 years. The government of Cameroon decided to sell a majority stake to a strategic partner.

IFC was asked by the government to advise it on reform of the electricity sector and the privatization of SONEL to improve the quality and coverage of electricity provision. We advised on a new legal and regulatory framework that established a regulatory agency and a rural electrification entity and defined the privatization strategy. We conducted a \$90 million restructuring to improve the company's financial situation, marketed the transaction to investors, and handled the negotiations and bidding process needed to close the transaction.

Since that time, SONEL has been recapitalized and its financial situation strengthened. The reform of the sector will lead to the quadrupling of subscribers and approximately \$1.5 billion of investment in the electricity sector over the next 20 years.

Even as demand for our traditional project financing activities remains strong, our new credit enhancement products helped some of our clients attract long-term financing from new classes of investors, including local and foreign institutions, which had previously been out of their reach. Our committed local currency and partial credit guarantee products this year amounted to \$547 million, up from only \$3.8 million in FY00.

Direct investment in small and medium enterprises was deemphasized this year in favor of mobilization and

intermediary investment that can create models to leverage our resources more effectively (see box, p. 31). This year we committed or approved support for small and medium enterprises through corporate-linked transactions in Argentina, Kazakhstan, Mozambique, and Nigeria. Through credit lines and other loans to banks in Africa, Asia, Europe, Latin America, and the Middle East, we supported lending to small and medium enterprises. Specific transactions are highlighted in our regional reports beginning on page 36.

INVESTMENT OPERATIONS

IFC signed gross investment commitments of \$3.9 billion for 205 projects in FY 2001, of which \$1.2 billion was mobilized through loan syndications, compared with \$3.9 billion in IFC commitments, of which \$1.5 billion were syndications for FY00. IFC provides a range of products and services for clients, including debt, equity, guarantees, and risk management products that are funded through IFC's own financial resources. During FY01, IFC signed investment commitments for its own account of \$2.7 billion, which included \$386 million in equity investments, \$251 million in quasi-equity, \$1.5 billion in loan agreements, and \$570 million in guarantees and risk management products. Based on expected project costs, each dollar committed by IFC to projects in FY01 will result in an additional \$5.47 of private sector investment.

Investment disbursements amounted to \$2.4 billion in FY01, compared with \$3.3 billion in FY00. A total of 240 projects were approved in 75 countries in FY01, compared with 259 projects in 81 countries in FY00. Five-year data on investment approvals, commitments, and disbursements appear on page 31. Investment projects are further detailed in the regional sections and listed in our project tables in the Annual Review section.

Mobilization and Risk Management

Loan syndications

In high-volatility markets, where lenders were reluctant to support projects in sectors and countries perceived as especially risky, our ability to mobilize financing from the private sector played a critical role. The comfort of the IFC "umbrella"—which offers preferred access to foreign exchange and exemption from mandatory provisioning—can play an important part in lenders' risk mitigation strategies.

To increase the long-term project finance available to private companies in emerging markets, we encourage lenders—through participation in an IFC-led transaction—to make long-term loans to borrowers who face limited access to funding, often at tenors well beyond those available in the market at the time. The average maturity of loan syndications this year was 10 years, compared with seven years in FY00. Reaching this level was a breakthrough in a market environment where tenors were coming down in general.

Signings of new B-loans in FY01 totaled \$1.2 billion for 24 projects, compared with \$1.5 billion in FY00. This decline is due to difficult market conditions combined with our greater focus on riskier sectors and countries.

For the first time, the Middle East and North Africa represented the largest volume of business for IFC syndications. We syndicated large transactions for a cellular phone company in Morocco and for two power projects in Egypt—Suez Gulf and Port Said East (see box, p. 62). In another milestone, we mobilized a significant volume of new syndications in Sub-Saharan Africa, where our signed deals included loans to support the Chad-Cameroon Petroleum Development and Pipeline Project and the expansion of Ghana Telecom.

IFC's syndicated loan portfolio as of June 30, 2001, was \$7.5 billion in 266 projects. Our Syndication Department's B-Loan Management Division administers B-loans and coordinates activity with participants.

Securities underwriting and placement

IFC helps private companies in developing countries raise long-term investment capital from international markets. Recognizing the special characteristics of issuers from each of these countries, we help organize appropriate structures and develop suitable placement strategies targeting investors with a long-term perspective and the ability to assess emerging market risks.

We guide clients through the legal, accounting, and financial disclosure requirements of the markets and help them understand the offering process. Our transactions are completed according to international standards and practices and are designed to have a strong demonstration effect to attract long-term capital to economically and environmentally sustainable investments in developing countries. In public issues, we help ensure broad distribution and support the development of an active secondary market and continuing research by market intermediaries.

During FY01, we advised and assisted businesses and funds directing investments toward countries such as Brazil, Egypt, India, Kazakhstan, Russia, and Thailand and sectors such as banking, chemicals, construction, and aviation.

Risk management services

Companies and banks in developed markets use risk management instruments, such as interest rate or currency swaps, to unbundle financial risks and manage them more effectively. Such products can help companies better match assets and liabilities through hedging and decrease vulnerability to unfavorable movements in interest rates, currencies, and commodity prices. These risk management instruments are often not available to emerging market entities because of credit risk.

Since 1990, IFC's client risk management program has helped clients compete more effectively on a global basis. The program plays a developmental role by advising emerging market companies on risk management techniques. IFC also enhances the long-term creditworthiness of its private sector clients by enabling them to enter into risk management hedging transactions that reduce their exposure to interest rate, currency, and commodity price risks.

During the past 11 years, IFC's Board has approved 98 risk management projects, which represent a loan-equivalent exposure of over \$500 million for clients in 38 countries. Transactions have been conducted with clients to hedge a notional amount of over \$1.9 billion. (The potential exposure or future risk of these transactions is a fraction of the notional amount, estimated by using option valuation techniques.)

In FY01, the Corporation signed three risk management projects and approved eight. We executed agreements with Bolivian company Caja Los Andes, Indonesia's PT Indorama Synthetics, and Kipevu Power in Kenya. An innovative project in Mexico was approved that would allow a utility company, Compañía Tratadora de Aguas Negras de Puerto Vallarta, to synthetically transform its existing dollar-denominated liabilities into Mexican peso-denominated liabilities and thus match the currency in which it receives revenues.

MARK FALLANDER



ABOVE: Maisky Chai, a mini-bakery in Moscow, prepares bread in an oven leased through assistance from the Private Enterprise Partnership. The partnership is working with this and other small and medium enterprises to increase access to finance.

South Africa: Beneficial Park Development

South African National Parks maintains and develops the natural habitats like Kruger National Park for which the country is famous. In response to budgetary needs, its board decided to privatize many tourism services to generate revenue and reduce costs. Given the environmental, social, and commercial sensitivity of this program, IFC was asked to advise on its implementation.

We helped draft strict environmental guidelines within which the private concessionaires would operate. Designing the bidding to reward proposals that would empower those previously disadvantaged by apartheid was vital, given the legacy of that system.

The process was clear and transparent, accomplished through national and local meetings, newspaper and television features, and the Web publication of all contractual documents. Average black shareholding among the winning bidders was 54 percent, while all winners agreed to a formal schedule of training and affirmative action in employment.

The present value of anticipated income for SANP for the next 20 years is around \$40 million, and hundreds of jobs will be created under the plan. The process devised for SANP offers a model for national park development and rehabilitation in the region. Future development is planned to result in additional ecologically friendly lodges as well as shops and restaurants in the SANP system.

Risk management products are offered to IFC customers solely for hedging purposes and not for speculation. IFC hedges its own market risk on these transactions and monitors the current exposure of the transactions regularly in line with market practice.

Small and Medium Enterprises

The Small and Medium Enterprise (SME) Department, jointly managed by IFC and the World Bank, completed its first full year of operations in FY01. The department follows a four-part strategy to improve the business environment, build access to capital, provide support services, and advance information technology.

The SME Department coordinates the activities of project development facilities, which assist small business development. These include the Africa Project Development Facility, the Mekong Project Development Facility, and the South Pacific Project Facility. IFC's newest small and medium enterprise initiative, Southeast Europe Enterprise Development, provides a key on-the-ground presence to carry out this work, while also helping smaller businesses in Bosnia and Kosovo, FYR Macedonia, and Albania improve their performance and raise new financing.

This year in Bosnia and Herzegovina, a country with 60 percent unemployment and an unfriendly business environment for entrepreneurs, the SME Department coordinated IFC and World Bank efforts to help the government address pressing constraints, drawing on priority needs identified by local business associations. Working groups have been set up to focus on business operations, financing, and the legal framework.

Financial Sector Advisory Services

In FY 2001, 117 advisory assignments in more than 50 countries and regions received some \$17 million in active funds.

LEFT: South Africa is endowed with beautiful national parks.

Banking assignments in support of small and medium enterprises are increasingly taking a long-term, comprehensive approach to building institutional capacity as a condition of securing IFC financing. This year we worked on such projects in Georgia, Kazakhstan, Moldova, Romania, Russia, Tajikistan, and Uzbekistan.

We helped establish or scale up commercial microfinance institutions in Chad, the Kyrgyz Republic, and Mongolia, as well as in countries in Latin America and the Caribbean; we undertook credit-scoring initiatives in Africa and India and e-finance projects in Hungary and India; and we piloted new solutions for rural finance in China and Mongolia.

Other innovative advisory assignments are underway on the development of secondary mortgage markets (Czech Republic, India, Korea, Poland, Russia, Slovakia, Ukraine); structured finance (India, Korea, South Africa); and biometric technology (global). Leasing, legal, and regulatory market assessments continued to expand in frontier countries (Cambodia, Maldives, Mongolia, Nepal); insurance and pension advisories were initiated in Albania, China, Kazakhstan, Madagascar, and Romania.

Private Sector Advisory Services

Last year IFC and World Bank advisory services were integrated into the Private Sector Advisory Services (PSAS). The jointly managed department provides advice to governments and enterprises on policy, transaction implementation, and foreign direct investment. Its specialist areas include advice on infrastructure transactions and foreign investment and basic sectors like health and education. In cases where IFC is asked to make an investment in an enterprise receiving PSAS advice, the investment and advisory roles are managed carefully to address conflict of interest issues.

Privatization

Private Sector Advisory Services advises governments and state-owned enter-



prises on privatization transactions and projects that are commercially viable, environmentally and socially responsible, and meet sound economic objectives. PSAS provides more than transaction support, also advising on policy and transparency issues.

This year PSAS focused on transactions where we could add value and attract commercial funds and on development of our activities in eastern Europe and southern Africa. We also completed the successful privatization of Société Nationale d'Electricité in Cameroon (see box, p. 32); Mauritel, the telecommunications operator serving Mauritania (see box, p. 15); and the first transshipment hub terminal in northeastern Brazil, in the Port of Suape. As part of a long-term program, we also advised South African National Parks (see box, p. 34).

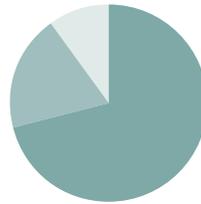
Foreign investment

The Foreign Investment Advisory Service helps governments design policies and institutions to attract foreign direct investment (FDI) and obtain the most benefit from it. Jointly operated by IFC and IBRD and further supported by funds from donor countries, FIAS works only at the request of client governments. Since its founding in 1985, FIAS has assisted nearly 120 countries.

DONOR-SUPPORTED TECHNICAL ASSISTANCE

As of June 30, 2001

Total: \$582 million



Cumulative contributions to IFC-managed technical assistance programs reached \$582 million, compared with a cumulative total of \$525 million at the end of FY00.

* Includes Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, India, Ireland, Israel, Italy, Japan, Luxembourg, Mexico, Netherlands, New Zealand, Norway, Poland, Portugal, Slovenia, Spain, Sweden, Switzerland, United Kingdom, and United States.

† Includes International Bank for Reconstruction and Development, International Finance Corporation, and Multilateral Investment Guarantee Agency.

†† Includes African Development Bank, European Bank for Reconstruction and Development, European Community, Inter-American Development Bank, Asian Development Bank, and United Nations Development Programme.

FIAS completed 48 advisory projects in FY 2001, with the largest programs in Africa (14), Asia and the Pacific (14 including six in the Pacific), and Europe (11). First-time clients were in Albania, Bhutan, East Timor, Nigeria, and São Tomé and Príncipe. Ten projects dealt with reviewing the legal framework for FDI, nine with reducing the administrative barriers to FDI, and five with diagnosing and identifying a country's main policy impediments to attracting productive FDI. FIAS conducted six regional projects for groups of countries to coordinate their FDI strategies and investment promotion activities.



FRANK AJILORE

ABOVE: The Support and Training Entrepreneurial Program helps clients like this one build their businesses in Nigeria.

Donor-supported Technical Assistance

Donor countries and institutions, including the World Bank Group, support various technical assistance programs which IFC administers. The Technical Assistance Trust Funds (TATF) program, for example, finances various feasibility and prefeasibility studies and projects to advise on privatization, policies to strengthen the business environment in developing countries, social impacts of investment projects, capacity-building programs, and corporate governance practices.

In FY 2001, for example, TATF funded a leasing sector study in Central Asia, sponsored a study of Internet service provision for "smart schools" in Egypt, and undertook a comprehensive study for an innovative, private sector-led reform of San Salvador's bus system. It also helped improve the environmental and social regulatory, man-

agement, and monitoring framework for the mining sector in Lao PDR and helped develop rural electrification projects in Uganda.

Through FY01, the donor community provided cumulative contributions of \$137 million to support the TATF program, which includes a budgeting allocation from IFC's own resources totaling \$6.7 million to date. Since the inception of the program in 1988, donors have approved more than 1,000 technical assistance projects. Other funds provided by donors allow for assistance through project facilities and additional programs, including some work carried out by the Foreign Investment Advisory Service.

SUB-SAHARAN AFRICA

Meeting challenges with innovation

The environment for private sector investment remains difficult in Sub-Saharan Africa. Under such circumstances, IFC must find innovative ways to support the private sector's contribution to development. Despite economic challenges, we were able to support private sector business opportunities in the region, especially focusing on the financial sector, infrastructure projects, small and medium enterprises, and tourism businesses.

Angola	Liberia
Benin	Madagascar
Botswana	Malawi
Burkina Faso	Mali
Burundi	Mauritania
Cameroon	Mauritius
Cape Verde	Mozambique
Central African Republic	Namibia
Chad	Niger
Comoros	Nigeria
Democratic Republic of the Congo	Rwanda
Republic of Congo	Senegal
Côte d'Ivoire	Seychelles
Djibouti	Sierra Leone
Equatorial Guinea	Somalia
Eritrea	South Africa
Ethiopia	Sudan
Gabon	Swaziland
The Gambia	Tanzania
Ghana	Togo
Guinea	Uganda
Guinea-Bissau	Zambia
Kenya	Zimbabwe
Lesotho	

PROJECT FINANCING AND PORTFOLIO

Millions of U.S. Dollars

	FY00†	FY01
Financing committed for IFC's account	321	482
Loans	162	361
Equity and quasi-equity*	155	32
Loan guarantees and risk management	4	89
Loan syndications	24	160
TOTAL COMMITMENTS SIGNED	345	642
Committed portfolio for IFC's account	1,251	1,525
Loans	822	997
Equity	410	424
Loan guarantees and risk management	19	104
Committed portfolio held for others (loan participations)	243	301
TOTAL COMMITTED PORTFOLIO	1,494	1,826
Financing approved for IFC's account	765	400
Loans**	675	268
Equity and quasi-equity*	90	132
Loan syndications and underwriting	483	40
TOTAL FINANCING APPROVED	1,248	440

*Includes loan and equity-type, quasi-equity investments

**Includes loan guarantees and risk management

†Revised FY00 figures show committed guarantee and risk management products

ENRIQUE DOMENGE



RIGHT: Families in southern Madagascar benefit from an IFC project for which their village provides supplies.

Africa's economic growth rate of 2.7 percent in calendar year 2000, although up from 2.1 percent in 1999, still falls short of the level needed to reduce poverty, and barely kept pace with population growth. With the exception of a small number of oil-exporting nations, terms of trade continued to deteriorate. Many countries were caught in a double bind, as prices for imported oil rose while prices for major commodity exports fell. Meanwhile, Africa remains largely isolated from the approximately \$180 billion foreign direct investment flows to emerging markets. Foreign direct investment had increased in 1999 to \$9.5 billion, but it decreased to \$7.3 billion in 2000.

There was progress this year in ending conflicts that have inhibited development, such as a cessation of hostilities between Ethiopia and Eritrea and movement toward peace in Sierra Leone. Yet conflict and instability remain the major constraints to economic development in Africa, and some of Africa's conflicts have proven stubbornly resistant to resolution. Meanwhile, the AIDS epidemic is taking an especially heavy toll on those infected and their families and challenges economic and social development efforts.

Although many governments have initiated important reforms to encourage private sector development, the impact has been muted by incomplete implementation, poor governance, and lack of capacity in government. A harsh investment climate combined with inadequate and poorly managed infrastructure is especially unforgiving to small and medium enterprises, which lack the resources to deal with such business challenges.

IFC strategy and financing

The poor environment for private business, weak international capital flows, high perceived risks, and a difficult enabling environment make IFC's role more important than ever in Sub-Saharan Africa: the projects IFC finances account for about 10 percent of all private investment in the region.

During FY 2001, our new investment commitments increased from the levels of the previous two years to \$642 million. Loan syndications were \$160 million, a considerable increase during the year that made it possible for IFC to complete large infrastructure project financings for the region. Such syndications have an important demonstration effect in introducing new lenders to

BELOW: Giraffes reside in the Tarangire National Park. The Boundary Hill project preserves an important migratory corridor for other wildlife.

Tanzania: Villagers Become Shareholders

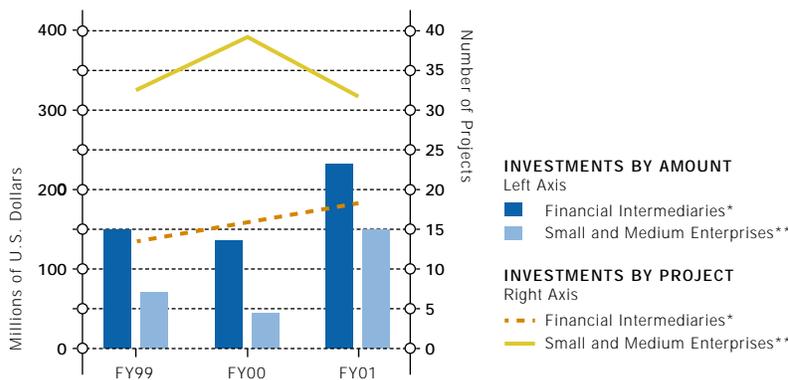
In an ecotourism project in Tanzania, IFC provided an innovative structure for a transaction that benefits a local tribe and wildlife in the region in many ways.

Boundary Hill in northern Tanzania is a 16-bed, upscale lodge within a 35,000-acre private game reserve. The project we financed provides equity in the hotel to the local Maasai villagers. The King family, the other partner, is an established tour operator with long ties to the community. The Maasai village of Lolkisale has leased its land for the private game reserve, which will protect an important migratory corridor and animal habitat adjacent to the Tarangire National Park.

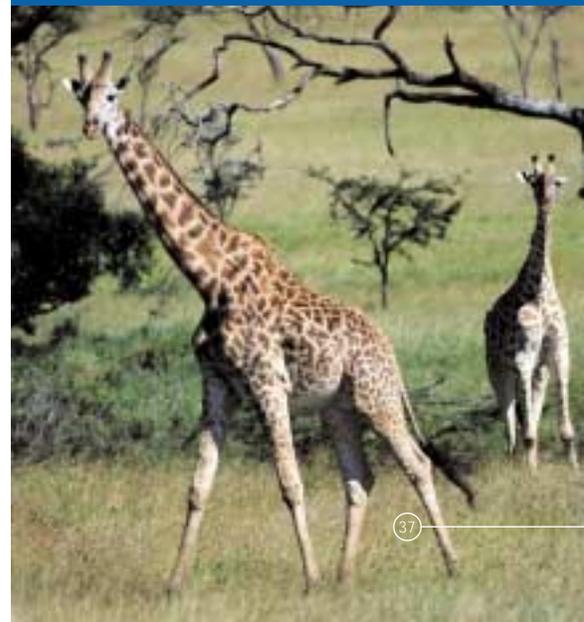
We supported the project with a loan for our account, complemented by another from the IFC-administered Global Environment Facility. We also secured trust funds to cover part of the costs of the environmental and social assessment. We performed rigorous due diligence on the environmental and social impacts to ensure that the villagers were getting a fair result, to validate to wildlife preservationists the contribution of the private reserve, and to confirm the financial soundness of the project. The project demonstrates that the strictest application of IFC standards adds substantial value to private investments and helps a community participate fully in the development process.

FINANCIAL SECTOR AND SME INVESTMENTS

Sub-Saharan Africa, Commitments

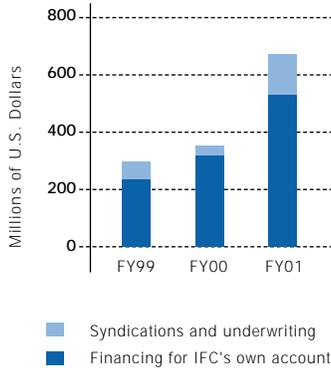


Investments include guarantees and risk management products
 *Includes investments in financial and insurance companies as well as collective investment vehicles
 **Includes investment assistance to micro, small, and medium enterprises. Investments include all industry sectors, including financial sector.



COMMITMENTS

Sub-Saharan Africa



PROJECTS AND COUNTRIES

Sub-Saharan Africa

COMMITMENTS	FY00	FY01
Number of Projects	65	51
Number of Countries	23	23

APPROVALS	FY00	FY01
Number of Projects	80	45
Number of Countries	25	17

the region. The committed portfolio increased to \$1.8 billion. Portfolio performance, however, was hampered by the need for provisioning against adverse stock market movements and losses arising from economic crises in Zimbabwe and Côte d'Ivoire.

Our strategy, first developed in 1998, emphasizes three areas: building the financial sector, expanding the private provision of infrastructure, and supporting indigenous entrepreneurship. In addition, IFC supports projects with high development impacts, tailoring priorities to individual countries.

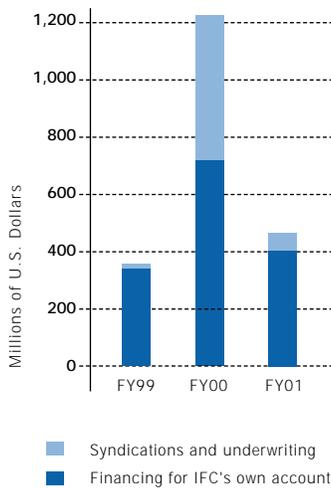
Building the financial sector

Our work in the financial sector continues to be the largest single area for IFC financing. We signed 18 investment transactions for a total of \$235 million during FY 2001. In Ghana we supported the establishment of Ghana Microcredit Corporation and Enterprise Life Assurance Company. In Cameroon and Tanzania we made equity investments to assist the privatization of major commercial banks.

In Nigeria, we made term credit facilities available to five leading commercial banks to help them meet investment demand and the private sector revitalization occurring as a result of new policies (see box, p. 41). We invested or plan to invest in Equipbail Mali and Banco Internacional de Moçambique-Leasing. We also provided support to Banco de Microfinanças de Moçambique, a new microfinance institution. We helped

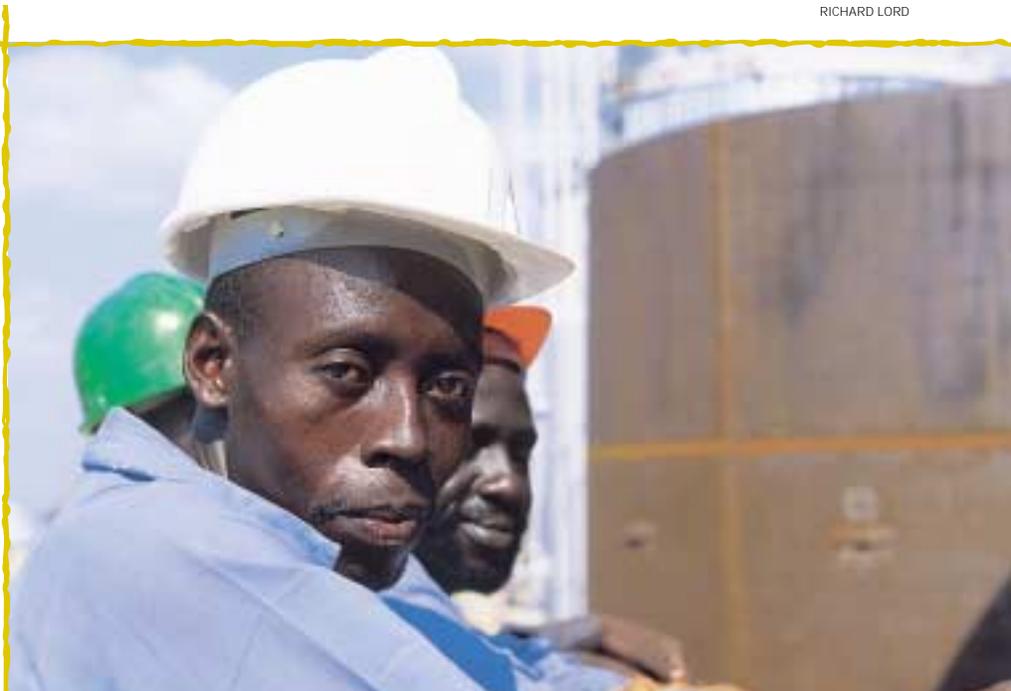
APPROVALS

Sub-Saharan Africa



RICHARD LORD

RIGHT: The Kipevu Power project in Mombasa, Kenya. IFC provided a risk management product so the company could better manage assets and liabilities.





ROBERT GROSSMAN

ABOVE: IFC supports agribusiness throughout Sub-Saharan Africa.

establish Intermarket Discount House in Malawi and Nedbank Investment Bank in Namibia. We provided technical assistance and capacity-building projects, including training to West African commercial banks on-lending to small businesses. We supported studies on the regulatory framework for microfinance in West Africa and on the development of stock markets in Seychelles and Uganda. We also completed a study analyzing debt markets in West Africa.

Promoting infrastructure

The pace of IFC investment in private infrastructure is growing slowly, but we still play a key role, finding opportunities to support transactions where commercial lenders are unavailable or seek IFC's ability to provide a high level of social and environmental impact review. We completed a major financing for Ghana Telecommunications, the partially privatized national operator (see box, right). IFC also supported

the expansion of cellular operators in Rwanda and Uganda as well as regionally through our investment in Mobile Systems International Cellular Investments Holdings, which has licenses throughout Africa. In Togo, we financed Centre d'Assistance de Formation et d'Etudes-Informatique, the first private Internet service provider, in the expansion of its network and services. IFC successfully completed advisory mandates with Mauritania to privatize the national telephone utility and with Cameroon on the privatization of the national electricity distribution utility. The financing of the Chad-Cameroon Petroleum and Pipeline Development includes mobilization of further investments in roads, bridges, and other infrastructure upgrades.

Assisting entrepreneurs and smaller businesses

In support of indigenous entrepreneurship we are doing less direct financing of smaller investments and providing more assistance for the creation and building of intermediaries to provide capital,

Ghana: Expanding Telephone Service

Ghana Telecommunications was partially privatized in 1997 with the assistance of the World Bank. Telekom Malaysia bought a strategic stake and then reorganized the company and streamlined operations.

Now Ghana Telecom is prepared to extend service to new communities, add capacity, and improve the quality of international services through a \$216 million investment program. These activities represent the fulfillment of Telekom Malaysia's purchase commitment to the government. The fixed-line network will grow by 145,000 lines, and the network will be digitized. A nationwide cellular network will reach 97 towns and provide capacity for at least 70,000 subscribers, many with no previous telephone access. Investment will also be used to link to a new submarine cable extending from Europe to South Africa.

We helped finance the expansion with a \$40 million loan for our own account and arranged a commercial bank loan syndication of another \$60 million. Such a large-scale project in Ghana was not feasible with the domestic financing that the company had originally envisaged. IFC financing was key to mobilizing international banks. IFC worked with the government, Ghana Telecom, other telecommunications companies, and the World Bank to strengthen the new regulatory commission and resolve other issues that had limited private participation and competition. Our participation in this transaction demonstrated support for the private sector approach to telecom development. The result is a rapidly expanding sector bringing new or better service to Ghanaians.



RICHARD LORD



ABOVE LEFT: IFC financed Nairobi's Landmark Hotel, which provides jobs, training, and skills.

ABOVE RIGHT: An IFC client provided a microenterprise loan for this family business.

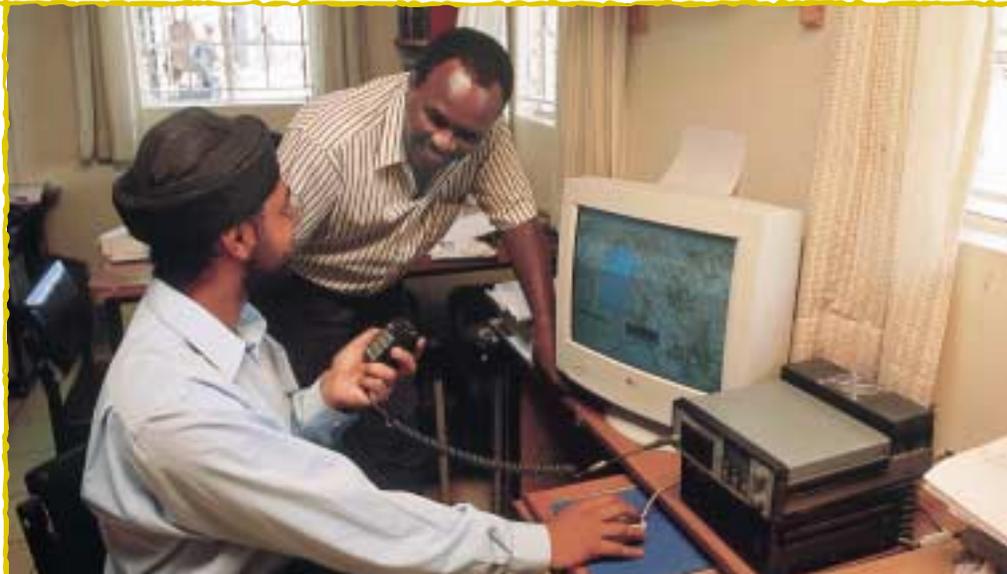
technical expertise, and other services. The goal of this change in strategy is to reach a larger number of small and medium businesses more effectively.

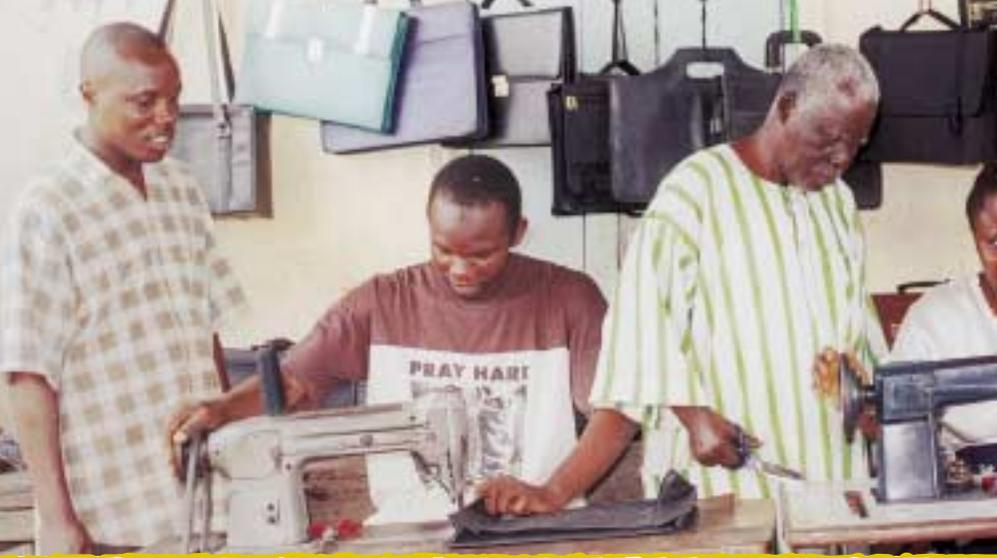
In South Africa, we financed Tusk Project Management, a firm making contract management services and working capital available to small construction companies. In Chad and Cameroon we worked with the oil pipeline construction firm to identify opportunities for local sourcing and provided training by the Africa Project Development Facility through chambers of commerce to enhance the capacity of local firms to bid on construction and supply contracts.

Other high-impact projects

In the extractive sectors, we gave support to major development projects. The agreement for financing the Chad-Cameroon oil pipeline project was signed, with IFC leading coordination among a large number of financial institutions. IFC's investment demonstrates how a joint World Bank-IFC approach can provide a comprehensive structure for poverty reduction. The Bank's participation provides low-interest loans to support institution building by governments in both countries and management of petroleum revenues in Chad. The World Bank is financing the two governments' purchases of equity interests in the pipeline.

RIGHT: Kenya-based Multiple Haulers, which received IFC financing, maintains a sophisticated computer system for tracking its fleet of trucks.





FRANK AJILORE

LEFT: An IFC capacity-building initiative provides assistance to these bagmakers in Nigeria.

BELOW: A vegetable exporter that IFC has worked to support generates jobs and foreign exchange in Kenya.

We financed an oil trade facility to expand the capacity of African and international banks to handle oil exports. As the Mozal aluminum smelter came on stream in Mozambique, we committed to financing a doubling of its capacity, making it one of the largest and lowest-cost aluminum producers in the world (see p. 14).

Tourism is also a major sector for IFC in Africa, where we committed or approved financing for 12 hotel projects. Notable ones included the Spier Hotel and related tourism facilities in South Africa, small-scale game lodges in Tanzania (see box, p. 37) and Botswana, and expansion of regional game lodges

and hotels. We completed the first phase of our advisory project on concessions in national parks in South Africa (see box, p. 34).

Manufacturing and agribusiness projects included a horticulture exporter in Burundi, a textile and clothing manufacturer in Madagascar, and a cement manufacturer in Ghana that brings new competition and lower prices to the market. We also financed a health clinic in Côte d'Ivoire and a fire safety training center in Nigeria. We began or made progress toward the financing of secondary schools in Cameroon, Ghana, Guinea, and Uganda.



RICHARD LORD

Nigeria: Financing Resurgence

The return of civilian government and probusiness policies in 1999 prompted many Nigerian companies to rehabilitate and upgrade their operations. Local banks, accustomed to short-term lending, have been unable to meet the new longer-term loan demands of their customers.

IFC has worked closely with Nigerian banks to ensure that they have sources for medium-term lending. This fiscal year we committed \$122.5 million in credit facilities to four Nigerian banks to expand their term lending. Our clients are Diamond Bank, Citibank Nigeria, Guaranty Trust Bank, and FSB International Bank, but our reach

extends much further. This type of lending allows us to provide financing indirectly to a broad range of companies while supporting the development of these local financial institutions.

In addition to facilities committed, three others have been approved by IFC and are expected to be committed in FY02. One of these new facilities will focus on supporting the small and medium enterprise lending program of a leading bank. We are working with some of our client banks to identify strategic partners and are providing technical assistance that will help them build capacity.

ASIA & THE PACIFIC

Clearing obstacles, promoting growth

The need for private enterprises to contribute to economic growth in Asia and the Pacific is pressing. But the private sector faces a slowing world economy, stalled economic reforms, fiscal deficits, and restrictions on the borrowing capacity of private firms. Although obstacles differ among countries, they all limit the ability of the public and private sectors to bring about rapid and sustainable growth.

Bangladesh	Myanmar
Cambodia	Nepal
China	Pakistan
Fiji	Palau
India	Papua New Guinea
Indonesia	Philippines
Kiribati	Samoa
Republic of Korea	Solomon Islands
Lao People's Democratic Republic	Sri Lanka
Malaysia	Thailand
Maldives	Tonga
Marshall Islands	Vanuatu
Federated States of Micronesia	Vietnam
Mongolia	

PROJECT FINANCING AND PORTFOLIO

Millions of U.S. Dollars

	FY00‡	FY01
Financing committed for IFC's account	373	767
Loans	239	157
Equity and quasi-equity*	133	226
Loan guarantees and risk management	1	384
Loan syndications	324	17
TOTAL COMMITMENTS SIGNED	697	784
Committed portfolio for IFC's account	3,996	4,168
Loans	2,797	2,479
Equity	1,046	1,137
Loan guarantees and risk management	153	552
Committed portfolio held for others (loan participations)	2,850	2,346
TOTAL COMMITTED PORTFOLIO	6,846	6,514
Financing approved for IFC's account	927	1,228
Loans**	659	932
Equity and quasi-equity*	268	296
Loan syndications and underwriting	137	131
TOTAL FINANCING APPROVED	1,064	1,359

*Includes loan and equity-type, quasi-equity investments

**Includes loan guarantees and risk management

‡Revised FY00 figures show committed guarantee and risk management products

NICK FLANDERS



RIGHT: IFC is financing Sino Forest, the only privately held, fully integrated plantation management company in China (see box, p. 44).

EAST ASIA AND THE PACIFIC

Building a more effective private sector

Some East Asian countries, such as China and Korea, experienced growth rates in calendar year 2000 of around 8 percent, a rate that declined in the months that followed. In countries like Thailand and Indonesia, where growth rates were in the more modest 4-5 percent range in 2000, expansion substantially diminished in early 2001. While domestic demand remains strong in China and Vietnam, the environment elsewhere is not as favorable. As a result, investor confidence has deteriorated, as reflected in decelerating international debt and equity flows to crisis-affected countries.

Economies hit by the financial crisis of the past decade have restructured their banks and companies slowly. Nonperforming loans remain high and balance sheets weak, while restructurings are dominated by rescheduling rather than changes in operational control.

Our strategic focus in East Asia is on supporting the restructuring of banks and companies, strengthening the financial sector, raising corporate governance standards, and investing in projects at the frontier of private sector development.

In FY01, we provided credit enhancement, completed restructuring transactions, and supported financial institutions in crisis-affected countries. For example, we invested equity in Cheil Jedang Investment Trust to strengthen an institution affected by low confidence in the Korean investment trust industry. Our investment supports the introduction of global best practices into an important segment of Korea's financial sector.

Small and medium enterprises are particularly affected by the crisis. IFC invested in a trading network in the Philippines (see box, p. 45) that enhances market access and provides pre-export financing to small businesses. The company plans to expand its network to China, Indonesia, and Thailand.

Despite the fact that East Asian countries enjoy some of the highest savings rates in the world, the financial sector offers a narrow range of services. Our investments aim to strengthen this sector. In Thailand, for example, we invested in the first foreign joint-venture credit rating agency. The agency enhances clients' access to nonbank financing and is expected to contribute to the development of the Thai bond market. In China, IFC provided technical assistance and invested in New China Life, an insurance company (see box, right).

China: Strengthening the Insurance Sector

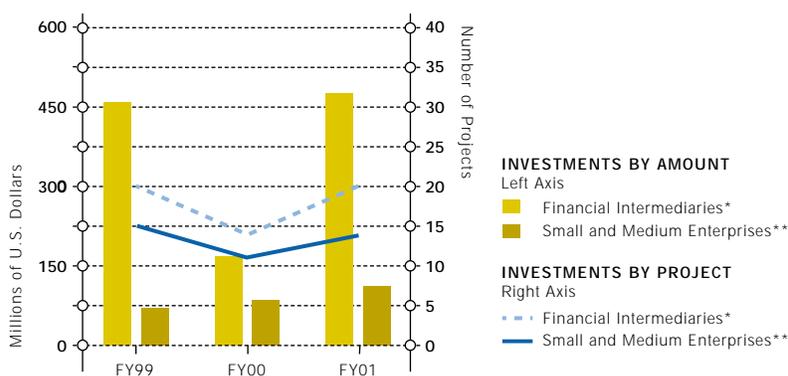
IFC invested in New China Life Insurance Company this year to make it a more competitive force in the domestic insurance market, introduce better management practices to the company, and promote good corporate governance. NCL decided to seek foreign strategic partners as a key part of its long-term strategy. This was the first foreign investment in a Chinese domestic life insurance company approved by the market regulator and one of the first projects open to foreign investors in China's services sector. IFC invested in the company along with Zurich Financial Services Group of Switzerland, Meiji Life Insurance Company of Japan, and the Netherlands Development Finance Company (FMO).

IFC was instrumental in bringing the parties together to structure the transaction. We invested \$31 million in equity in the company. In our capacity as a shareholder, we expect to help improve its management capacity and corporate governance practices. We arranged for one of New China Life's senior vice presidents to work with the International Insurance Foundation, a Washington, D.C.-based industry association. The company official will take qualifying exams from a U.S. professional society. Also, through a technical assistance grant, the company will be able to provide training for its managers and staff, and sales and investment staff will spend three to six months working with U.S.-based insurance companies.

We strengthened the existing board of directors and shareholder meeting procedures to ensure that directors and shareholder representatives have full information and authority to discuss meeting agenda items by receiving detailed board and shareholder meeting agendas or draft resolutions at a specified time prior to a meeting.

FINANCIAL SECTOR AND SME INVESTMENTS

Asia and the Pacific, Commitments



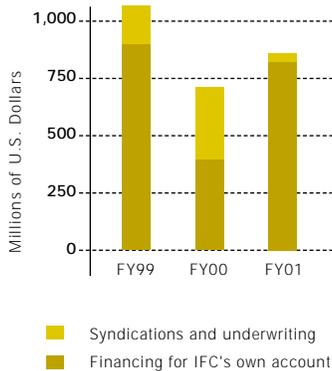
Investments include guarantees and risk management products

*Includes investments in financial and insurance companies as well as collective investment vehicles

**Includes investment assistance to micro, small, and medium enterprises. Investments include all industry sectors, including financial sector.

COMMITMENTS

Asia and the Pacific



PROJECTS AND COUNTRIES

Asia and the Pacific

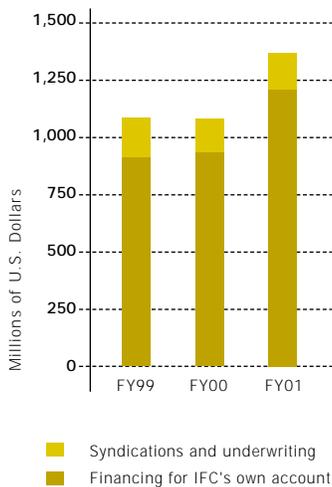
COMMITMENTS	FY00	FY01
Number of Projects	28	45
Number of Countries	10	11

APPROVALS	FY00	FY01
Number of Projects	54	65
Number of Countries	12	15



APPROVALS

Asia and the Pacific



The investment brings the private sector into the presently state-dominated domestic insurance market.

Inhospitable business policies and poor corporate governance inhibit private investment flows. This year we provided assistance to improve the business environment in several countries. In China, for example, we published a major study through Australian Trust Fund financing on the domestic private sector and policy changes needed to support its development. IFC chairs the Private Sector Forum in Vietnam, which convenes businessmen, policymakers, and donors to discuss policies and specific measures to improve the business

environment. In Indonesia, however, we have had to put our program on hold until progress is achieved in the areas of governance and judicial process.

Some of the greatest challenges for private sector development in East Asia and the Pacific are found in Cambodia, the interior provinces in China, Lao PDR, Mongolia, Vietnam, and the Pacific Islands. For these countries and regions our priority has been to help small and medium businesses through financing lines and specialized project development facilities and support for financial institutions specializing in small and medium lending. The China Project Development Facility, the third

China: Sustainable Forest Management

Sino Forest—a company engaged in the development of eucalyptus, aspen, acacia, and pine plantations in Guangdong and Jiangsu and the production of woodchips and logs for processing into paper, board, and furniture—is the only privately held plantation management company in China integrating forestry, wood processing, and manufacturing activities.

Sino Forest's forestry operations focus exclusively on plantation forests. No harvesting of natural forest is involved, and there is no clearing of any type of natural forest for plantation development. Sino Forest's double-row plantation system allows intercropping for a longer period. This system is mutually beneficial

to Sino Forest and local farmers, as tree growth may be double what it is in a single-row intercropping system.

Sino Forest requested IFC's assistance with the project because we are one of the few sources of long-term limited recourse finance in China today. Our investment will go toward the purchase of trees in addition to upgrades of an existing particleboard plant and the construction of a lamination plant.

Village labor—hundreds of local workers in fact—is needed throughout the planting-to-harvesting cycle. Through increased employment the IFC project with the Sino Forest company will contribute to the improvement of the communities' living standards.



NICK FLANDERS

ABOVE: IFC participation in a project in Vietnam ensured that farmers would have greater income opportunities.

BELOW: The Mekong Project Development Facility provided financing for the modernization and expansion of a toy company in Ho Chi Minh City.

in the East Asia and the Pacific region, will soon be established in Sichuan, China. The facilities are working to improve the environment in which businesses operate and are assisting project sponsors in meeting high standards for social, environmental, and economic sustainability.

Historically, high growth rates in the region have exacerbated environmental problems. We actively seek opportunities to invest in environmentally sustainable projects with strong beneficial effects on local communities and the environment. We signed an investment agreement this year with Sino Forest, a project consisting of plantations and downstream manufacturing operations in Guangdong and Jiangsu provinces. It combines international best practices in sustainable forestry with community development (see box, p. 44).

Philippines: Expanding Markets for Small Businesses

Small and medium businesses in developing countries often lack opportunities to sell their products in the global marketplace. Avalon Professional Web Trade, a trading company based in Singapore, is working to overcome some of the barriers these businesses face. To support the small and medium enterprise network of APW, the \$12 million Philippine Export Development Facility is being established. It provides a 50 percent partial guarantee to the facility members. Transactions under PEDF would benefit from a quasi-securitization of receivables. Banks participating in the facility would manage PEDF, while APW would be the intermediary to small and medium enterprises.

APW receives purchase orders for furniture from U.S. buyers and subcontracts out production to small businesses in the Philippines. These businesses are prequalified on the basis of product quality, production reliability, environmental standards, size, export experience, and proprietor merit.

The enterprises in the APW network benefit from the company's marketing activities abroad as well as from financing for pre-export activities such as raw material procurement and labor costs. Moreover, APW's economy of scale gives it the purchasing power to obtain volume discounts, which it shares with its network partners.

APW now plans to expand its network to China, Indonesia, and Thailand so that it can offer a product line to meet the full range of market demand, from high-end, high-margin products to lower-end, lower-margin products.

In addition to the financing provided for the PEDF, IFC's equity investment of \$1 million in APW will help meet the company's operating expenses. The transaction offers a model for promoting the development of small and medium enterprises elsewhere.



TRAN THI HONG NHIEU



KRISTINE DAMKJAER (2)



LEFT AND ABOVE: IFC plans to invest in a new 21 megawatt wind energy project in India. A similar project, pictured here, is providing a clean, efficient source of energy in the state of Karnataka.

SOUTH ASIA

Making innovation work

Economic growth in South Asia is fast by world standards, but the economies are still not vigorous enough to address the needs of the one-third of the world's poor who live there. The unstable political environment, uncertain fiscal and regulatory conditions, inadequate infrastructure, and slow pace of reform impede growth. On the positive side, export growth is driving economic recovery in Pakistan and Bangladesh and sustaining growth in India and Sri Lanka. Even these bright spots, though, are threatened by an economic slowdown in the United States and Europe.

Pakistan's balance-of-payments position remains fragile and foreign investment modest, although economic indicators have improved. Pre-election concerns in Bangladesh and civil strife in Sri Lanka slowed the reform processes and damaged investor confidence. Nevertheless, those economies saw strong growth this year of around 5.5 percent. Political and financial scandals have damaged investor confidence in India, but business-oriented policies and an ambitious privatization program underscore a commitment to reform. Annual growth is expected to remain at around 6.0 percent.

India: Promoting Local Bonds

Corporations in developing countries need long-term financing in their local currencies but rarely have the capacity to use their local bond market to achieve their goals. In India, IFC was able to help one company tap the local market for long-term funds by offering the first structured partial credit guarantee on a local currency bond issue. The transaction should catalyze more similar financing in India and is a model for bond and loan transactions for clients in other emerging markets.

IFC provided a partial guarantee for 1.5 billion rupees (\$32 million) on a 10-year bond issue from Ballarpur Industries, or BILT,

the largest producer of writing and printing paper in India. Through the issue BILT was able to raise local currency funds to partly finance its 9 billion rupee (\$192 million) modernization and expansion plan. The bond has the longest maturity ever obtained by a non-AAA corporate issuer in the domestic market. The novel transaction established a benchmark in India for a high-quality, long-maturity corporate asset that can be traded in the secondary market.

Through this transaction, IFC guarantees certain debt service payments. The IFC partial guarantee raised the rating of the debt issue to AA+, four levels above the single-A rating of BILT's other securities.



LEFT: This rural farmer received a loan from Bhartiya Samruddhi Finance to support his livelihood.

In South Asia our strategy is to support four areas. In the financial sector we are building strong domestic institutions that expand the range of services and deepen markets, especially for poorly served small and medium enterprises. We are supporting private provision of infrastructure, including privatization of public utilities and the creation of new infrastructure. We are promoting restructuring and modernization of manufacturing and service companies to help them meet the challenges of globalization. Finally, we are making selective investments in the private sector provision of health and education to improve quality and access.

IFC operations in South Asia grew substantially this year. Commitments increased dramatically in FY01. The emphasis, however, was on implementing our strategy through innovation—offering new products to new clients in new sectors. In India, for example, we signed IFC's first student loan program with NIIT Limited, a leading information technology company (see box, p. 11), and made our first investment in a Web-based education company, eGurucool, that aims to use the Internet to deliver high-quality education content at lower cost.

We financed projects with a wide range of small and medium companies, providing them with the added value of IFC expertise in the financial, technical, and environmental areas. We selected growth companies that were restructuring, modernizing, or expanding to become globally competitive. These were companies in value-added manufacturing such as pharmaceuticals or high-tech manufacture, in services such

as education, or in infrastructure including telecommunications and aviation.

We also introduced the use of partial credit guarantees to enhance the ability of our clients to access longer-term debt financing in local markets and quasi-equity products such as foreign currency convertible bonds (see box, p. 46). In addition, we established risk management facilities with local financial institutions, enabling IFC to make local currency loans to clients.

We made an investment in Samruddhi, a microfinance institution that was formed specifically to provide loans to farmers and small nonfarm enterprises in rural areas in India. IFC's investment in Samruddhi also included a \$350,000 technical assistance package from IFC's small and medium enterprise capacity-building facility for portfolio assessment and monitoring and information technology upgrades (see box, right). In Bangladesh, we established a two-year revolving trade enhancement facility with Netherlands Development Finance Company and Standard Chartered Bank. It will increase the availability of trade finance for small and medium private sector importers and exporters. The facility will also help build the reputation of Bangladeshi banks in international markets, while a technical assistance package will ensure that the local banks improve their accounting and reporting standards.

Following up on our financial market development work in the frontier countries in the region, we helped establish the first private sector leasing company in the Maldives and a leasing company in Nepal.

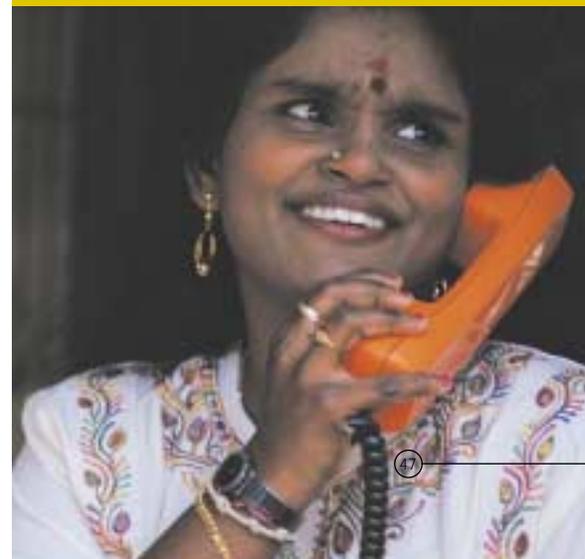
India: Landmark Microfinance Investment

Rural finance and microfinance are challenging areas for private sector participation in India because dominant state-owned rural finance institutions undermine a strong commercial and repayment culture. As IFC's first investment of its kind in one of the few commercial private microfinance institutions, Bhartiya Samruddhi Finance helped create a model institution, demonstrating the viability of the market to potential entrants into the difficult Indian microfinance market.

Samruddhi, a for-profit nonbanking finance company formed to provide loans to farmers and small nonfarm enterprises in rural areas, serves over 320 villages in Andhra Pradesh and Karnataka in southern India. Its average loan size is equivalent to \$260. About 30 percent of the loans are made to women.

IFC committed \$1 million in equity in Samruddhi to finance its expansion program. IFC's dialogue with the government of India and subsequent investment in Samruddhi led to the opening up of the Indian microfinance sector to foreign investment. Other participants in Samruddhi's expansion project include the Shorebank Corporation of Chicago, the Dutch Hivos-Triodos Fund, and a number of Indian financial institutions.

Our participation also included a \$350,000 technical assistance package from IFC's Capacity Building Facility for portfolio assessment and monitoring and technology upgrades.



EUROPE & CENTRAL ASIA

Progress and challenges

Despite the numerous and diverse challenges involved in building the private sector in the developing countries of Europe and Central Asia, progress is evident: this year, for the first time since the shift toward a market economy, all transition countries experienced positive economic growth. This improvement occurred after the turmoil caused by the 1998–99 Russian crisis and the Kosovo conflict.

PROJECT FINANCING AND PORTFOLIO

Millions of U.S. Dollars

Albania	Former Yugoslav Republic of Macedonia
Armenia	
Azerbaijan	Moldova
Belarus	Poland
Bosnia and Herzegovina	Romania
Bulgaria	Russian Federation
Croatia	Slovak Republic
Czech Republic	Slovenia
Estonia	Tajikistan
Georgia	Turkey
Hungary	Turkmenistan
Kazakhstan	Ukraine
Kyrgyz Republic	Uzbekistan
Latvia	Federal Republic of Yugoslavia
Lithuania	

	FY00:	FY01
Financing committed for IFC's account	512	414
Loans	397	237
Equity and quasi-equity*	115	174
Loan guarantees and risk management	0	3
Loan syndications	170	96
TOTAL COMMITMENTS SIGNED	682	510
Committed portfolio for IFC's account	2,598	2,455
Loans	1,999	1,814
Equity	576	620
Loan guarantees and risk management	23	21
Committed portfolio held for others (loan participations)	1,087	879
TOTAL COMMITTED PORTFOLIO	3,685	3,334
Financing approved for IFC's account	494	719
Loans**	344	492
Equity and quasi-equity*	150	227
Loan syndications and underwriting	165	372
TOTAL FINANCING APPROVED	659	1,091

* Includes loan and equity-type, quasi-equity investments

** Includes loan guarantees and risk management

‡ Revised FY00 figures show committed guarantee and risk management products

RICHARD LORD



RIGHT: At Doverie Brico, Bulgaria, a home improvement store that received funding from IFC, a customer examines goods.

The Russian economic recovery accelerated this year, driven by oil prices but also by increased political stability and improved policies. Other oil-exporting countries also benefited from high prices. Investors are responding positively to an economic reform in Bulgaria. Croatia's new government adopted plans to further economic reforms and its integration into Europe. A new government in FR Yugoslavia is committed to a program centered on transition to a market economy. The country has become a member of the World Bank and IFC, and we are actively exploring investment and advisory activities.

In Central Europe, most countries seeking European Union accession are racing against time to introduce fiscal reforms and comply with EU environmental standards.

Across the region there are serious challenges to progress: the business environment is underdeveloped and unfriendly; most companies have poor corporate governance regimes and inex-

perienced managers; domestic financial institutions and intermediation are rudimentary. As a result, foreign investment is very low.

Two severe crises in Turkey highlighted the need for radical economic reforms, bank restructuring, and privatization. Turkey is struggling to emerge from a financial crisis and is undergoing a period of austerity.

IFC has increased its emphasis on sectors and countries with the most acute need to advance the pace of private sector development. In those countries, we are providing assistance in legal and regulatory reform, and helping our clients improve management capabilities and governance practices. The particularly difficult constraints on private sector development in the former Soviet Union are being addressed through a technical assistance unit, the Private Enterprise Partnership, which IFC established with support from bilateral donors in May 2000. Building on IFC's 10 years of advisory work with

Tajikistan: Building Capacity

Very poor countries emerging from sustained periods of political unrest and civil strife need substantial assistance in restructuring the economy and developing the capacity required to support private sector growth.

Tajikistan is one such country. Investments are needed to establish financial institutions, rebuild infrastructure, restructure social services, revitalize industrial and agricultural production, and improve sustainable natural resource utilization. A former command economy like Tajikistan's also requires significant technical and training assistance for small and medium enterprises to develop in a market economy.

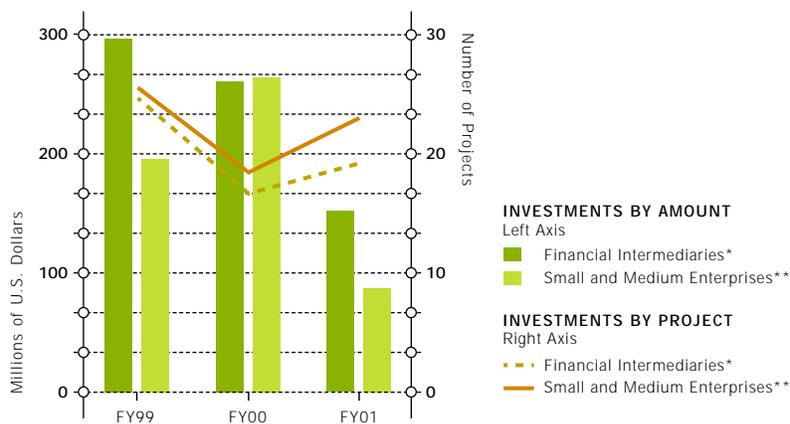
Support for this transformation and capacity building has traditionally been supplied by foreign consultants funded by foreign aid. To sustain the momentum, however, Tajikistan needs to develop its own professionals so that required skills are available locally at affordable costs.

This year we invested in an audit and consulting firm that will provide a wide range of services on a commercial basis to international and Tajik clients. Services include auditing to international accounting standards and management training. This will provide both donors and Tajik clients easy access to services that meet international standards at reasonable costs. Most services will be developed by local staff trained either abroad or in-country through on-the-job training, with supervision by international staff provided by the project's foreign sponsor. In addition, some training for local entrepreneurs running small and medium businesses will be partially funded by donors.

Under this project, specialized field training in financial and business management will assist local entrepreneurs in operating businesses successfully in a market environment.

FINANCIAL SECTOR AND SME INVESTMENTS

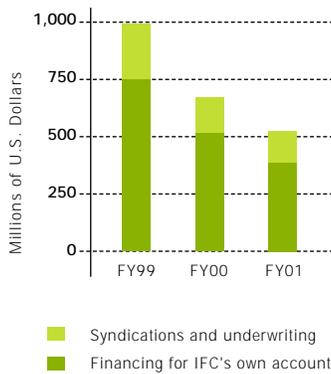
Europe and Central Asia, Commitments



Investments include guarantees and risk management products
 *Includes investments in financial and insurance companies as well as collective investment vehicles
 **Includes investment assistance to micro, small, and medium enterprises. Investments include all industry sectors, including financial sector.

COMMITMENTS

Europe and Central Asia



PROJECTS AND COUNTRIES

Europe and Central Asia

COMMITMENTS	FY00	FY01
Number of Projects	46	44
Number of Countries	19	21

APPROVALS	FY00	FY01
Number of Projects	47	58
Number of Countries	19	23

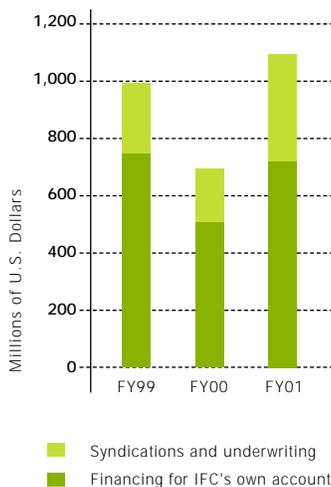
these countries, the partnership's experienced staff on the ground work directly with local companies and governments to promote investment in the region, support the growth of small and medium enterprises, and improve the business environment.

IFC and World Bank strategy for the region aims to establish a business-

friendly environment and a consistent trend of private sector-led growth. We support small and medium enterprises before and after investment and will build strong financial intermediaries. This year we established a regional hub in Istanbul to enhance our operations in southern Europe and central Asia.

APPROVALS

Europe and Central Asia



MARK FALLANDER



RIGHT: Electronics technician Nermin Hodzic repairs a computer at Whitefield Computers, an IT solutions company in Bosnia supported by SEED.

Bulgaria: Sound Revitalization of a Neglected Enterprise

Many privatized companies in eastern Europe failed when forced to confront the rigors of the market. But the stories do not always end there. In one case in Bulgaria, a company found an opportunity to turn around a copper-processing facility facing bankruptcy and make it a model for environmentally sound development. IFC was able to help.

The proposed project will revitalize a near-idle and ill-maintained facility, Sofia Med, located in Sofia, Bulgaria. It will be transformed into a modern, cost-efficient plant producing 120,000 tons of copper and copper alloy products annually.

Sofia Med is the successor to a state-owned company that was privatized in 1997. The local owner failed to reinvest in the plant or reduce production costs. Losses accumulated, and in 1999 production stopped and creditors started selling the pledged assets. The new

owner, Halcor, intends to rebuild it under a plan that will have a positive environmental impact. The company intends to clean up the project site, switch to efficient and environmentally friendly energy sources, and implement good employee health and safety practices. Our participation and expertise will contribute to the investment program, which meets a rigorous combination of World Bank, European Union, and Bulgarian environmental standards.

The project will create new jobs in Bulgaria, an especially important contribution given the high unemployment in the country. At project completion, the plant is expected to employ about 500 people, compared with about 200 today. Additional employment is expected to be generated in the area as a result of supply and other service needs.

SOUTHERN EUROPE AND CENTRAL ASIA

Southern Europe

In southern Europe several initiatives targeted small and medium enterprises. We helped build capacity in small regional banks in Moldova and Romania with \$1.1 million provided by the Dutch government for technical assistance. We also developed partial loss guarantees to encourage one bank's small business lending in Albania. In Bulgaria, we invested with a major European bank in the privatization of Bulbank, the largest bank in the country, which should stimulate business lending. In Macedonia, we provided a credit line to a local bank to ease funding constraints on smaller businesses.

In Moldova and Kosovo we supported microfinance projects, working through our existing microfinance investments. The Southeast Europe Enterprise Development facility is providing business advice to small and medium business clients.

We provided long-term financing for manufacturing companies, many of which were previously state owned, to help them become more competitive, improve their corporate governance, and enhance environmental and social standards. We invested in a leading regional pharmaceutical company in Croatia to support the strategic development of the company, the long-term buildup of its generic and over-the-counter business, and new research (see box, p. 52).

In Bulgaria, an investment in a manufacturer of high-tech components helped revive manufacturing in a region with high unemployment; financing of a copper-processing facility is introducing some of the most advanced technical processes from Europe into the

country (see box, p. 50); and through another IFC investment the country now has one of the most advanced European-oriented strand board plants, which manufactures substitutes for wood and particle board. In Romania, financing of a cable manufacturing plant will generate supply of this key component for infrastructure development and growth.

In Albania, we supported the rehabilitation and environmental improvement of the country's only operating cement production facility. We continued to mobilize capital in Turkey during a period of severe market stress, helping a leading household appliance manufacturer implement its corporate investment program. We addressed an infrastructure bottleneck through a transaction to finance Romania's Mobil Rom, which provides affordable mobile telecommunication services.

Central Asia

Central Asian countries have yet to develop the free market institutions to allow small business growth and attract foreign direct investment. The difficult business environment, the absence of experienced managers, intraregional rivalries, and distances from major export markets all combine to discourage private sector-led growth.

We provided assistance to the textile industry in Uzbekistan. Along with the Swiss government, we also

RIGHT: FAYZ furniture designer Validjon Khamraev (left) with supervisor Rakhm Khamraev. IFC financed the Uzbek furniture company.





ABOVE: IFC finances renovations, like this one in Georgia, through credit lines or loans to small businesses.

provided assistance for tourism in the Kyrgyz Republic and agricultural processing in Tajikistan. We established a regional program to assist borrowers in developing management information and automated accounting systems. We made investment commitments to small regional banks in Tajikistan, Uzbekistan, and Kazakhstan. This funding was combined with technical assistance amounting to \$1 million, financed by Japan, the Netherlands, and Switzerland.

With the support of the Swiss government, the Private Enterprise Partnership is initiating direct technical assistance to local companies and local governments in Azerbaijan, the Kyrgyz Republic, Tajikistan, Turkmenistan, and Uzbekistan. Through technical assistance and business funding we approved a project that would establish a corporate

citizenship initiative to encourage small and medium businesses in an underdeveloped region of Kazakhstan.

To provide other types of financing and business development assistance, we invested \$2.5 million in the Central Asian Early Stage Investment Fund, a \$15 million venture capital fund. We also signed an agreement to finance a leasing company in Uzbekistan. Using trust funds, IFC provided technical assistance to develop the regulatory environment for microfinance and leasing in the Kyrgyz Republic, Tajikistan, and Turkmenistan, as well as the framework for private insurance and housing finance in Kazakhstan. We developed a private sector approach to making business consulting and auditing services available to small local entrepreneurs and foreign investors in Tajikistan (see box, p. 49).

Croatia: Making Success Sustainable

Despite good track records, countries in southeastern Europe still face obstacles to growth. Pharmaceutical companies, for example, lack access to long-term funds to finance new research, causing local scientists to seek employment outside their home countries.

This year IFC committed our own loans and quasi-equity and mobilized funds through a syndicated loan to improve the prospects of Pliva, a Croatian company and the leading pharmaceutical company in central and southern Europe. It is the only company in that area that has produced a blockbuster drug through original research. Azithromycin, Pliva's low-dosage antibiotic, has enjoyed international market success and has been the engine of Pliva's growth for a decade.

Pliva is headquartered in Zagreb, and its main manufacturing facilities are in Croatia. Pliva also manufactures products in Poland and the Czech Republic.

Despite Pliva's impressive financial performance and high profile in Croatia, the perceived country and macroeconomic risks, particularly after the crises in Russia and Kosovo, have made it difficult for the company to secure adequate long-term financing. It can raise reasonably priced medium-term funding but no funding beyond 2005, when its patent on Azithromycin expires.

Our financing will support Pliva's strategy to build on its existing R&D expertise by focusing on original research, with the goal of a new discovery to replace Azithromycin, and generic drug development. Pliva's long-term aim is to position itself as a manufacturer of generic drugs, licensed products, and any new marketable compounds discovered through its original research. Our participation was critical to attracting foreign commercial lenders, who participated in a \$12.5 million syndicated loan that we arranged.

CENTRAL AND EASTERN EUROPE

As European Union accession nears for many central European countries, we are modifying our regional strategy. We have already begun withdrawing from sectors and lines of business where the private sector is ready to take over. Instead, we are focusing on socially and environmentally sensitive sectors and stressing our catalytic role in attracting foreign direct investors and private financiers into the region. A few examples during FY01 were the Bank-IFC Global Environment Fund's work on energy efficiency in Hungary, which led to a cofinancing program that will provide financing to energy conversion projects by small businesses.

We also established a small and medium enterprise fund for the Baltic countries. In FY01 we undertook innovative projects addressing nonperforming loans and complex bank privatizations. Further, we are helping many central European companies establish trade and finance links and make direct investments in eastern Europe. The economic recovery in eastern Europe and reforms increased demand for IFC services.

We made significant inroads into frontier areas and consolidated our technical assistance programs. We were able to combine our increasing knowledge of markets and contacts to introduce innovative financing that attracted foreign investors to difficult countries and integrate small and medium enterprise finance with technical assistance to financial institutions. We supported basic financial services and projects that build confidence in the banking system and in the leasing sector and institution-building at second-tier local banks and leasing companies.

We are also working with companies to help them attract foreign investment and technology. In eastern Europe, we are carefully choosing partners receptive to improved transparency and corporate governance. Our work with small and medium enterprises is aimed at bettering the business environment.

This year we attracted foreign investors to countries with difficult investment environments, in many cases using technical assistance to facilitate specific investment projects. For example, in Russia we received Board approval to finance Bravo (a brewery), Ford Motor Company, the Julietta gold mine, and Ruscam, a glass bottle producer.

We invested in basic financial services to build confidence in the banking system through financing for a second-tier Russian bank, and we made an investment to assist in the sale of some problem loans by Konsolidacni Banka in the Czech Republic and Slovenska Konsolidacna in Slovakia. We supported Vseobecna Uverova Banka in Slovakia through its complex privatization. All of these deals were built on World Bank assistance programs for these countries.

With \$15 million committed from donors in its first year, the Private Enterprise Partnership launched initiatives for financial sector development, corporate governance improvement, and development of links between local businesses and foreign direct investment in agribusiness, mining, forest products, and general manufacturing. With the support of the government of Finland, the partnership established a project to promote sustainable forestry in Russia (see box, right). We also advised governments on how to enhance the investment environment and attract foreign investment (Armenia, Latvia, Russia, and Slovakia).

Private Sector Advisory Services agreed with the Georgian government to provide strategic advice on power sector privatization (including the transmission and dispatch and distribution network outside Tbilisi, and a hydrogeneration project). It is also planning to work on an assignment with the Municipality of Krakow to privatize water supply, urban transit, and solid waste management.

RIGHT: Moscow department store GUM is working with IFC to improve its corporate governance practices.

Russia: Sustainable Forestry Businesses

Supported by the government of Finland, the Private Enterprise Partnership began work on a project to introduce sustainable forest management practices and promote foreign direct investment in sustainable forest-product businesses in northwest Russia.

Building on 12 months of previous work with Russian forestry companies, the partnership will help selected Finnish companies choose forest areas and prepare investment in logging and wood-processing operations in Russia. The initiative will also create a knowledge base for other potential investors and policymakers in the Russian forest sector.

The partnership will work closely with the World Bank's Sustainable Forestry Pilot Project and Coal and Forest Sector Partial Risk Guarantee Facility. The partnership will collaborate with the World Bank to improve policies affecting the development of the forestry sector, drawing on its company-level experience and its first-hand knowledge of constraints to business development in Russia.



LATIN AMERICA & THE CARIBBEAN

Finance for broad-based development

Economic reform and market liberalization in Latin America and the Caribbean are now widespread. Under these conditions, economies are proving more resistant to major external shocks. Underpinning this new strength are the contributions of private businesses, which have become more resilient through reform and have made possible the more efficient infrastructure services and increased productivity critical to sustained development.

PROJECT FINANCING AND PORTFOLIO

Millions of U.S. Dollars

Antigua and Barbuda	Guyana
Argentina	Haiti
The Bahamas	Honduras
Barbados	Jamaica
Belize	Mexico
Bolivia	Nicaragua
Brazil	Panama
Chile	Paraguay
Colombia	Peru
Costa Rica	St. Kitts and Nevis
Dominica	St. Lucia
Dominican Republic	Trinidad and Tobago
Ecuador	Uruguay
El Salvador	República Bolivariana de Venezuela
Grenada	
Guatemala	

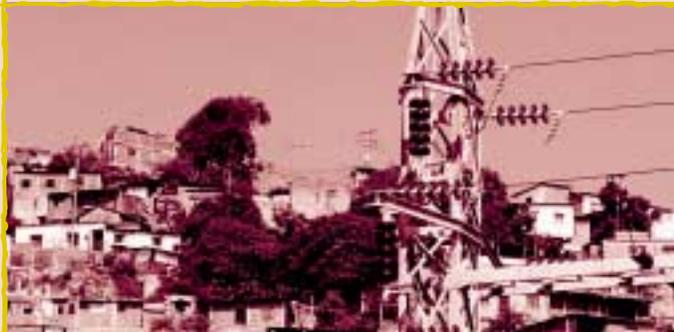
	FY00†	FY01
Financing committed for IFC's account	1,041	705
Loans	729	553
Equity and quasi-equity*	309	151
Loan guarantees and risk management	3	1
Loan syndications	973	312
TOTAL COMMITMENTS SIGNED	2,014	1,017
Committed portfolio for IFC's account	5,159	5,204
Loans	3,932	4,050
Equity	1,107	1,122
Loan guarantees and risk management	120	32
Committed portfolio held for others (loan participations)	3,793	3,270
TOTAL COMMITTED PORTFOLIO	8,952	8,474
Financing approved for IFC's account	1,171	1,047
Loans**	931	806
Equity and quasi-equity*	240	241
Loan syndications and underwriting	1,553	437
TOTAL FINANCING APPROVED	2,724	1,484

*Includes loan and equity-type, quasi-equity investments

**Includes loan guarantees and risk management

†Revised FY00 figures show committed guarantee and risk management products

RICARDO FIGUEROA



RIGHT: IFC supports infrastructure projects to bring better services throughout Latin America.

But economic growth and stability have not yet become the norm. Economic performance varied this year, but as the year closed the specter of slow growth hung over the region. In Mexico and Brazil, for example, optimism generated by strong growth was dampened by the possibility of an economic slowdown in the United States. Meanwhile, in Andean countries social and political issues dimmed prospects for a rapid recovery from recession. Argentina's economy remained stagnant, caught between the uncertainty of the government's fiscal position and wavering investor confidence.

Continued economic shifts create a difficult policy environment. Rapid and sustained economic growth has a proven capacity to better the lives of those in poverty. But in the present environment, reform has not rapidly delivered on its promise of higher living standards across the social spectrum. This perception has weakened the political consensus for liberalization.

Uneven capital flows are mostly responsible for this situation. Only a very few large companies in Latin America and the Caribbean are candidates for foreign private debt. Middle-market

firms and smaller businesses have no equivalent domestic sources of long-term capital to fund business growth. That obstacle impedes broad-based private sector development and limits employment opportunities for many.

These conditions have created a strong demand for investment financing from IFC. With demand far exceeding our financial resources, we need to concentrate on areas where our activities can increase the prospects for equitable growth and help provide basic services, or where private financiers view certain sectors as too risky.

IFC strategy and financing

Our new investment commitments in Latin America were down compared to last year. This was a result of our highly selective approach. Given the economic conditions of countries in the region, however, demand for services is strong. Our financing commitments reached \$1.02 billion this year for 43 projects. Across the region we intend to demonstrate the broad benefits of private sector investment. To do this we are financing those businesses where private sector participation can provide a visible impact on living standards, such as

Mexico: Improving Conditions for Mortgage Borrowers and Lenders

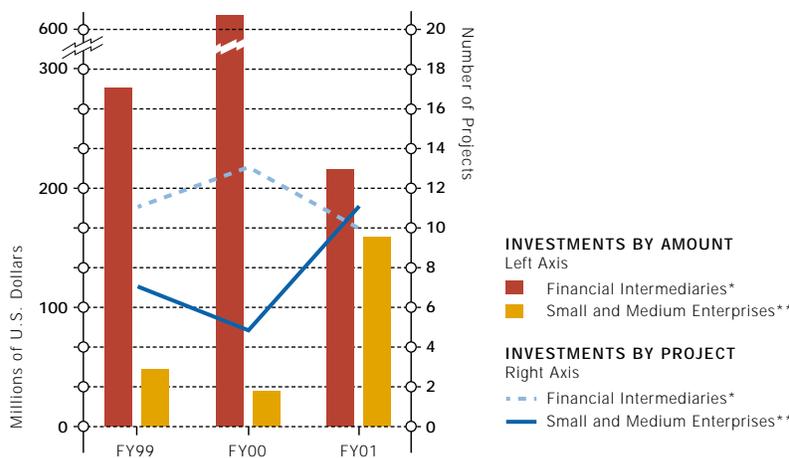
The proceeds of an IFC-supported bond offering in Mexico will be used to make mortgage loans to lower-middle-class families. The investment supports the housing market while also allowing IFC to play an important role in developing domestic capital markets.

A mortgage-backed securities market would broaden the availability of housing finance by transferring risk to bond investors and would open up new funding avenues to mortgage lenders. To help advance this market, IFC became an equity investor in Hipotecaria Su Casita, the second-largest mortgage lender in Mexico.

We made an equity investment of 100 million pesos (about \$11 million) for 14.4 percent of the common stock of Su Casita. We also invested in Mexico's first major mortgage-backed bond issue from Su Casita. To obtain an AA rating, which would satisfy domestic pension and insurance company investment requirements, Su Casita needs to originate 40 percent more mortgages than funds received. Our investment in Su Casita's mortgage bonds will provide a substantial share of the overcollateralization required.

FINANCIAL SECTOR AND SME INVESTMENTS

Latin America and the Caribbean, Commitments



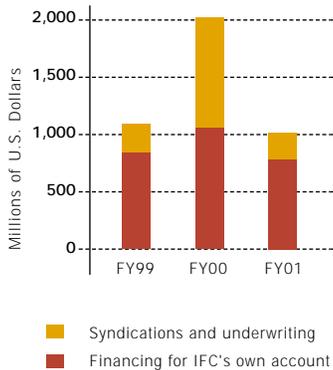
Investments include guarantees and risk management products
 *Includes investments in financial and insurance companies as well as collective investment vehicles
 **Includes investment assistance to micro, small, and medium enterprises. Investments include all industry sectors, including financial sector.

ROB WRIGHT



COMMITMENTS

Latin America and the Caribbean

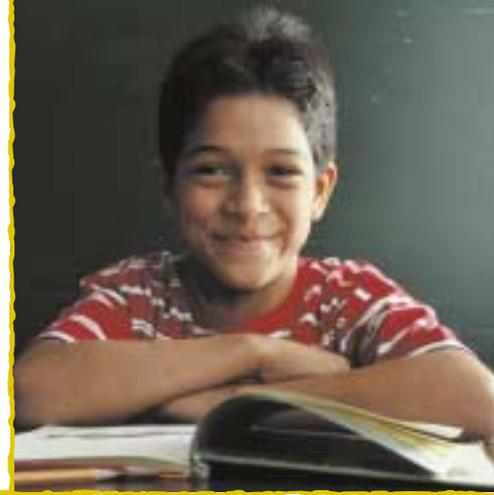


PROJECTS AND COUNTRIES

Latin America and the Caribbean

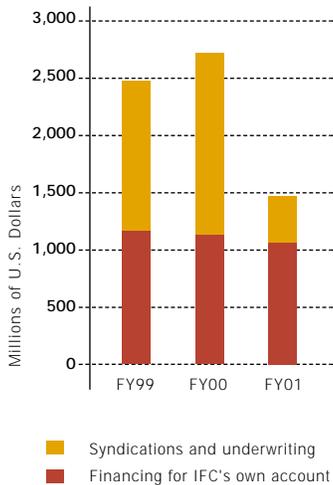
COMMITMENTS		FY00	FY01
Number of Projects		57	43
Number of Countries		17	12

APPROVALS		FY00	FY01
Number of Projects		58	54
Number of Countries		15	14



APPROVALS

Latin America and the Caribbean



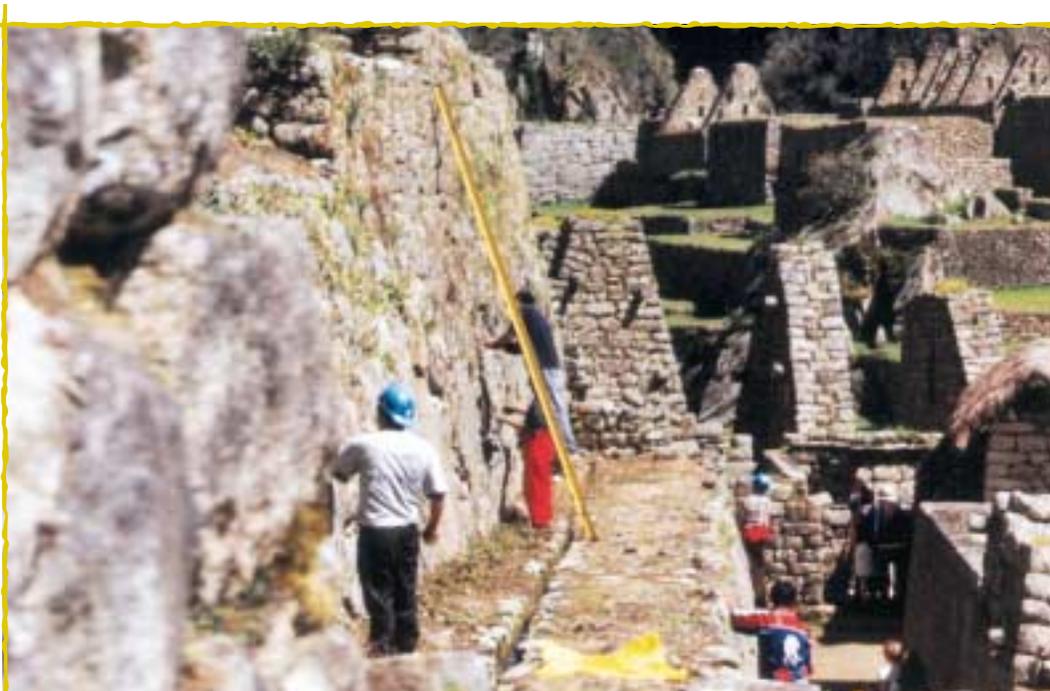
housing finance, health, education, and infrastructure, including power, transportation, and water and sanitation. We are also extending access to financing for the broad range of local firms, including small and medium enterprises, through development of the financial sector. Finally, we are supporting firms with high growth and employment impact.

At the frontier

We are targeting projects that demonstrate how private participation can raise standards of living in areas like health and education, which have largely been dominated by the public sector.

During FY 2001, we agreed to finance Escol@24Horas, an innovative electronic education venture that will provide Internet-based learning and open new educational opportunities for Brazilian students (see box, p. 58). In Argentina, IFC is demonstrating the financial viability of investment in higher education through two loans to universities that will allow them to expand student services and research. We committed investments in education projects in Mexico, Peru, and Uruguay. We also financed health projects in Brazil and Mexico.

BELOW: In a project that preserves cultural heritage in Peru, IFC supported the Orient Express Hotel.



NICK FLANDERS



ABOVE: IFC is focusing more attention on education projects in Latin America.

We further developed housing finance in Argentina through our participation in a secondary mortgage market company. We made progress toward establishing housing finance corporations in Colombia, and in Mexico and Peru we signed or expect to sign deals that will lead to new housing opportunities and more sophisticated financial markets (see boxes, p. 55 and right).

We are continuing efforts to reduce “Custo Brasil”—the high cost of infrastructure services that businesses have to bear. With this in mind, we undertook projects with two Brazilian companies with the goal of improving roads and port facilities. In one of Costa Rica’s first privatizations, we invested in the enterprise that won the management contract to operate the Aeropuerto IJS in competitive bidding. We were also able

to mobilize foreign financing for all three projects under the B-loan program.

To reach Andean countries more effectively, in FY 2001 we opened a regional office in Bogota, Colombia.

Supporting the financial sector and access to capital

IFC is committed to developing the domestic financial sector in Latin America by helping financial institutions. Such development is critical to increasing access to financing by local middle-market firms and smaller businesses, and even entrepreneurs in the poorest areas.

In Argentina, where all but the top-tier companies lack access to external financing or domestic long-term credit, we provided a credit line to Nuevo Banco de Santa Fe, a bank serving midsize provincial businesses. Brazil has

Peru: Affordable Homes

IFC and Banco Sudamericano are working together to make home ownership more affordable in Peru.

This year’s approval of a partial guarantee worth up to \$6 million will make the bank’s issue of \$30 million in mortgage-backed bonds more attractive to institutional investors. As a result, the bank will be able to extend its lending to additional individual borrowers, and investors will benefit from the credit backing of Sudamericano as well as a specified pool of mortgage loans.

We have also been working with Sudamericano and other lenders to standardize their mortgage lending documentation and underwriting requirements to reduce the margins of this business, lower the cost of mortgage finance for homeowners, and generate higher volumes of business and higher-quality loans for lenders. Follow-on investments are being made to offer true, off-balance-sheet mortgage-backed securities. The Sudamericano and follow-on transactions are opening up the investment pipeline to the local capital markets, thus providing a new asset class for institutional investors who lack high-quality, long-term, fixed-income instruments that are suitable matches for their liabilities.

The Banco Sudamericano transaction is a practical step to help develop Peru’s nascent capital markets, while providing Banco Sudamericano with long-term funding to expand its mortgage portfolio. Our efforts will have a broad, positive, and long-term impact by fostering competition among mortgage lenders in Peru and could eventually lead to the creation of a secondary mortgage market company. Such a company would make possible mortgages with lower interest rates and longer tenors, all leading to significant improvements in housing affordability.



NICK FLANDERS

BELOW: Better and more affordable housing is needed throughout Latin America. IFC supports housing finance in several countries in the region.



RICHARD LORD

the largest pool of middle-market companies in the region, so more equitable distribution of wealth depends upon the ability of such companies to find financing. To support them, IFC arranged a loan to Banco BBA Creditanstalt to help midsize Brazilian exporters and agroprocessors.

In Mexico, we worked to establish Financiera Compartamos, a new financial entity that will take over the microlending operations of a non-governmental organization with branches across Mexico (see box, p. 59). It will provide opportunities for poor, rural clientele to build businesses. In the Caribbean we committed financing to

the Caribbean Loan Facility, an agency line with The Bank of Nova Scotia (Scotiabank). The facility leverages Scotiabank's extensive network to reach the smaller companies of the Caribbean.

Furthering sustainable growth and employment

IFC supports profitable, well-managed companies that are critical to growth and employment.

We provided financing to Cementos del Caribe, a cement manufacturer in Colombia, to allow Caribe to continue with its new investment program and growth objectives. Despite the exit of foreign commercial banks from the local

Brazil: Technology to Create Educational Opportunity

Technology can create new learning opportunities for children. Escol@24Horas, a start-up education company based in Rio de Janeiro, is finding ways to take advantage of the Internet for education and is blazing a new market in Brazil. IFC is providing capital and advice to help the company reach more students across the social spectrum.

Escol@24Horas provides tutoring services to students from kindergarten through high school attending client schools across Brazil. It operates 24 hours a day, seven days a week via its Web site (www.escola24h.br.com) and through a Web-based program that facilitates e-mail exchanges. Tutors respond to the needs of students by asking questions and guiding responses. Escol@24Horas also

offers its client schools innovative tools to develop their own Web sites. It extends services and educational materials to parents and school communities.

IFC will provide capital to fund growth and give advice on aspects of education and interactive Web site development. We will identify opportunities to expand access to quality education and build relationships between potential partners. That approach can add value to the business and provide outreach to the socially disadvantaged.

Our reputation in Brazil provides additional credibility to a start-up firm in dealing with local, state, and national education boards.



RICHARD LORD

term market, an IFC loan syndication of \$48 million was also successfully arranged for this project.

Supporting a business that will result in lower consumer prices for basic goods, we committed financing to PriceSmart, a chain of discount club superstores, in its expansion in Barbados, Costa Rica, Dominican Republic, El Salvador, Honduras, Guatemala, Panama, and Trinidad.

We also committed to a project involving sustainable forestry in Venezuela. A tourism project with an ecotour operator in Peru was particularly noteworthy (see p. 16).

IFC has been leading the private sector in Latin America in advancing good corporate governance. With the OECD and the World Bank, we organized the first meeting of the Latin American Corporate Governance Roundtable. We are preparing a white paper to advocate specific reform measures throughout the region. Our interest in this area affects our financing activities. In several countries in the region we worked closely on direct investments that were conditioned upon improved corporate governance practices to ensure the sustainability of their operations.

Mexico: Finance for the Poor

In Mexico, the Asociación Programa Compartamos has been helping tens of thousands of rural borrowers earn a living. It could do even more operating as a regulated financial entity on a commercial basis. IFC is working with a newly created entity, Financiera Compartamos, to make sure the microfinance operations have the resources needed to bring opportunities to even more people.

Financiera Compartamos will take over a quality microlending portfolio, reaching over 50,000 rural borrowers, mostly women, under a village banking technology. It has a growing clientele of new urban borrowers. With an average loan below \$140, the portfolio is composed of the poorest segments of the population.

IFC's investment will support the transition from a nongovernmental organization to a for-profit regulated entity. We will provide close to \$2 million of fresh funds to be used to finance the portfolio purchase. Our presence substantially enhances the prospects for the new financial institution's success. Our equity investment, loan covenants, and an IFC-sponsored policy statement will strengthen Financiera Compartamos's financial discipline, thus improving its access to financial markets. Furthermore, we will help the institution secure credit enhancement if needed; boost the institution's credibility with the authorities, the regulators, the commercial banks, and the rating agencies; and introduce the institution to responsible environmental management.



RICARDO FIGUEROA

MIDDLE EAST & NORTH AFRICA

Paving the way for the private sector

The Middle East and North Africa proved a fertile area for IFC business this year. We are paving the way for broader private sector participation, particularly in infrastructure and financial markets.

Afghanistan
 Algeria
 Bahrain
 Arab Republic of Egypt
 Islamic Republic of Iran
 Iraq
 Jordan
 Kuwait
 Lebanon
 Libya
 Morocco
 Oman
 Saudi Arabia
 Syrian Arab Republic
 Tunisia
 United Arab Emirates
 West Bank and Gaza
 Republic of Yemen

PROJECT FINANCING AND PORTFOLIO

Millions of U.S. Dollars

	FY00†	FY01
Financing committed for IFC's account	66	341
Loans	49	217
Equity and quasi-equity*	17	31
Loan guarantees and risk management	0	93
Loan syndications	40	615
TOTAL COMMITMENTS SIGNED	106	956
Committed portfolio for IFC's account	802	842
Loans	470	542
Equity	212	205
Loan guarantees and risk management	120	95
Committed portfolio held for others (loan participations)	195	734
TOTAL COMMITTED PORTFOLIO	997	1,576
Financing approved for IFC's account	83	327
Loans**	56	297
Equity and quasi-equity*	27	31
Loan syndications and underwriting	2	634
TOTAL FINANCING APPROVED	85	961

*Includes loan and equity-type, quasi-equity investments

**Includes loan guarantees and risk management

†Revised FY00 figures show committed guarantee and risk management products

Some Middle Eastern and North African governments have made strides in opening their economies to private sector participation, but there is still much to be done. Other countries are just starting the economic liberalization process. Together with the World Bank, we expect to play a major role in supporting the development of the private sector in the region.

The region presented us with a wide range of political and economic circumstances that affected the type and scope of our investment activity. Those countries opting for greater economic liberalization are seeing the benefits that result from these policies. Some countries in the region have new leaders, who have started to push for greater economic openness. Investment opportunities are dwindling in areas troubled by a less stable environment and conflict, which negatively affect investor confidence.

A focused strategy

Last year, IFC embarked on a strategy to produce better results in the Middle East and North Africa region. Our

Cairo-based regional director is now closer to clients. Much of the emphasis this year focused on rebuilding the pipeline of investments that can lead to greater impact down the road. That strategy is beginning to pay off with increasing financing in the region.

In FY01, IFC committed \$956 million in 18 investments. Of that volume, \$341 million was for IFC's own account, and \$615 million was mobilized through banks participating in IFC's B-loan program. For IFC, this was a record level of loan syndications for the region, in large part due to the commitment of a number of sizable infrastructure investments. The total committed portfolio now equals \$1.6 billion in the region.

Our investments this year were in a wide variety of sectors, entered new countries, and broke ground in other ways. Following our strategic priorities for the region, our work included participation in large infrastructure projects, small information technology companies, large capital market investments, and institution-building investments in the financial sector.

Morocco: Better Phone Access at Lower Prices

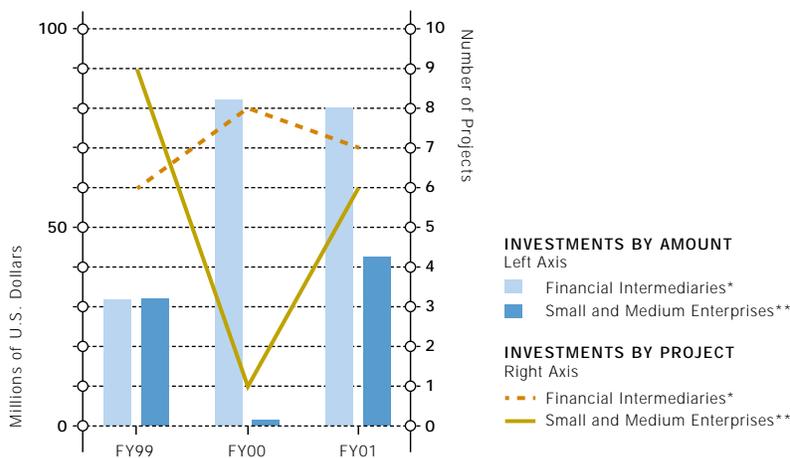
Private sector competition encourages telephone companies to provide service to more people at better prices. Building a network, however, requires huge investments, for which financing is not always readily available in emerging markets.

When Medi Telecom won a competitive bid to build and operate the second nationwide cellular telephone network in Morocco, IFC helped make this \$1.6 billion project viable. Our experience in structuring telecom transactions in similar markets helped attract \$900 million from other lenders. We mobilized \$310 million from the international financial markets for this project. Combined with financing for IFC's own account, this was one of the largest project financings in North Africa to date and was named Telecom Project of the Year by *Global Finance* magazine.

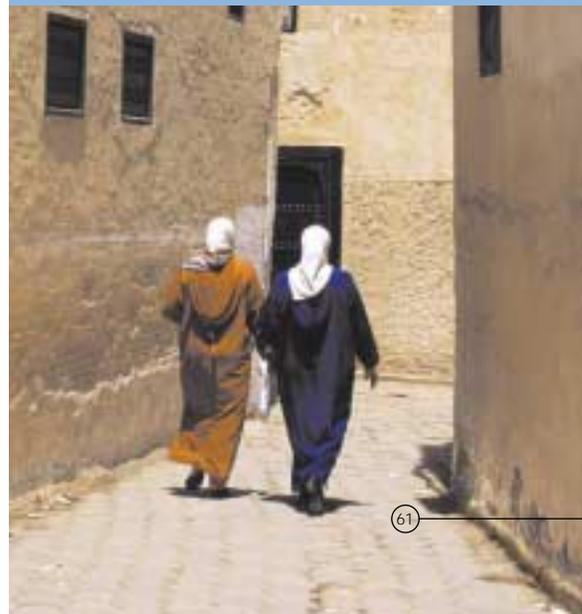
The initial stage of the project was implemented in only eight months, and the company launched its commercial operations in 2000. Under the license agreement, Meditel is required to achieve network coverage of 95 percent of the population within five years of winning its license. The introduction of competition has significantly reduced tariffs in Morocco and increased the number of cellular phone users from 280,000 at the end of 1999 to over 2 million by the end of 2000.

FINANCIAL SECTOR AND SME INVESTMENTS

Middle East and North Africa, Commitments

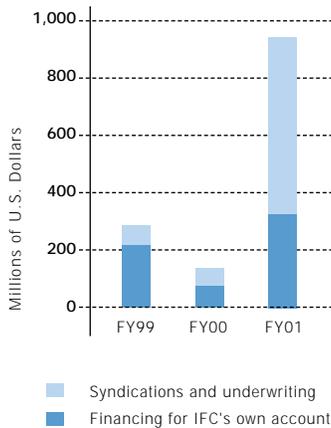


Investments include guarantees and risk management products
 *Includes investments in financial and insurance companies as well as collective investment vehicles
 **Includes investment assistance to micro, small, and medium enterprises. Investments include all industry sectors, including financial sector.



COMMITMENTS

Middle East and North Africa



PROJECTS AND COUNTRIES

Middle East and North Africa

COMMITMENTS		FY00	FY01
Number of Projects		12	18
Number of Countries		8	7

APPROVALS		FY00	FY01
Number of Projects		16	15
Number of Countries		10	6

Infrastructure expansion

IFC committed funds to three infrastructure projects. Each of these projects was complex, allowing us to draw on our experience in structuring project finance, our capacity to provide long-term funds, and our reputational standing to ensure the transactions were completed.

In Egypt we arranged financing of nearly \$400 million for EDF Port Said East Power and EDF Suez Gulf Power (see box, below). These two projects mark our first commitments to power generation in Egypt, which recently opened this sector to private finance.

In Morocco, we financed \$89 million for our own account and arranged loans of another \$310 million for Medi Telecom (see box, p. 61). IFC's investment in Meditel capped off a successful effort for the World Bank Group. The Bank had provided advice on liberalizing the sector.

Financial sector and smaller businesses

In the financial sector, IFC committed to investing in a range of projects. In Algeria, we provided \$300,000 in equity to a small investment bank, Algiers Investment Partnership. In Egypt we agreed to provide a \$30 million loan to EFG Hermes. IFC also committed \$34 million in a regional trade finance facility, the MENA Forfaiting Facility, which will support exporters in Egypt, Jordan, Lebanon, Morocco, and Tunisia.

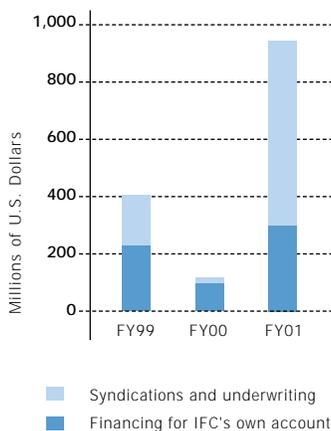
Our financial sector activity in the region works in tandem with our effort to develop small and medium businesses and move away from direct financing of small businesses. For example, an agreement was signed this year to finance Saudi Orix Leasing Company. It is expected to support the development of small and medium enterprises in Saudi Arabia and to be instrumental in building capacity in the financial sector.

We are also making a concerted effort in the leasing sector in other countries. We committed \$10 million to Lebanese Leasing Company. This investment allows small and medium enterprises to access financing alternatives to traditional bank loans for machines and equipment.

We continue to assess the technical assistance and advisory work that can be provided to support the smaller businesses so critical to economic development in the Middle East and North Africa.

APPROVALS

Middle East and North Africa



Egypt: Long-Term, Low-Cost Power Sources

Egypt's government is committed to increasing the supply of electrical power through private sector participation in the market. Previously, power generation was managed exclusively by the public sector. To help the transition, IFC supported power generation projects in Port Said and the Gulf of Suez.

As two of the first build-own-operate-transfer projects in the country, the natural gas power plants will further Egypt's goal of liberalizing various infrastructure sectors, including power, and will serve as a model for future private power projects in the region. The projects, developed by Electricité de France Internationale, will provide long-term sources of low-cost power for Egypt's consumers and industries. Together, they represent the largest private power

investments in Egypt and are expected to amount to 10 percent of the country's current installed capacity. IFC participation ensured that both projects will meet the strict environmental guidelines required by both Egypt and the World Bank Group.

The two projects cost \$675 million to build and involve 20-year power purchase agreements with the national electricity company. Given the size of the financing for these projects, we had a key role to play in mobilizing the long-term maturity debt that each project requires. We plan to provide \$90 million in loans for our own account for a total maturity of 19 years. More than 80 percent of the \$305 million in IFC-syndicated loans have a total maturity of 17 years, the longest tenor under the IFC syndications program to date.



LEFT: IFC support for leasing companies helps small and medium enterprises gain access to finance for capital equipment.

Support for new sectors and businesses

Information technology is essential to strengthening the private sector in developing countries. It allows for more efficient operations and greater integration into the world economy. Egypt, with its strong educational infrastructure, is particularly well placed within the region to build this sector. To support private businesses in this industry, we invested in IT Worx, a consulting and software development firm. The investment will allow the company to expand business, develop an ambitious Internet strategy that includes incubation of regional e-businesses, and compete with other globally oriented software companies from emerging markets.

On the industrial side, we signed a deal to finance an irrigation technology

company in Syria, bringing the first company from that country into our portfolio. In Jordan, IFC invested \$8 million in a luggage manufacturer and exporter, demonstrating the potential of our work to encourage investment by other foreign investors. In this case, we were joined by a sponsor from China that was seeking an opportunity to leverage Jordan's investment zone and new free trade agreement with the United States (see box, right).

By providing a guarantee, we helped existing client Egyptian Cement Company replace its \$30 million foreign exchange loan with an equivalent Egyptian pound loan. Since nearly all the company's revenues are locally generated, the transaction should lower its overall risk profile by reducing exchange rate exposure. This local currency financing was our first in the region.

NORBERT SCHILLER (2)



LEFT: IFC supported two of the first private power projects in Egypt this year, including one at the Gulf of Suez.

RIGHT: A quality assurance specialist reviews software at IT Worx, in which IFC invested this year.

Jordan: Promoting More Jobs and Better Skills

IFC's investment in a luggage manufacturer is the first to support the Jordanian policy fostering investment in and development of Qualifying Industrial Zones (QIZs), a special category of export zone established under bilateral trade agreements with the United States. IFC support is expected to be a catalyst for significant expansion of skilled and semiskilled manufacturing industries in Irbid and the Jordanian QIZs. The \$15 million transaction will help the country become the center of worldwide luggage manufacturing operations for the Boscan Group, creating thousands of jobs and boosting Jordan's export industries. Together with local colleges, Boscan is creating training programs to develop a more qualified local labor pool.

Boscan produces soft-side brand-name luggage products for the U.S. market. It began operations in Jordan in 1998 and employs more than 3,000 workers. The expansion of Boscan's operations will create an additional 2,300 jobs, more than half for women, in a region where unemployment exceeds 20 percent. Boscan, which is majority owned by a group of Chinese entrepreneurs, produces luggage, garments, and textiles in Dubai, Jordan, and the People's Republic of China.



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FINANCIAL REVIEW

Operating income in FY 2001 was \$241 million, below the \$380 million earned in FY00 and \$249 million in FY99 (operating income excludes the effects of adopting new accounting standards for derivatives and hedging activities for FY01; including these effects, IFC's net income totaled \$345 million in FY 2001). The Corporation's operating results in FY01 reflected some further deterioration in portfolio performance and a higher level of loss provisioning than in the previous year. Offsetting these negative factors on operating results was a strong performance in liquid assets. These effects, combined with lower realized equity portfolio income and lower loan interest collections, resulted in a decline in the return on average net worth from 6.9 percent in FY00 to 4.1 percent in FY01.

The loan portfolio generated a net operating loss of \$11 million in FY01 (after charges for borrowing costs, nonaccruals, specific loss provisions, and administrative expenses). This follows net operating income of \$55 million in FY00. The equity and quasi-equity portfolios—that is, the portfolios funded from net worth—recorded a net operating loss of \$10 million in FY01, compared to net operating income of \$191 million in FY00, mainly because of higher loss provisions. This included realized capital gains of \$91 million from sales of equities as well as dividend receipts of \$131 million (compared with \$132 million and \$130 million, respectively, in FY00). Net operating income from IFC's invested net worth and treasury activities provided a significant contribution to the Corporation's net income, amounting to \$280 million after administrative expenses in FY01, compared to the \$146 million earned in FY00.

New investment commitments for IFC's account amounted to \$2.7 billion (including \$0.5 billion in signed guarantees), and an additional \$1.3 billion in loan syndications were signed. The disbursed investment portfolio at June 30, 2001, was unchanged at \$10.9 billion from June 30, 2000. The Corporation's administrative expenses increased in FY01 in line with approved budget funding to allow a better response to IFC's development mandate in global financial markets that continued to present significant investment risks. As a share of average disbursed investment portfolio, total administrative expenses were 2.8 percent in FY01, higher than the 2.6 percent in FY00.

IFC's borrowings continued to keep pace with its growing lending activities. New borrowings in the international markets totaled \$3.6 billion equivalent in FY01.

IFC'S FINANCIAL PERFORMANCE HIGHLIGHTS

Millions of U.S. Dollars

	FY00	FY01
CLIENT SERVICES—OPERATING INCOME	219	(56)
Loan—operating income	55	(11)
Equity/quasi-equity—operating income	191	(10)
Technical assistance	(8)	(13)
Contributions to facilities	(7)	(16)
Corporate charges and other	(12)	(6)
IFC TREASURY SERVICES—OPERATING INCOME	161	297
IFC treasury services—liquid assets	146	280
Lending-related treasury activity	15	17
IFC OPERATING INCOME	380	241

FINANCIAL PERFORMANCE OF MAJOR PRODUCT LINES

Disbursed and outstanding loans (excluding loan-type quasi-equities) declined 3 percent from \$7.2 billion in FY00 to \$7.0 billion in FY01. IFC's loan portfolio showed a net operating loss in FY01 of \$11 million, compared to net operating profit of \$55 million in FY00. IFC's interest collection rate was lower in FY01 than in FY00, investment-related service fee income weakened, and specific loss provision charges were higher. The net loss on the loan portfolio was equivalent to 1.0 percent of capital employed, compared to a positive return of 5.0 percent in FY00.

The equity and quasi-equity portfolio, IFC's net worth funded portfolio, grew by 6 percent in FY01 to \$3.9 billion. This portfolio recorded a net operating loss of \$10 million in FY01, compared to an operating

profit of \$191 million in FY00, mainly because of higher specific loss provisioning (\$226 million in FY01 compared with \$62 million in FY00). This was equivalent to a loss of capital employed of 0.3 percent in FY01, after a positive return of 6.3 percent in FY00.

Total provisions for losses for FY01 were \$402 million (including \$13 million in respect of guarantees), higher than the \$215 million provided in FY00. The accumulated reserve against losses on loans and equity investments increased to 20.3 percent of the year-end disbursed and outstanding portfolio, compared with 18.0 percent in FY00. IFC believes this level of loss provisioning to be prudent, given the risks to investment in the current environment.

CAPITAL AND RETAINED EARNINGS

IFC's net worth consists of retained earnings and paid-in capital. IFC's paid-in capital was \$2.4 billion, unchanged from the end of FY00, while net income of \$345 million increased retained earnings to \$3.7 billion.

Subscriptions and payments under the general capital increase (GCI) and the special capital increase (SCI) closed on August 1, 1999, except for members that subscribed under an extended payment schedule for reasons of economic hardship; they have elected to pay subscriptions in installments. The total number of member countries increased by one to 175.

Cumulative payments under the GCI totaled \$958 million. Further payments totaling \$5 million are due by August 1, 2001, from subscriptions by countries facing economic hardship. As of June 30,

2001, cumulative payments under the SCI totaled \$119 million. Another \$9 million for subscriptions remains unpaid, and due by August 1, 2001.

On June 30, 2001, IFC's capital adequacy ratio (paid-in capital, retained earnings, and adjusted general reserves compared with risk-weighted assets, both on- and off-balance sheet) stood at 48 percent. This is well above the policy minimum of 30 percent, defined under the capital adequacy framework adopted by the Board of Directors in May 1994. IFC's leverage ratio—which is outstanding borrowings and guarantees measured in relation to the sum of subscribed capital and retained earnings—was 2.6 to 1, well within the limit of 4.0 to 1 prescribed by the Articles of Agreement.

OPERATING INCOME AND RETURN ON AVERAGE NET WORTH



FUNDING MANAGEMENT

In FY01, IFC borrowed \$3.6 billion equivalent in the international capital markets. In FY01, IFC also repurchased \$134 million in outstanding debt. These repurchases were undertaken as part of IFC's strategy of enhancing the liquidity of its outstanding bond issues.

IFC issued securities in four main currencies—U.S. dollars, pounds sterling, Hong Kong dollars, and Japanese yen. The largest borrowing of the year was a US\$1 billion global bond issue.

IFC raised 48 percent of total new borrowing in

FY01 through its U.S. dollar benchmark issue, 15 percent in the U.K. domestic sterling market, 7 percent in Hong Kong dollars, and 30 percent through smaller structured trades targeted to Japanese institutions. All borrowings were swapped into floating-rate U.S. dollars. Most loans made by IFC are denominated in U.S. dollars on a floating-rate basis. The below-LIBOR cost achieved through the use of currency and interest rate swaps as well as the income generated through debt repurchases also contributed to maintaining IFC's low funding cost and profitability in FY01.

LIQUIDITY MANAGEMENT

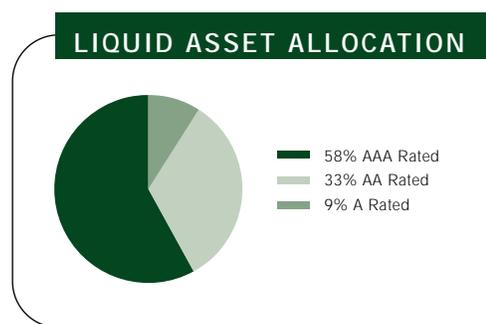
Total liquid assets rose during the year from \$12.2 billion to \$13.3 billion, a 9 percent increase. The majority of liquid assets are held in U.S. dollars, with small euro and yen balances held to support operational disbursements.

IFC's liquid asset portfolios performed well this fiscal year. The sharp slowdown of the U.S. economy and the easing of monetary policy by the U.S. Federal Reserve Bank buoyed bond markets. The sharp bond market rally primarily helped IFC's sizable portfolio allocation in longer duration assets—the value of which is most sensitive to interest rate movements.

After attributable costs, the liquid asset portfolios generated \$280 million in net income, with \$34 million in spread income from funded liquidity and \$255 million in total income from net worth liquidity, offset by \$9 million in administrative expenses. This compares with \$146 million during FY00, which included \$27 million in spread income from funded liquidity and \$128 million in total income from net worth liquidity, offset by \$9 million in administrative expenses.

IFC's liquid assets are invested in line with policies and standards set under the Investment Authority granted by the Board of Directors. The Authority specifies the types of instruments and entities eligible for investment. IFC is authorized to invest its liquid assets in the obligations of highly rated governments, agencies, corporations, and commercial banks. Within the Authority's framework, IFC's senior management has established prudent guidelines for managing the different dimensions of risk inherent in a large, diversified bond portfolio with particular regard to market (interest rate) risk and credit risk.

For management and reporting purposes, IFC's liquid assets are separated into four distinct portfolios and invested globally in the highest-quality assets, including sovereign and triple-A-rated corporate bonds. The P0 portfolio, launched in January 2001, has been



designed as a cash account to process all of IFC's operational loan and equity disbursements and receipts and borrowing transactions, as well as to fund all of IFC's administrative expenses. The P1 portfolio consists of funded liquidity, namely, the proceeds of variable-rate borrowings, which are invested in matching variable-rate investments pending disbursements of approved loans. IFC's objective is to capture a carrying gain on this portfolio with minimal exposure to market risk. This carrying gain averaged 38 basis points during FY01, compared with 39 basis points during FY00. Significant accomplishments in FY01 in the management of P1 liquidity were: (1) adopting a new replicable money market performance benchmark (comprising a portfolio of six-month LIBID deposits); (2) introducing new quantitative risk management tools for measuring and controlling market and credit risk exposure; and (3) moving to hedge the overall P1 portfolio with LIBOR futures and swaps.

The P2 portfolio corresponds primarily to the Corporation's paid-in capital and accumulated earnings. P2 is managed against a three-year duration benchmark (including the residual fixed-rate loan portfolio). The portfolio is actively managed on a total return basis against this benchmark. The annualized return for FY01 was 9.8 percent versus a benchmark return of 9.0 percent—a margin of 0.8 percent over benchmark. This compares with the FY00 absolute return of 4.9 percent.

The jump in total return from last year reflects the drop in yields that began toward the end of calendar year 2000. As interest rates fall, the value of assets with fixed rates of return such as bonds tends to rise. The favorable return to benchmark was mainly due to: (1) an over-weight bond position during the recent bond market rally; (2) a series of ongoing relative value trades within the U.S. Treasury and other markets; and (3) active securities lending, which continued to benefit from the general reduction in the supply of U.S. Treasury bonds.

The P3 portfolio consists of borrowed variable-rate funds assigned to external managers to be invested actively against a U.S. dollar LIBOR index. At the end of FY01, the external portfolio constituted about 6 percent of the total liquid assets portfolio, and IFC had a total of \$756 million under management by

six external firms—four global fixed-income managers with \$409 million under management and two mortgage-backed securities (MBS) specialists with \$347 million under management. During FY01, the external managers of the P3 portfolio returned 0.7 percent over their benchmark target return for the assets they manage in a market where volatility continued to be high. This compares with 1.0 percent below target in FY00. The significant bond market rally, particularly in the United States, as well as periodic MBS spread tightening, helped the portfolio deliver a positive return in FY01. Portfolio and manager diversification continued to be advantageous to the portfolio return by mitigating the total P3 portfolio risk, which remains well below the 1 percent tracking error limit.

RISK MANAGEMENT

The measurement and management of financial risk in IFC's treasury operations complement the management of risks arising from the Corporation's

investment operations. This function is handled by an independent risk management group to ensure a separation from risk-taking functions.

Market risk

Market risk in IFC's treasury operations arises primarily from the liquid asset portfolio (divided into funded liquidity, net worth liquidity, and externally managed liquidity). In the funded liquidity portfolio (P1), IFC minimizes exposure to market risk by requiring that assets and liabilities be broadly matched by currency and interest rate characteristics and by market risk limits. This matched-funding policy provides strong protection against market risk, while credit risk is managed as described below. The net worth liquidity

portfolio (P2) is funded by net worth and managed against a three-year-duration benchmark. Finally, the externally managed liquidity portfolio (P3), funded by market borrowings, is subject to IFC's risk guidelines. IFC treasury also hedges the market risks on its loan portfolio. Loans are hedged with swaps or other liabilities that have matching currency and interest rate characteristics, and residual currency and interest rate risks are monitored and managed on a portfolio basis.

Credit risk

Credit risk in IFC's treasury operations arises through the investment of the Corporation's liquid assets in sovereign bonds, corporate bonds, and deposits. Counterparty credit risk is also generated through the use of derivatives for hedging purposes. In particular, IFC uses swaps to create synthetic-LIBOR funding and investments, to manage loan assets versus underlying liabilities, and to hedge client risk management products. To manage credit risk, IFC sets eligibility criteria and credit limits for its counterparties that are approved by the Finance and Risk Committee, a subcommittee of the Management Group. IFC closely coordinates credit policies relating

to eligibility criteria and credit limits for derivative counterparties with the IBRD.

To protect against deterioration in counterparties' creditworthiness after undertaking derivatives contracts, IFC has entered into collateral agreements with a large number of swap counterparties. Under these agreements, a counterparty is required to post collateral with IFC when the netted marked-to-market exposure exceeds predetermined thresholds (which decline with rating). Through these arrangements, IFC is better able to manage its exposure to counterparties over time, particularly if their credit deteriorates.

PORTFOLIO REVIEW

IFC's committed portfolio¹ at the end of FY 2001 increased by 2.6 percent to \$14.3 billion, from \$14.0 billion in FY00. Nearly 69 percent of the committed portfolio was in loans amounting to \$9.9 billion, and 25 percent was in equity investments amounting to \$3.6 billion. Guarantees of \$589 million accounted for 4 percent of the committed portfolio as a result of significant new commitments during the year. IFC also held \$215 million (2 percent of the committed portfolio) in risk management products. In addition, IFC held and managed for participants \$7.5 billion in loans it had syndicated. At the end of FY01, the committed portfolio included loan and equity investments, risk management products, and guarantees in 1,378 companies in 117 countries.

The net increase in committed portfolio was \$359 million after taking into account new commitments, repayments, sales, cancellations, prepayments, write-offs, and translation adjustments. Loan repayments totaled \$1.2 billion, and \$207 million in equity investments were sold or redeemed.

The total disbursed portfolio for IFC's own account decreased slightly to just under \$10.9 billion at the end of FY01, from \$10.9 billion in FY00. During the fiscal year, the disbursed loan portfolio declined by 1.8 percent, whereas the disbursed equity portfolio grew by 3.9 percent.

Most of the Corporation's investments are denominated in U.S. dollars, but IFC borrows in a variety of currencies to diversify access to funding and reduce borrowing costs. The currency breakdown of the disbursed loan portfolio on June 30, 2001, is shown in the notes to the financial statements (see volume two of IFC Annual Report). The Corporation minimizes its risk exposure to off-balance-sheet transactions by entering into offsetting swap, option, or forward contract positions with highly rated market counterparties and by performing thorough credit reviews of all counterparties.

¹ Committed portfolio includes guarantees and risk management products, which are off-balance sheet. Commitments for FY00 have been restated to include these items.

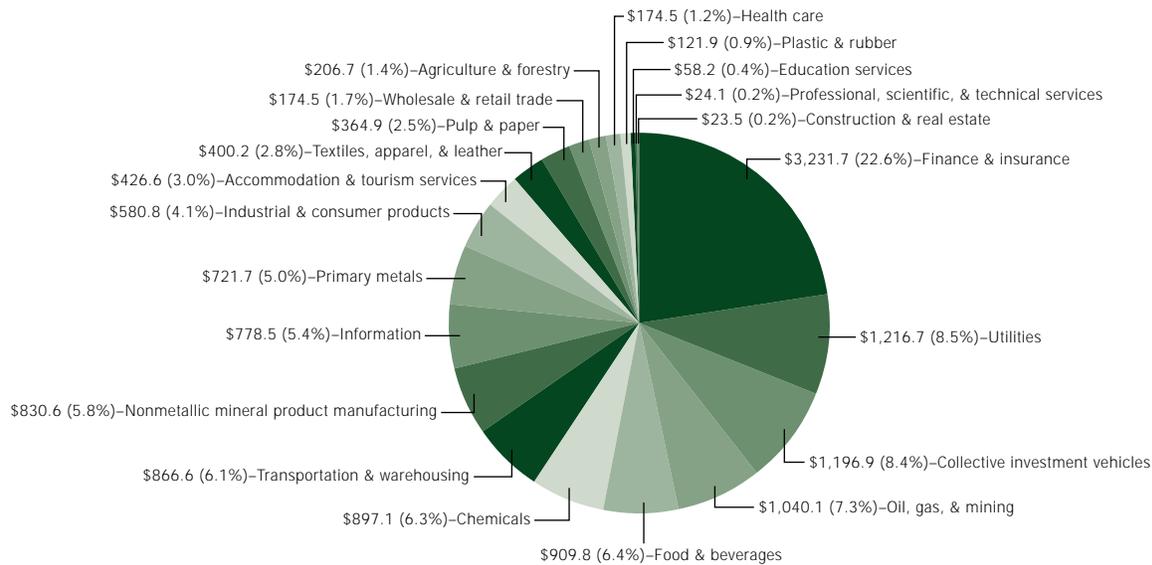
BREAKDOWN OF IFC PORTFOLIO ON JUNE 30, 2001

Millions of U.S. Dollars

COMMITTED PORTFOLIO FOR IFC'S OWN ACCOUNT	13,517
Loans	9,882
Equity	3,635
Total disbursed portfolio	10,890
Total undisbursed portfolio	2,627
OFF-BALANCE-SHEET EXPOSURE	804
(on guarantees & risk management products)	
TOTAL COMMITTED PORTFOLIO FOR IFC'S OWN ACCOUNT	14,321
TOTAL COMMITTED PORTFOLIO HELD FOR PARTICIPANTS	7,530

COMMITTED PORTFOLIO FOR IFC'S OWN ACCOUNT BY SECTOR*

On June 30, 2001 (Millions of U.S. Dollars)



* Includes guarantees and risk management products

TOTAL: \$14,321

COMMITMENTS AND DISBURSEMENTS

New commitments for IFC's own account were concentrated in the Asia (28 percent), Latin America and Caribbean (26 percent), Africa (18 percent), and Europe and Central Asia (15 percent) regions. The business sectors with the largest volume of new commitments were finance and insurance with 40 percent and infrastructure (utilities, transportation, and information) with 23 percent. There were new guarantee commitments of \$547 million, the majority

accounted for by trade finance facilities in Africa, Asia, and the Middle East and North Africa.

Disbursements in FY01 were \$1.5 billion, down from the \$2.2 billion FY00 level. Loan disbursements were \$1.2 billion and equity disbursements \$335 million. IFC also disbursed \$835 million on behalf of financial institutions participating in its syndicated loans.

PORTFOLIO MANAGEMENT

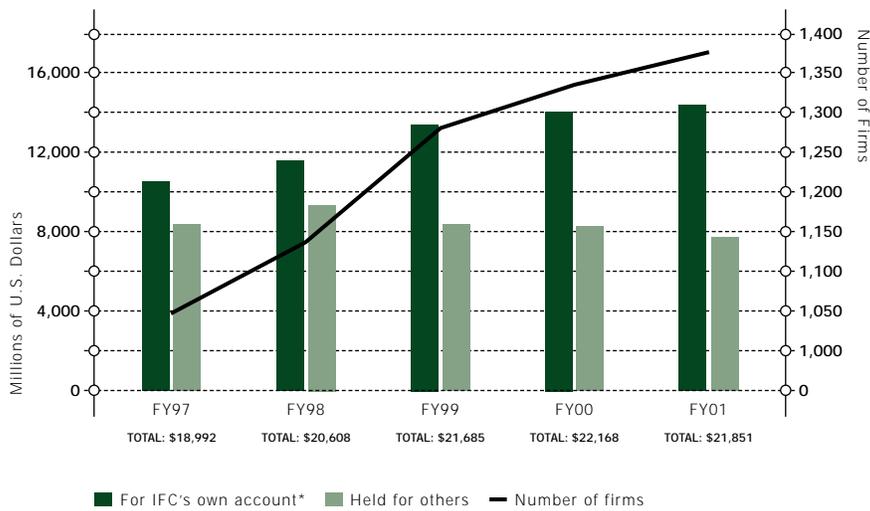
As part of its supervision efforts, IFC closely monitors compliance with investment agreements, visits sites to check on project status, and helps find solutions to problem projects. To strengthen portfolio supervision, the Corporation has in place portfolio management units in all investment departments, each under a portfolio manager. This structure helps identify problems early and address them in a timely manner. The adoption of a more sophisticated risk-rating system also supports this process. Furthermore, headquarters staff continues to be relocated to the field, and local staff members in resident missions have

increasingly been assigned to supervisory tasks. IFC makes special efforts to ensure that banks participating in IFC loans are kept regularly informed of project developments through the B-Loan Management Division. There is always a close and continuing consultation between IFC and its participants.

Operational departments evaluate projects case by case when difficulties arise. For projects with particularly severe problems, the Special Operations Department determines appropriate remedial action. In such situations, it seeks to negotiate agreements with all creditors and shareholders to share the burden of

IFC COMMITTED PORTFOLIO, FY1997-2001

Millions of U.S. Dollars



* Totals for IFC's own account for FY99-01 include guarantees and risk management products

restructuring so that problems can be worked out while the project continues to operate. In exceptional cases, when the parties reach an impasse in negotiations, IFC takes all necessary and appropriate measures to protect its interests.

During FY01, portfolio income of \$938 million on both equity and loans fell below the budget plan estimate of \$1.01 billion. The quality of the loan portfolio declined during the fiscal year, mostly as a result of the poor performance of a few large projects. In particular, principal outstanding on nonaccruing loans as a percentage of the disbursed loan portfolio was 12.9 percent on June 30, 2001, compared with 11.1 percent on June 30, 2000. During the same period, principal in arrears as a percentage of the disbursed loan portfolio reached 6.2 percent, up from 5.6 percent.

There was a small increase in the estimated unrealized gains on the equity portfolio during FY01. The decline in stock markets worldwide was reflected in lower unrealized gains in IFC's listed portfolio, although this was offset by increased unrealized gains in the unlisted portfolio. Capital gains of \$91 million were realized, a decline from \$132 million in FY00, and below budget plan estimates for the year. IFC

received dividends of \$132 million, compared with \$130 million during FY00. The \$1 million difference between the FY01 figure and the \$131 million reported in the financial statements is due to fees paid to State Street Corporation for custody of the equity portfolio. The FY01 dividends were higher than the \$115 million in the budget plan, mainly due to commodity price increases.

Reserves against losses increased to \$2.2 billion in FY01, representing 20.3 percent of the disbursed portfolio, up from 18.0 percent in FY00. The increase resulted from \$389 million in provisions for losses net of a \$12.7 million currency revaluation effect on non-U.S.-dollar loss reserves, and write-offs of \$136.2 million. The loss reserves comprise specific reserves for impaired investments as well as a general reserve.

Management determines reserves against losses on the basis of portfolio reviews and recommendations by the Portfolio Management Units in the investment departments. For this purpose, the entire portfolio is reviewed quarterly. The Corporation's external auditors examine closely the recommendations, policies, and methods for determining the reserves against losses.

OPERATIONS EVALUATION REVIEW

The Operations Evaluation Group's Annual Review 2000 presents the cumulative evaluation findings from four years of IFC investment operations. It describes significant performance patterns among 176 randomly selected operations from 1991–94 approvals that were evaluated at early operating maturity between 1996 and 1999. The review draws implications from past performance for current strategy and makes recommendations to management and the Board for improving IFC's results in pursuit of its strategy.

ANNUAL REVIEW FINDINGS

This year's Annual Review found that most IFC projects achieved successful development outcomes based on their overall contribution to living standards, private sector development, economic growth, environmental sustainability, and company business success. The report found that these projects were most effective in increasing the living standards of those affected by projects—customers, employees, suppliers, and taxpayers—beyond their financiers. Projects also contributed effectively to development of the private sector by building links throughout the economy, demonstrating sustainable business practices, undertaking privatizations, or promoting progressive regulatory changes. Most operations, including many that did not fully succeed financially, met IFC's standards for environmental sustainability. Most also achieved an economic rate of return in excess of 10 percent.

The report found that project developmental outcomes were weakest in the category of business success, which is measured by the project's profit contribution relative to the company's cost of capital. In this dimension, results were very similar to success rates reported in a recent survey of companies operating in the same regions. The small minority of projects with completely unsuccessful development outcomes were outright business and development failures, mostly as a result of unforeseeable market developments and management problems.

EVALUATION PROCESS

Each year, IFC investment departments evaluate a random sample of investments that have reached early operating maturity, typically five years after approval. Within statistical limits the sample is representative of the earlier year's entire approvals. The investment departments complete the research and analysis necessary to identify lessons learned and rate each investment on 11 distinct indicators, proposing ratings on a four-point scale: unsatisfactory, partly unsatisfactory, satisfactory, and excellent.

Each of the 11 performance indicators relates to one of three outcome ratings. The first is development outcome—a project's contribution to a country's sustainable private sector development and improved living standards. The second is investment outcome—an investment's contribution to IFC's profitability. Finally, it provides a rating of IFC's effectiveness—how well IFC did its job throughout the project cycle.

OEG conducts independent research; reviews the scope, relevance, and appropriateness of the identified lessons; verifies each rating to ensure that evaluation standards are applied consistently throughout IFC; and then synthesizes its findings in each year's Annual Review. The report summarizes crosscutting lessons and makes detailed recommendations for addressing core business process and strategy issues raised by the findings. The lessons learned are entered into a searchable database that is designed for ease of access by operations staff in their screening, appraisal, and structuring of new investment operations and portfolio supervision work.

PROJECT COMMITMENTS

73 SUB-SAHARAN AFRICA

Benin, Botswana, Burundi, Cameroon, Côte d'Ivoire, Ghana, Kenya, Mali, Mauritania, Mozambique, Namibia, Nigeria, Senegal, South Africa, Swaziland, Tanzania, Togo, Uganda, Zambia

77 ASIA AND THE PACIFIC

Bangladesh, China, India, Indonesia, Republic of Korea, Lao People's Democratic Republic, Nepal, Pakistan, Philippines, Sri Lanka, Thailand

81 EUROPE AND CENTRAL ASIA

Albania, Armenia, Bosnia and Herzegovina, Bulgaria, Croatia, Czech Republic, Estonia, Georgia, Kazakhstan, Kyrgyz Republic, Lithuania, Former Yugoslav Republic of Macedonia, Moldova, Poland, Romania, Russian Federation, Slovak Republic, Tajikistan, Turkey, Ukraine, Uzbekistan

85 LATIN AMERICA AND THE CARIBBEAN

Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Guyana, Jamaica, Mexico, Peru, Uruguay, República Bolivariana de Venezuela

88 MIDDLE EAST AND NORTH AFRICA

Algeria, Arab Republic of Egypt, Jordan, Lebanon, Morocco, Saudi Arabia, Syrian Arab Republic

View and sort projects on the Web at www.ifc.org/ar2001/projects

(millions of U.S. dollars)

DESCRIPTION	IFC LOAN	IFC EQUITY	IFC QUASI-EQUITY	IFC GUARANTEE	SYNDICATIONS	RISK MGT PRODUCTS	TOTAL FY01 COMMITTED
SUB-SAHARAN AFRICA							
Benin							
Finadev Microfinance , first commercial-microfinance venture in Francophone West Africa, will contribute to closing gap between commercial banks and microfinance institutions.	-	0.34	-	-	-	-	0.34
Botswana							
Abercrombie & Kent Botswana (Proprietary) Ltd will help attract increased numbers of visitors and provide new employment opportunities in tourism.	1.97	-	-	-	-	-	1.97
Burundi							
Vegetables & Flowers Export SA will produce cut roses for export by air to Europe, mainly during winter season. (AEF)	0.47	-	-	-	-	-	0.47
Cameroon							
Banque Internationale du Cameroun pour l'Épargne et le Crédit will be privatized to develop term lending and trade finance activities.	-	0.63	-	-	-	-	0.63
Horizon Bilingual Education Complex , Douala-based private bilingual school (English and French) with over 1,200 students offering modern and practical approaches to education, will expand complex and increase student enrollment. (AEF)	0.33	-	-	-	-	-	0.33
Côte d'Ivoire							
SIMMEQ will construct and operate 71-bed private hospital in Abidjan. Hospital will offer pain relief center, emergency treatment, general surgery, intensive care unit, and medical transport unit. (AEF)	1.15	-	-	-	-	-	1.15
Ghana							
PharmaCare Industries Limited will acquire equipment, construct a new warehouse, and renovate existing factory to bring about increase in toothpaste and collapsible tube production.	0.40	-	-	-	-	-	0.40
Ghana Microcredit Corporation Ltd will be established as commercial microfinance institution to serve registered micro and small entrepreneurs in northern metropolitan suburbs of Accra.	-	0.13	-	-	-	-	0.13

Note: This table includes projects signed and processed by IFC during FY01. Certain transactions signed in FY00 for which processing was not completed until FY01 are also included in this table.

DESCRIPTION	IFC LOAN	IFC EQUITY	IFC QUASI- EQUITY	IFC GUAR- ANTEE	SYNDI- CATIONS	RISK MGT PRODUCTS	TOTAL FY01 COMMITTED
ELAC will establish long-term insurance company in Ghana.	-	0.10	-	-	-	-	0.10
NIIT Computer Training School will be set up in Accra under franchise arrangement with NIIT Limited of India. School will provide Ghanaian students and professionals the computer know-how to compete in domestic and global economies. (AEF)	0.23	-	-	-	-	-	0.23
Ghana Telecommunications Company Limited will expand its fixed-line network, establish nationwide cellular network, and invest in regional submarine cable.	40.00	-	-	-	60.00	-	100.00
Kenya Kipevu Power will build 74 megawatt engine generation plant in Mombasa.	-	-	-	-	-	1.70	1.70
Lesiolo Grain Handlers Limited will establish grain-handling and storage plant that will provide cleaning, drying, and storage services for maize, wheat, and barley producers within Kenya. LGHL will manage imported grain by local millers and grain in transit to Uganda. (AEF)	2.50	-	-	-	-	-	2.50
Mali Fibromat-Mali will relocate and expand its production capacity of facing stones and cement materials. (SEF)	0.10	-	-	-	-	-	0.10
Mauritania Complexe Touristique Lemhar S.A. will construct a seaside resort club, located 30 km south of Nouakchott. (SEF)	0.39	-	-	-	-	-	0.39
Mozambique Ausmoz Farm Holdings, Lda. , will install irrigation equipment, construct buildings, clear land, purchase machinery, and recruit staff to sow and cultivate cotton, maize, wheat, sunflowers, and soybeans. (SEF)	0.99	-	-	-	-	-	0.99
Banco de Microfinanças de Moçambique will provide financial services tailored to demands of small and medium enterprises. Lending services will be offered countrywide.	-	0.20	-	-	-	-	0.20
Merec Industries, Lda. , will establish new plant for processing of imported wheat, with capacity of 30,000 tonnes per annum. It will also construct silos with storage capacity of 15,000 tonnes. (SEF)	-	-	-	1.30	-	-	1.30
Mozal S.A.R.L. will double capacity of the Mozal I smelter, an existing IFC investment near Maputo, to produce additional 250,000 tons per annum of aluminum metal. The project will have a significant impact on the local economy and Mozambique's net foreign exchange earnings.	25.00	-	-	-	-	-	25.00
Namibia Nedbank Investment Bank will establish Namibia's first full-service merchant bank offering range of services including private equity, corporate finance, project finance, and asset management.	-	0.23	0.50	-	-	-	0.73
Nigeria Diamond Bank , commercial bank with strong focus on manufacturing, oil, gas, transportation, and general commerce, will lend to private local enterprises for rehabilitation and new investment projects.	20.00	-	-	-	-	-	20.00

PROJECT COMMITMENTS

(millions of U.S. dollars)

DESCRIPTION	IFC LOAN	IFC EQUITY	IFC QUASI- EQUITY	IFC GUAR- ANTEE	SYNDI- CATIONS	RISK MGT PRODUCTS	TOTAL FY01 COMMITTED
Oha Motors (Nigeria) Limited , transport business company, will acquire 6 new 55-seat buses to start Lagos-Abuja route. (AEF)	0.90	-	-	-	-	-	0.90
Safety Center International Limited , will set up country's first training center for fire brigade and safety personnel. (AEF)	0.50	-	-	-	-	-	0.50
Guaranty Trust Bank Plc will develop lending to private sector companies operating in a variety of sectors, serving export or domestic markets.	20.00	-	-	-	-	-	20.00
FSB International Bank will receive IFC term loan to be on-lent to private Nigerian enterprises for rehabilitation, project finance, trade finance, working capital, and new investment projects.	22.50	-	-	-	-	-	22.50
Investment Banking and Trust Company Limited will receive IFC term loan up to \$20.0 million to be on-lent to private Nigerian enterprises for rehabilitation, project finance, trade finance, working capital, and new investment projects.	20.00	-	-	-	-	-	20.00
Citibank Nigeria will provide Nigerian enterprises loans for rehabilitation, trade finance, working capital, and new investment projects.	40.00	-	-	-	-	-	40.00
Senegal							
Banque Internationale pour le Commerce et l'Industrie du Sénégal will introduce new credit technologies to the market and improve the existing infrastructure for SME lending.	-	-	-	3.17	-	-	3.17
South Africa							
Kiwane Capital Holdings Limited will help local businesses raise funds directly from market, which will increase competition and reduce cost of borrowing.	10.10	-	-	-	-	-	10.10
Tusk Project Management , company providing loans and project management services to small contractors to build schools, clinics, low-cost housing, and other public buildings for local authorities, will expand nationally. (AEF)	1.67	0.10	-	-	-	-	1.77
South African Home Loans will provide sufficient warehousing capacity to fund growing mortgage originations in advance of securitization of loans in domestic market.	6.17	-	-	-	-	-	6.17
Printability Ltd. will establish medium-size printing company with high-quality color printing capacity using latest technology in web and sheet-fed presses.	3.21	1.56	2.46	-	-	-	7.23
Rubico Holding S.A. (Pty) Ltd , South African software development company, is targeting financial services industry. Investment will help Rubico fund access to U.S. and West European markets and develop international sales channels.	-	5.00	-	-	-	-	5.00
Swaziland							
Swazi Wattle Industries (Pty.) Ltd. produces tanning extract for leather industry; will expand facilities to produce high-quality powder extract from wattle trees. (AEF)	-	0.29	0.79	-	-	-	1.08
Tanzania							
National Bank of Commerce , country's largest financial institution, will be privatized. NBC will be largest privatization in the region.	-	10.00	-	-	-	-	10.00

PROJECT COMMITMENTS

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DESCRIPTION	IFC LOAN	IFC EQUITY	IFC QUASI- EQUITY	IFC GUAR- ANTEE	SYNDI- CATIONS	RISK MGT PRODUCTS	TOTAL FY01 COMMITTED
Boundary Hill Lodge Limited will establish 16-bed lodge on the boundary of Tarangire National Park in northern Tanzania. (AEF)	0.20	-	-	-	-	-	0.20
Togo							
Café Informatique will renew specialized equipment to provide better access and connections to subscribers. (AEF)	0.35	-	-	-	-	-	0.35
Uganda							
CelTel Limited (Uganda) , a follow-on investment, will help expand digital cellular network to eastern and northern regions of Uganda.	4.00	0.70	-	-	-	-	4.70
Long Freighters Limited , long-distance heavy haulage company with fleet of 32 prime movers in the region, will expand operations by acquiring 10 Mercedes trucks. (AEF)	0.80	-	-	-	-	-	0.80
Kabojja Junior School will establish high-quality co-educational private primary school in Kampala targeting middle-income Ugandans. A bursary fund for underprivileged children from rural and slum areas is included to expand educational opportunities. (AEF)	0.35	-	-	-	-	-	0.35
Zambia							
Maraza Holding Ltd , 400-room hotel located in diplomatic area of Lusaka, will renovate and refurbish facilities, upgrading service to five-star standards.	4.60	-	-	-	-	-	4.60
REGIONAL							
AIG Global Investment Company (East Africa) Limited is a private sector asset management company in East Africa which aims to launch and manage various types of funds.	-	0.15	-	-	-	-	0.15
Cameroon Oil Transportation Company S.A. (COTCO) will transport oil produced in Chad through Cameroon to an export loading terminal on the coast. Tchad Oil Transportation Company S.A. (TOTCO) will transport by pipeline oil produced locally by a consortium (ExxonMobil, Petronas, and Chevron) through Chad for onward transmission across Cameroon to the sea.	100.00	-	-	-	100.00	-	200.00
Mining and Contracting Services will provide specialist contract mining services to mine owners in various African countries.	30.00	4.00	-	-	-	-	34.00
Mobile Systems International Cellular Investment Holdings will construct, expand, and operate mobile cellular communications networks in Africa.	-	3.32	-	-	-	-	3.32
Sub-Saharan Africa Petroleum Trade Finance Facility (SAPTF) will mobilize much-needed financing to small domestic oil producers and service providers in Africa.	-	-	-	80.00	-	-	80.00

DESCRIPTION	IFC LOAN	IFC EQUITY	IFC QUASI- EQUITY	IFC GUAR- ANTEE	SYNDI- CATIONS	RISK MGT PRODUCTS	TOTAL FY01 COMMITTED
ASIA AND THE PACIFIC							
Bangladesh							
Bangladesh Trade Enhancement Facility will establish two-year \$52 million guarantee facility in Bangladesh to meet increasing demand for trade finance and need for longer tenors in local market.	-	-	-	13.00	-	-	13.00
Scancement Bangladesh Ltd. will construct clinker grinding plant with annual capacity of 680,000 tonnes of cement at Kanchpur near Dhaka.	10.00	-	-	-	-	-	10.00
China							
China Forfaiting Facility will broaden Chinese trade finance market. The financing instrument facility will promote higher trade volume and strengthening of Chinese economy.	-	-	-	4.00	-	-	4.00
New China Life Insurance Company is country's only private sector life insurance company. Operating nationwide, it will use new capital for business expansion.	-	30.70	-	-	-	-	30.70
Plantation Timber Products Holdings Limited will establish several medium-density fiberboard processing plants in interior provinces of China.	-	1.53	-	-	-	-	1.53
Sichuan SME Investment Fund will provide equity and credit guarantees for small and medium enterprises in interior province of Sichuan. Fund is structured to supplement China Project Development Facility.	-	6.00	-	-	-	-	6.00
Wuhan International Container Transshipment Company Limited will be city's first modern port and transshipment facility.	-	-	-	-	5.00	-	5.00
India							
Ballarpur Industries Limited will expand and modernize its manufacturing facilities to complement its recent restructuring and enhance its competitiveness.	-	-	-	27.00	-	-	27.00
Bharti Telecom Limited will expand cellular network in Karnataka and Andhra Pradesh to further develop competitive telecommunications sector.	-	-	-	44.71	-	-	44.71
Bhartiya Samruddhi Finance Limited provides financial services to farmers and nonfarm enterprises in rural areas. The investment will support expansion of company's activities.	-	1.00	-	-	-	-	1.00
Continental Carbon India Limited will debottleneck and expand existing facilities from 25,000 to 65,000 metric tons per year and improve environmental conditions at the plant.	9.00	-	-	-	11.50	-	20.50
Global Trade Finance (Pvt.) Limited will assist Indian exporters, who generally are small and medium enterprises, with new financial products such as factoring and small item forfaiting.	-	2.50	-	-	-	-	2.50
Global Trust Bank is raising additional share capital to meet minimum capital requirements necessary to enter newly liberalized insurance industry.	20.00	-	-	-	-	-	20.00
IndAsia Fund Limited will provide growth capital to family-owned Indian companies to expand and become globally competitive.	-	15.00	-	-	-	-	15.00

PROJECT COMMITMENTS

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Indian Seamless Metal Tubes Limited will modernize, expand, and restructure to become globally competitive player.	10.50	0.70	-	-	-	-	11.20
Jet Airways (India) Ltd. will expand and modernize its existing fleet, improve its existing service level, expand services to remote areas in India, and force increased competition in air transport sector in India.	-	-	15.00	-	-	-	15.00
Learning Universe Pvt. Limited will provide on-line "learning universe" to students in India through an optimized integration of technology, content, and training.	-	0.25	-	-	-	-	0.25
Mahindra Infrastructure Developers Limited will develop, finance, and operate infrastructure projects.	-	10.00	-	-	-	-	10.00
NIIT Limited will provide financing for students participating in NIIT's flagship graduate educational program.	-	-	-	1.93	-	-	1.93
Orchid Chemicals & Pharmaceuticals Limited will expand and diversify its manufacturing and research activities to sustain its profitability.	-	-	30.00	-	-	-	30.00
SREI International Finance Limited will further expand its small and medium scale infrastructure finance activities in the power, transportation, and port sectors.	10.00	-	5.00	-	-	-	15.00
Tanflora Infrastructure Park Limited will set up floriculture park to provide common facilities to small growers for cultivation, packaging, transportation, and marketing of roses at Hosur in Tamil Nadu.	-	0.51	-	-	-	-	0.51
Varun Shipping Company Limited will acquire shipping assets.	-	-	0.37	-	-	-	0.37
Vysya Bank Limited will reposition itself as technology-driven bank focused on small and midsize corporates.	-	7.29	-	-	-	-	7.29
Spryance, Inc. , will provide high-quality, competitive, remote services to global market, with initial focus in health information services industry. Company will focus on medical transcription market in the U.S., where it outsources medical transcription services to India via Web-enabled process.	-	2.00	-	-	-	-	2.00
Indonesia							
Ciluluk Village , microfinance cooperative that produces woven mats using reeds, cotton, and polyester yarns, will expand hand-loom activities, thus preserving unique traditional craft.	0.04	-	-	-	-	-	0.04
PT. Bank NISP , Indonesia's fourth oldest private bank, will strengthen capital base to respond to economic crisis.	-	5.00	-	-	-	-	5.00
PT. Dianlia Setyamukti will expand to meet increasing demands for its services. IFC's investment will support growth of critically important mining sector in Indonesia.	4.00	-	1.00	-	-	-	5.00
Indonesia Trade Credit Facility will provide export-oriented Indonesian companies with working capital and enhance prospects for further transactions with international bank.	-	-	-	40.00	-	-	40.00

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PT. Indorama Synthetics Tbk will swap proposed 1 trillion Indonesian rupiah local currency financing into U.S. dollars, resulting in loan equivalent exposure for IFC's account of about 20 percent of notional amount swapped. Swap will minimize currency exposure on company's balance sheet and strengthen textile exporter's future financial position by helping reschedule debt service obligations to better match cash flows.	-	-	-	-	-	20.00	20.00
PT. Sigma Cipta Caraka will expand its software development operations in Indonesian market as well as in U.S. and European markets to meet growing demand for its services.	-	3.00	-	-	-	-	3.00
Standard Chartered Bank will establish five-year \$125 million facility to guarantee documentary letters of credit originated by selected commercial banks in Indonesia. At close of fiscal year, project was under review.	-	-	-	50.00	-	-	50.00
Sumitomo Bank will establish a \$125 million five-year trade finance facility to meet working capital needs of private-sector importers. Facility will provide credit confirmation to local banks that offer short-term financing to local businesses. At close of fiscal year, project was under review.	-	-	-	50.00	-	-	50.00
Korea, Republic of Cheil Jedang Investment Trust & Securities will recapitalize and introduce Prudential Life Insurance of America as foreign strategic investor to develop new approaches that will modernize industry.	-	13.62	32.06	-	-	-	45.68
Korea Mortgage Corporation , country's first company specializing in secondary mortgage market, will develop and expand housing finance sector.	41.02	13.20	-	-	-	-	54.22
Lao People's Democratic Republic Belmont Hotel Investments (Laos) Ltd. will restructure its existing loans and secure additional financing to complete refurbishing of hotel.	0.18	-	-	-	-	-	0.18
Villa Santi will build additional hotel rooms and expand its other hotel facilities to meet growing demand for better quality rooms in historic Luang Prabang area.	1.15	-	-	-	-	-	1.15
Nepal International Leasing & Finance Company Limited will increase capital base and strengthen its focus on lease finance while remaining in other areas of consumer and small and medium business finance.	-	0.30	-	-	-	-	0.30
Pakistan Pakistan Trade Enhancement Facility Fibromat will provide two-year facility to guarantee documentary credits originated by selected commercial banks in Pakistan.	50.00	-	-	-	-	-	50.00
D.G. Khan Cement Company Limited will restructure, using an IFC guarantee to secure local currency financing.	-	-	-	14.54	-	-	14.54
Philippines Asian Hospital Inc. will acquire state-of-the-art medical equipment and construct 247-bed hospital and medical office to house 200 doctors to increase private competition, promote greater efficiency, and improve quality of medical services.	14.00	-	-	-	-	-	14.00

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DESCRIPTION	IFC LOAN	IFC EQUITY	IFC QUASI- EQUITY	IFC GUAR- ANTEE	SYNDI- CATIONS	RISK MGT PRODUCTS	TOTAL FY01 COMMITTED
ePlanters will enable local small and medium enterprises to gain affordable access to markets via Internet.	-	0.23	-	-	-	-	0.23
MFI Micro Enterprise Bank of the Philippines will establish a private microfinance institution.	-	0.12	-	-	-	-	0.12
PlantersBank will strengthen capital base to provide more long-term financing to small and medium enterprises.	15.00	-	8.88	-	-	-	23.88
Stradcom Corporation will improve efficiency of driver's license and motor vehicle registration applications through a concession for a modernization and computerization of the 247 Philippine Land Transportation Offices nationwide.	12.00	-	-	8.00	-	-	20.00
Sri Lanka Apollo Lanka will establish modern private hospital in Colombo that will have general as well as tertiary acute-care services. It will provide diagnostic, curative, and surgical facilities in wide range of medical disciplines.	-	1.10	-	-	-	-	1.10
Suntel Limited , one of two wireless local loop operators, will expand nationwide network.	20.91	7.50	-	-	-	-	28.41
Thailand Thailand International Rating Agency will provide full range of rating services using international standards and methodologies.	-	0.12	-	-	-	-	0.12
REGIONAL Asia Paper Markets will provide electronic hub to assist trading in pulp and paper industry in Southeast Asia, Middle East, and Africa.	-	1.00	-	-	-	-	1.00
South Asia Forfaiting Facility will establish three country-specific forfaiting facilities for commercial banks in India, Sri Lanka, and Bangladesh.	-	-	-	28.00	-	-	28.00
Thailand and Philippines Forfaiting Facility will provide trade finance facilities for commercial banks in Thailand and Philippines.	-	-	-	20.00	-	-	20.00

DESCRIPTION	IFC LOAN	IFC EQUITY	IFC QUASI- EQUITY	IFC GUAR- ANTEE	SYNDI- CATIONS	RISK MGT PRODUCTS	TOTAL FY01 COMMITTED
EUROPE AND CENTRAL ASIA							
Albania							
American Bank of Albania will receive partial loan guarantee to increase ABA's small and medium enterprise loan portfolio.	-	-	-	2.50	-	-	2.50
Seament will rehabilitate and environmentally improve quarry and cement milling operations, and construct dry process kiln line to expand production capacity of Elbasan Cement Factory.	15.00	-	-	-	-	-	15.00
Armenia							
Armenia Hotel Closed Joint Stock Company , primary hotel operator in Yerevan, will establish 223-room hotel as well as office space for lease.	-	-	3.57	-	-	-	3.57
Bosnia and Herzegovina							
Bosnalijek d.d. , country's only pharmaceutical company, will complete reconstruction of tablet and capsule manufacturing plant.	2.11	-	-	-	-	-	2.11
Microenterprise Bank d.d. Sarajevo , a commercial bank, will use capital increase to expand micro-lending operations in Bosnia.	-	0.38	-	-	-	-	0.38
Bulgaria							
Bulbank AD will seek to increase lending to underserved business and retail clients and introduce new products, thus broadening and deepening the financial markets.	-	17.26	-	-	-	-	17.26
Doverie Brico will construct and operate five-store integrated distribution system in Bulgaria and Macedonia, offering home improvement and repair products and specialized services.	2.86	-	1.67	-	-	-	4.53
EPIQ Electronics Assembly Ltd. will modernize and expand existing electronics manufacturing facilities.	7.70	-	-	-	-	-	7.70
Florina Bulgaria S.A. , country's third largest fruit juice producer, will establish integrated fruit juice and carbonated drinks company.	3.60	-	-	-	-	-	3.60
Kronospan Bulgaria EOOD will substitute previously planned particleboard line and further increase melamine pressing facility as part of ongoing investment program for Kronospan Bulgaria EOOD.	6.43	-	-	-	2.76	-	9.19
ProCredit Bank AD will receive equity investment of DM2.4 million, representing 20% ownership stake.	-	1.05	-	-	-	-	1.05
Sofia Med will revamp and modernize copper processing facility to improve production methods and facilitate transition to production of value-added products.	11.55	-	-	-	-	-	11.55
Croatia							
Piva d.d. , leading pharmaceutical company in central and eastern Europe, is constructing new research and development facility that will comply with international quality requirements while focusing on new-product R&D.	25.00	-	10.00	-	12.50	-	47.50

DESCRIPTION	IFC LOAN	IFC EQUITY	IFC QUASI- EQUITY	IFC GUAR- ANTEE	SYNDI- CATIONS	RISK MGT PRODUCTS	TOTAL FY01 COMMITTED
Czech Republic Konsolidacni Banka , established by government in 1991 for recovery and disposal of problem assets, initiated pilot program to sell nonperforming loans to international investors.	-	2.72	14.59	-	-	-	17.31
Estonia Kreenholmi Valduse A.S. , vertically integrated producer of cotton-based textiles, will streamline operations, diversify product range, and upgrade environmental conditions of facilities.	4.93	-	2.51	-	10.61	-	18.05
Horizon Tselluloosi Ja Paberi Aktsiaselts , only producer of unbleached pulp and paper in Estonia, will promote development of value-added, export-oriented industry using local raw materials.	-	-	0.06	-	-	-	0.06
Georgia Georgian Glass and Mineral Water Company N.V. , a Netherlands Antilles-based holding company, undertook capital increase.	-	0.18	-	-	-	-	0.18
Kazakhstan CASPI Limited will expand and develop three-star hotel in Atyrau (western Kazakhstan) and small guesthouse in Bautino, close to Caspian oil fields.	2.50	-	-	-	-	-	2.50
First International Oil Corporation will expand Sazankurak oil field in western Kazakhstan.	-	0.01	-	-	-	-	0.01
LP-GAZ will provide liquid petroleum gas in cylinders and bulk tankers to domestic consumers for use in home cooking and heating.	2.00	-	-	-	-	-	2.00
Sazankurak Joint Stock Company will expand Sazankurak oil field in western Kazakhstan.	15.00	-	5.00	-	-	-	20.00
OJSC NefteBank , regional privately owned commercial bank, will lend to local oil and gas companies and small and medium enterprises. (SEF)	-	-	2.50	-	-	-	2.50
Kyrgyz Republic Kyrgyz Investment and Industrial Credit Bank will provide full range of commercial banking services to private companies, companies undergoing privatization, and small and medium enterprises.	-	1.40	-	-	-	-	1.40
Lithuania Vilniaus Bankas AB will improve its capital position in order to prudently expand its operations to better serve corporate sector, mainly small and medium enterprises.	-	-	18.32	-	-	-	18.32
Macedonia, former Yugoslav Republic of Komercijalna Banka A.D. Skopje will on-lend funds to private small and medium enterprises for business expansion and modernization.	4.28	-	-	-	-	-	4.28
Moldova Micro Enterprise Credit (MEC) din Moldova S.A. will establish private microfinance institution.	-	-	0.90	-	-	-	0.90
Moldincombank S.A. , part of three small, privately owned banks, will receive comprehensive technical assistance and credit lines to provide term loans to small and medium enterprises.	1.50	-	-	-	-	-	1.50

PROJECT COMMITMENTS

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Voxtel S.A. will operate first nationwide GSM mobile cellular telecommunications network in Moldova.	-	-	31.00	-	-	-	31.00
Poland							
Global Hotels Development Group Poland S.A. will develop and operate a chain of Holiday Inn franchised hotels in major regional cities.	3.01	-	3.76	-	-	-	6.77
Interzell S.A. , second largest producer of unbleached packaging paper in Poland, expanded capital to finance investments.	-	2.04	-	-	-	-	2.04
Romania							
Banca Românească S.A. will establish a banking institution and creditworthy private enterprises, which could eventually become attractive opportunities for foreign direct investment.	6.00	-	-	-	-	-	6.00
Romlease S.A. will establish new facility to support growth in lease revenues, which is instrumental to company turnaround.	4.00	-	-	-	-	-	4.00
Mobil Rom S.A. will expand nationwide GSM cellular network.	15.00	-	-	-	20.00	-	35.00
Russian Federation							
Baring Vostok Private Equity Fund will make equity investments in companies of former Soviet Union that operate in oil and gas, telecommunications, information technology, consumer products, and forestry sectors.	-	15.00	-	-	-	-	15.00
New Medical Center in St. Petersburg will eventually include family medicine clinic, outpatient and inpatient clinics, clinical laboratory, and imaging diagnostic department.	2.10	-	-	-	-	-	2.10
Omsukchansk Mining and Geological Company will develop Julietta gold and silver mine in Magadan.	8.50	-	1.50	-	-	-	10.00
Ramenka OOO , one of Moscow's largest food retailers, will construct third hypermarket, minimall, and two supermarkets in Moscow.	30.00	-	-	-	-	-	30.00
ZAO Stora Enso Packaging will build and operate corrugated board production facility in Moscow.	-	1.50	-	-	-	-	1.50
Slovak Republic							
Vseobecna Uverova Banka, A.S. , will improve governance and compliance with international norms following privatization, thus contributing to overall strengthening of financial sector.	-	50.00	-	-	-	-	50.00
Tajikistan							
Holland-Tajik Joint Venture M & P will expand "Holland Supermarket" in Dushanbe.	0.40	-	-	-	-	-	0.40
Tajikistan Finconsult Company will be first local consultancy and auditing services firm meeting international standards. Company will assist international and Tajik clients in preparation of feasibility studies, provide training in financial management and accounting, and audit banks and companies.	-	0.05	-	-	-	-	0.05
TAMO Joint Stock Company will expand existing marble manufacturing unit that produces decorative items and will develop granite quarry.	0.49	-	-	-	-	-	0.49

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Turkey							
Arcelik, A.S. , Turkey's market leader in home appliance sector, will establish corporate investment program to support continued growth and strategic development.	30.00	-	-	-	49.70	-	79.70
Banvit Bandirma Vitaminli Yem Sanayi A.S. will implement modernization and expansion program of integrated poultry business. Outgrower farms will increase from 500 to 800.	20.00	5.00	-	-	-	-	25.00
CBS Printas Baski Murekkepleri ve Gerecleri A.S. will support ongoing operations of printing ink manufacturer.	-	0.01	-	-	-	-	0.01
Isiklar Ambalaj A.S. , will complete Celhart Pulp and Paper Mill project in Bulgaria and restructure company's debt.	-	-	0.30	-	-	-	0.30
Istanbul Bilgi University will expand and modernize its facilities to accommodate new students and establish on-line education programs.	12.00	-	-	-	-	-	12.00
Ukraine							
Microfinance Bank of Ukraine will establish first Ukrainian bank dedicated to micro and small enterprise lending.	-	1.67	-	-	-	-	1.67
Uzbekistan							
Osiyo Granite Ltd. will establish new granite processing plant in existing building in Tashkent.	1.25	-	0.40	-	-	-	1.65
Private Closed Joint Stock Commercial Bank "Parvina Bank," commercial bank in Samarkand, will provide long-term financing for fledgling small business community in Samarkand and Andijan regions. (SEF)	-	-	1.00	-	-	-	1.00
Open Joint Stock Commerce Bank "Hamkorbank" will provide subloans to small and medium enterprises to help develop nascent Uzbek private sector. (SEF)	-	-	1.00	-	-	-	1.00
Uzbek Leasing International A.O. , will lease equipment to small and medium enterprises.	-	0.30	-	-	-	-	0.30
REGIONAL							
SEAF Growth Fund will make equity and quasi-equity investments in small and medium enterprises in Poland, Bulgaria, Croatia, FYR Macedonia, and three Baltic states.	-	3.26	-	-	-	-	3.26
Trans-Balkan Fund LLC will make equity and quasi-equity investments in small and medium enterprises in Balkan countries affected by Kosovo conflict. (SEF)	-	4.82	-	-	-	-	4.82

DESCRIPTION	IFC LOAN	IFC EQUITY	IFC QUASI- EQUITY	IFC GUAR- ANTEE	SYNDI- CATIONS	RISK MGT PRODUCTS	TOTAL FY01 COMMITTED
LATIN AMERICA AND THE CARIBBEAN							
Argentina							
Aguas Provinciales de Santa Fe will provide potable water and sewage services to 15 districts in Santa Fe under 30-year concession.	20.00	-	-	-	-	-	20.00
Nuevo Banco de Santa Fe S.A. will provide long-term funding for Argentina and specifically for Santa Fe region. Investment will develop local capital market, reduce dependence on international investors, and improve efficiency of local small and medium corporates.	20.00	-	-	-	-	-	20.00
Secondary Mortgage Market Company (SMMC) will be Argentina's first major secondary mortgage company. It will provide more affordable mortgage financing and enhance development of local capital markets.	50.00	-	-	-	-	-	50.00
Universidad del Salvador will expand its Pilar campus in order to alleviate shortage of space and improve campus services.	10.00	-	-	-	-	-	10.00
Universidad Torcuato Di Tella will purchase and renovate a new education building to accommodate enrollment growth.	9.00	-	-	-	-	-	9.00
Bolivia							
Caja Los Andes S.A. , commercial bank specializing in micro-enterprise lending, will swap €1.5 million euro-denominated loan into U.S. dollars to hedge currency risk.	-	-	-	-	-	1.30	1.30
Telefónica Celular de Bolivia S.A. will expand and digitize its existing cellular network, improving the communication sector.	10.00	-	5.00	-	10.00	-	25.00
Brazil							
Banco BBA Creditanstalt will provide a credit line targeted at medium-sized export-oriented borrowers in Brazil.	40.00	-	-	-	-	-	40.00
Concessionaria do Sistema Anhangüera-Bandeirantes S.A. will rehabilitate Anhangüera and Bandeirantes highways near São Paulo, extend Bandeirantes road by 78.5 km, and add three toll plazas.	35.00	-	-	-	31.00	-	66.00
Escol@24Horas.com , mini-education portal providing 24-hour tutoring support by e-mail, will extend learning capacity and resources of schools to students at home using e-mail and Internet.	-	3.25	-	-	-	-	3.25
Hospital Samaritano will complete rehabilitation and modernization of facilities.	20.00	-	-	-	-	-	20.00
Josapar Oliveira Participações S.A. , country's largest processor and marketer of white rice, will expand and upgrade facilities. Parboiled rice and packaging plant will be relocated.	8.00	-	7.00	-	-	-	15.00
Minerações Brasileiras Reunidas S.A. will fund mine development, plant construction, and facility improvement with aim of increasing iron ore production capacity.	20.00	-	-	-	-	-	20.00
Tecon Salvador S.A. will rehabilitate and operate container and general cargo terminal of Port of Salvador, in northeastern Brazil.	3.50	1.00	-	-	5.00	-	9.50

PROJECT COMMITMENTS

(millions of U.S. dollars)

DESCRIPTION	IFC LOAN	IFC EQUITY	IFC QUASI- EQUITY	IFC GUAR- ANTEE	SYNDI- CATIONS	RISK MGT PRODUCTS	TOTAL FY01 COMMITTED
Chile							
Minera Escondida Limitada will use funds to finance part of Escondida's capital expenditure, working capital, and debt service requirements.	-	-	7.50	-	-	-	7.50
San Antonio Terminal Internacional, S.A. , largest port in Chile, will expand and improve facilities.	35.00	3.70	-	-	65.00	-	103.70
					-	-	
Colombia							
Cementos del Caribe, S.A. , Colombia's leading cement producer, will upgrade capacity and reduce production costs and bottlenecks at two of its plants, Cales y Cementos Toluviejo in Colombia and Corporación de Cemento Andino C.A. in Venezuela. Program includes postprivatization investment program for Andino.	15.00	10.00	-	-	48.00	-	73.00
Costa Rica							
Gestión Aeroportuaria AGI de Costa Rica S.A. will manage, operate, rehabilitate and expand Aeropuerto Internacional Juan Santamaría (AIJS), which handles an estimated 2.3 million passengers annually.	35.00	-	-	-	85.00	-	120.00
Banco Interfin S.A. will on-lend funds to small and medium enterprises for expansion and modernization projects.	15.00	-	-	-	-	-	15.00
Guyana							
Guyam Bank , Guyana's first merchant bank, will provide consulting services and term finance to the private sector.	-	1.00	-	-	-	-	1.00
Jamaica							
Mossel (Jamaica) Limited will construct nationwide digital GSM cellular network to bring competition to mobile telecommunications sector.	18.00	-	12.00	-	-	-	30.00
Mexico							
American British Cowdray Medical Center I.A.P. will support construction and operation of hospital's second facility and allow for future growth in Santa Fe area.	30.00	-	-	-	14.00	-	44.00
Financiera Compartamos S.A. de C.V., S.O.F.O.L. , a regulated financial intermediary, will take over a quality microlending portfolio under a village banking technology. Clients include over 50,000 rural (mostly women) borrowers and growing clientele of urban borrowers.	1.00	0.63	-	-	-	-	1.63
G.W. Servicios S.A. de C.V. , through its wholly owned subsidiary Ferrocarriles Chiapas Mayab S.A. de C.V.(FCCM), will rehabilitate existing railroad infrastructure and rolling stock in some of poorest Mexican states as well as introduce intermodal services on Chiapas Mayab line.	10.50	1.90	-	-	10.00	-	22.40
Hipotecaria Su Casita S.A. de C.V., S.O.F.O.L. , Mexico's second largest mortgage lender, founded in 1994, will continue to focus on providing mortgages for low-income households. IFC will take 14.4% equity stake in company to enable expansion of business operations and increase lending capability.	-	11.01	-	-	-	-	11.01
Industrias Innopack S.A. de C.V. , medium-sized company that manufactures one-way PET bottles and caps for domestic soft drinks and bottled water industries, will undertake expansion and financial restructuring program.	-	15.00	-	-	-	-	15.00
InverCap S.A. de C.V. , a mutual fund management company that targets individuals and corporations, will use financing for next phase of growth and to bolster its marketing efforts.	-	0.07	-	-	-	-	0.07

PROJECT COMMITMENTS

(millions of U.S. dollars)

DESCRIPTION	IFC LOAN	IFC EQUITY	IFC QUASI- EQUITY	IFC GUAR- ANTEE	SYNDI- CATIONS	RISK MGT PRODUCTS	TOTAL FY01 COMMITTED
Promotora de Centros Educativos S.A. de C.V. will construct and operate K-12 schools in the states of Oaxaca, Durango, Michoacan, Sinaloa, and Morelos.	6.50	-	-	-	-	-	6.50
Tenedora Nemark S. A. de C. V. , major producer of aluminum cylinder heads for automotive engines, will acquire two aluminum auto parts plants. IFC increased investment to maintain existing stake.	-	-	1.51	-	-	-	1.51
Turborreactores S.A. de C.V. will rehabilitate, upgrade, and expand plant facilities for overhaul and repair of aeronautical jet engines.	14.00	-	-	-	4.00	-	18.00
Peru Agro-Guayabito S.A. , producer of tomatoes, asparagus, and live chickens for export and domestic market, will use investment to alleviate liquidity crisis.	2.00	-	-	-	-	-	2.00
Inka Terra, Peru S.A.C. , hotel operator specializing in eco-tourism properties, will expand operations and restructure finances.	5.00	-	-	-	-	-	5.00
Minera Quellaveco S.A. will receive funding for final stage of feasibility program.	-	0.75	-	-	-	-	0.75
Peru Orient Express Hotel will refurbish existing Machu Picchu Sanctuary Lodge, Monasterio Hotel in Cusco, and convert adjacent building to a 58-suite, 5-star hotel.	10.00	-	-	-	-	-	10.00
Universidad Peruana de Ciencias Aplicadas, S.A. , one of top five private universities in Lima, will expand and modernize its facilities.	7.00	-	-	-	-	-	7.00
Uruguay Universidad de Montevideo will consolidate its position of leadership by enhancing its research and teacher training, reaching greater number of qualified students of lower income, and expanding overall enrollment.	5.00	-	-	-	-	-	5.00
Venezuela, República Bolivariana de Forestal Trillium , an integrated forestry products company, will invest in design, construction, and operation of oriented-strand-board mill.	16.80	6.00	-	-	10.00	-	32.80
Electricidad de Caracas S.A.C.A will bring electricity to poor neighborhoods devastated by flooding.	30.00	-	-	-	-	-	30.00
REGIONAL Convergence Communications, Inc. will provide broadband connectivity in Central America, Mexico, and Venezuela.	-	2.15	-	-	-	-	2.15
Medical Systems Finance Holding Limited , medical equipment company based in Uruguay and serving Brazil, Argentina, and Mexico, will use funding to expand on business growth related to initial IFC investment in 1998.	-	-	-	-	5.00	-	5.00
PriceSmart, Inc. , will expand existing warehouse-stores in Central America and Caribbean by constructing 13 no-frills membership-shopping warehouses.	22.00	-	10.00	-	-	-	32.00
HSBC Argentina Holdings S.A. , a \$300 million private equity fund targeting investments in small and medium privately held enterprises in Mercosur region, will be managed by HSBC Private Equity Latin America L.P.	-	20.00	-	-	-	-	20.00

DESCRIPTION	IFC LOAN	IFC EQUITY	IFC QUASI- EQUITY	IFC GUAR- ANTEE	SYNDI- CATIONS	RISK MGT PRODUCTS	TOTAL FY01 COMMITTED
Softbank Latin America Ventures will establish Internet-related businesses in Latin America. Investment will bring leading-edge Internet models to the region and foster local enterprises.	-	15.00	-	-	-	-	15.00
Certifica.com will provide Web traffic measurement, as well as auditing and analysis for Internet sites across Latin America.	-	1.50	-	-	-	-	1.50
Caribbean Loan Facility will provide term financing to small and medium enterprises undertaking greenfield expansion and restructuring investments, particularly in export sectors. Facility will be managed by The Bank of Nova Scotia, IFC's partner in the project.	25.00	-	-	-	25.00	-	50.00
MIDDLE EAST AND NORTH AFRICA							
Algeria							
Algiers Investment Partnership S.P.A. , first investment and securities company in Algiers, will be involved in broad range of investments in banking services, including corporate finance services relating to privatization.	-	0.30	-	-	-	-	0.30
Egypt, Arab Republic of							
EDF Suez Gulf Power S.A.E. and EDF Port Said Power S.A.E. will develop, construct, and operate two 682.5 MW steam generation plants to provide long-term source of low-cost power for homes and industries.	90.00	-	-	-	305.00	-	395.00
EFG Hermes Holding S.A.E. , leading investment bank in Egypt, will expand presence by establishing joint ventures in Jordan, Saudi Arabia, and United Arab Emirates.	30.00	-	-	-	-	-	30.00
Egyptian Cement Company S.A.E. will receive IFC's first local currency financing in MENA region to support construction and operation of dry-process cement plant.	-	-	-	34.39	-	-	34.39
IT Worx will provide software development and IT consulting services in various fields including e-solutions, customer relationship management, desktop application development, and enterprise solutions.	-	2.50	-	-	-	-	2.50
Unipak Nile Limited will establish greenfield facility to produce corrugated cardboard packaging for domestic market. It will create wider product line offering, reduce costs, and provide extra storage capacity.	3.00	-	-	-	-	-	3.00
Jordan							
International Luggage Manufacturing Company , manufacturer of soft-side luggage products, will expand production line and export merchandise to U.S. market.	8.00	-	-	-	-	-	8.00
Jordan Gateway Projects Company will develop and operate industrial estate at Jordan-Israel border.	10.00	10.00	-	-	-	-	20.00
Middle East Investment Bank (MEIB) will recapitalize and restructure to modernize banking services, enhance competition, and foster greater regional banking relationships and cooperation.	-	-	2.15	-	-	-	2.15
Lebanon							
Banque Saradar S.A.L. will on-lend to small and medium enterprises and extend term housing loans to middle-income families.	-	1.00	-	-	-	-	1.00

PROJECT COMMITMENTS

(millions of U.S. dollars)

DESCRIPTION	IFC LOAN	IFC EQUITY	IFC QUASI- EQUITY	IFC GUAR- ANTEE	SYNDI- CATIONS	RISK MGT PRODUCTS	TOTAL FY01 COMMITTED
Lebanese Credit Insurer S.A.L. , country's first specialized credit insurance company, will provide small and medium businesses with new mechanism for managing asset risk and affordable financing.	-	0.50	-	-	-	-	0.50
Lebanese Leasing Company S.A.L. , successful leasing company providing small and medium enterprises with flexible alternatives to traditional bank financing, will strengthen long-term funding base.	10.00	-	-	-	-	-	10.00
Morocco Medi Telecom S.A. will build and operate second nationwide GSM 900 network in Morocco. Project is expected to improve quality and delivery of telephone service, and contribute to increased wireless telephone penetration rates.	66.38	-	22.13	-	309.70	-	398.21
Saudi Arabia Saudi Orix Leasing Company (SOLC) , first Saudi leasing company, will provide small and medium enterprises access to credit.	-	1.60	-	-	-	-	1.60
Syrian Arab Republic Arab Drip Irrigation Technology Ltd (Adritec) will finance new production facilities in Latakia, expanding and upgrading water-conserving irrigation systems, and extending reach of company into markets across region.	-	1.00	-	-	-	-	1.00
REGIONAL Middle East North Africa Forfeiting Facility (MFF) will foster trade by supporting local company access to international markets and expand availability of medium-term finance for cross-border trade. Facility will cover Egypt, Jordan, Lebanon, Morocco, and Tunisia.	-	-	-	34.00	-	-	34.00
WORLD							
Gerling Credit Insurance Group will make credit insurance company investments in emerging market countries through new entities and acquisition of existing credit insurance companies.	-	8.56	-	-	-	-	8.56
InfrastructureWorld.com (IWorld) , global Internet portal for infrastructure, is expected to become important resource for participants in large-scale infrastructure projects and businesses. IWorld expects to become preferred hub for information and electronic transaction facilitator for infrastructure sector worldwide.	-	5.00	-	-	-	-	5.00
Internationale Micro Investitionen (IMI) will take strategic equity positions in for-profit microfinance institutions in emerging markets.	-	1.70	-	-	-	-	1.70
Round 1 will expand availability of Private Equity Street to emerging markets. PES is a Web-based private equity portfolio management and reporting product.	-	1.50	-	-	-	-	1.50
Solar Development Corporation will provide finance and business advisory services with objective of accelerating use of solar photovoltaic systems in developing countries.	-	5.50	-	-	-	-	5.50

AEF= Africa Enterprise Fund
SEF= Small Enterprise Fund

PROJECT APPROVALS

90 SUB-SAHARAN AFRICA

Botswana, Burundi, Cape Verde, Ghana, Kenya, Madagascar, Mali, Mozambique, Namibia, Nigeria, Rwanda, Senegal, Seychelles, South Africa, Tanzania, Uganda, Zambia

91 ASIA AND THE PACIFIC

Bangladesh, China, Fiji, India, Indonesia, Republic of Korea, Lao People's Democratic Republic, Maldives, Mongolia, Nepal, Pakistan, Philippines, Sri Lanka, Thailand, Vietnam

93 EUROPE AND CENTRAL ASIA

Albania, Azerbaijan, Bosnia and Herzegovina, Bulgaria, Croatia, Cyprus, Czech Republic, Estonia, Georgia, Hungary, Kazakhstan, Kyrgyz Republic, Latvia, Lithuania, Former Yugoslav Republic of Macedonia, Moldova, Romania, Russian Federation, Slovak Republic, Tajikistan, Turkey, Ukraine, Uzbekistan

95 LATIN AMERICA AND THE CARIBBEAN

Argentina, Belize, Bolivia, Brazil, Colombia, Costa Rica, El Salvador, Jamaica, Mexico, Nicaragua, Peru, Trinidad and Tobago, Uruguay

96 MIDDLE EAST AND NORTH AFRICA

Algeria, Arab Republic of Egypt, Jordan, Lebanon, Morocco, Syrian Arab Republic

View and sort projects on the Web at www.ifc.org/ar2001/projects

(in millions of U.S. dollars)

COUNTRY/PROJECT	SECTOR	IFC FINANCING	SYNDICATIONS	TOTAL PROJECT FINANCING	PROJECT SIZE
SUB-SAHARAN AFRICA					
Botswana Africa Banking Corporation	Finance ¹	20.00	-	20.00	20.00
Burundi Florex Limited	Agriculture ²	0.28	-	0.28	0.99
Cape Verde Moura Company	Transportation ³	0.47	-	0.47	1.20
Ghana Diamond Cement Ghana Limited Ghana Printing and Packaging Industries Limited	Minerals ⁴ Pulp & Paper	6.00 1.70	- -	6.00 1.70	15.00 4.25
Kenya Celinico Flowers Limited Gapco Kenya Industrial Promotion Services Rights Issue Kenya Commercial Bank	Agriculture ² Trade Finance ¹ Finance ¹	0.23 15.00 0.66 30.00	- - - -	0.23 15.00 0.66 30.00	0.46 42.00 0.66 30.00
Madagascar Aquaculture de la Mahajamba (AQUALMA) Cotona Clothing Company La Cotonnière d'Antsirabe	Agriculture ² Textiles ⁵ Textiles ⁵	15.23 2.59 7.76	- - -	15.23 2.59 7.76	82.70 10.20 20.00
Mali Banque Malienne de Crédits et de Dépôts Fibromat-Mali	Finance ¹ Minerals ⁴	5.80 0.12	- -	5.80 0.12	5.80 0.25
Mozambique Autobody Grand Prix Lda. Mozal S.A.R.L.	Indus/Cons Products ⁶ Metals ⁷	0.44 25.00	- -	0.44 25.00	1.23 1,024.00
Namibia Life Office of Namibia Limited Nedbank Investment Bank	Finance ¹ Finance ¹	0.81 0.74	- -	0.81 0.74	5.00 0.90
Nigeria Citibank Nigeria-ETM First City Merchant Bank Ltd. Niger Delta Contractor Revolving Credit Facility Novotel Port Harcourt Hotel United Bank for Africa (plc)	Finance ¹ Finance ¹ Finance ¹ Tourism ⁸ Finance ¹	30.00 10.00 15.00 4.00 30.00	- - - - -	30.00 10.00 15.00 4.00 30.00	30.00 10.00 30.00 13.10 30.00
Rwanda Dreamland Towers	Tourism ⁸	0.80	-	0.80	3.24

Note: This table includes projects approved for financing by IFC during FY01.

PROJECT APPROVALS

(in millions of U.S. dollars)

COUNTRY/PROJECT	SECTOR	IFC FINANCING	SYNDICATIONS	TOTAL PROJECT FINANCING	PROJECT SIZE
Senegal					
Royal Saly S.A.	Tourism ⁸	1.00	-	1.00	3.62
Seychelles					
Seychelles Stock Exchange and Brokerage Company	Finance ¹	0.15	-	0.15	0.15
South Africa					
Comesa Financial Exchange On-line (Pty) Ltd	Information	1.00	-	1.00	2.51
Cornerstone College	Education Services	0.28	-	0.28	0.57
Franchise Partners	Finance ¹	2.50	-	2.50	6.25
Freecom (Proprietary) Limited	Indus/Cons Products ⁹	0.40	-	0.40	1.33
Printability Ltd.	Pulp & Paper	7.23	-	7.23	30.20
Rubico Holding SA (Pty) Ltd.	Information	5.00	-	5.00	10.00
Spier Estate Hotel	Tourism ⁸	19.50	-	19.50	81.25
Tanzania					
Boundary Hill Lodge Limited	Tourism ⁸	0.20	-	0.20	0.80
2000 Industries	Food ⁹	1.60	-	1.60	4.80
Uganda					
Golf Course Holdings Limited	Trade ¹⁰	1.00	-	1.00	5.40
Kabojja Junior School	Education Services	0.35	-	0.35	1.25
Zambia					
Michelangelo Executive Lodge Limited	Tourism ⁸	0.20	-	0.20	0.50
Protea Hotel Chingola	Tourism ⁸	0.96	-	0.96	2.39
REGIONAL INVESTMENTS					
A & K Resorts	Tourism ⁸	14.00	-	14.00	61.00
Africa Media Group Limited	Information	5.00	-	5.00	22.20
AIG Global Investment Company (East Africa) Ltd.	Funds ¹¹	0.15	-	0.15	1.00
Mining and Contracting Services	Oil, Gas, & Mining	34.00	40.00	74.00	100.00
Mobile Systems International Cellular Investments Holdings, B.V.	Information	31.00	-	31.00	261.00
Privatization Fund for Africa	Funds ¹¹	50.00	-	50.00	50.00
Sunu Assurances	Finance ¹	1.43	-	1.43	1.60
ASIA AND THE PACIFIC					
Bangladesh					
Bangladesh Trade Enhancement Facility	Finance ¹	26.00	-	26.00	52.00
BRAC Bank	Finance ¹	3.00	-	3.00	10.00
Unique Hotels	Tourism ⁸	8.75	-	8.75	35.00
China					
Asian American Coal Inc.	Oil, Gas, & Mining	2.00	-	2.00	2.00
China Minsheng Banking Co., Ltd.	Finance ¹	23.50	-	23.50	23.50
Maanshan Carbon	Chemicals	11.00	5.00	16.00	22.00
Nanjing City Commercial Bank	Finance ¹	26.58	-	26.58	26.58
New China Life Insurance Company	Finance ¹	30.93	-	30.93	125.50
Peak Pacific Investment Company	Utilities	25.00	-	25.00	100.00
Shanxi Asian American Daning Energy Company Limited	Oil, Gas, & Mining	15.00	15.00	30.00	75.00
Sino-Forest Plantation	Indus/Cons Products ⁹	25.00	-	25.00	50.00
Fiji					
Hillview Limited	Tourism ⁸	0.32	-	0.32	1.74
India					
Ballarpur Industries Limited	Pulp & Paper	27.00	-	27.00	126.10
Bharti Telecom Limited	Information	70.00	-	70.00	500.00
Bhartiya Samruddhi Finance Limited	Finance ¹	1.00	-	1.00	10.00
Continental Carbon India Limited	Chemicals	9.00	11.5	20.5	35.25
GI Wind Farms Limited	Utilities	10.80	-	10.80	29.90
Global Trade Finance (Pvt.) Limited	Finance ¹	12.41	-	12.41	30.00

PROJECT APPROVALS

(in millions of U.S. dollars)

COUNTRY/PROJECT	SECTOR	IFC FINANCING	SYNDICATIONS	TOTAL PROJECT FINANCING	PROJECT SIZE
Global Trust Bank	Finance ¹	20.00	-	20.00	40.00
ICICI - GF	Finance ¹	40.00	-	40.00	40.00
ICICI Limited	Finance ¹	50.00	-	50.00	50.00
Indian Infrastructure Equipment Limited	Finance ¹	10.00	-	10.00	44.00
Indian Seamless Metal Tubes Limited	Metals ⁷	11.40	-	11.40	28.60
Internet Express Ltd.	Information	5.00	-	5.00	32.00
Jet Airways (India) Ltd.	Transportation ³	15.00	-	15.00	445.00
Learning Universe Pvt. Limited	Education Services	0.25	-	0.25	19.10
Mahindra Infrastructure Developers Limited	Utilities	10.00	-	10.00	50.00
NIIT Limited	Education Services	10.68	-	10.68	172.50
Orchid Chemicals & Pharmaceuticals Limited	Chemicals	30.00	-	30.00	116.00
Samtel Color Limited, Samcor Glass Limited	Indus/Cons Products ⁶	21.30	-	21.30	68.10
Spryance, Inc.	Information	2.00	-	2.00	3.80
State Bank of India	Finance ¹	50.00	-	50.00	300.00
Varun Shipping Company Limited	Transportation ³	0.38	-	0.38	0.38
Vysya Bank Limited	Finance ¹	7.30	-	7.30	7.30
Indonesia					
PT. Berlian Laju Tanker II	Transportation ³	12.00	-	12.00	49.00
PT. Dianlia Setyamukti	Oil, Gas, & Mining	5.00	-	5.00	10.40
PT. Indorama Synthetics Tbk	Textiles ⁵	20.00	-	20.00	203.00
PT. Sigma Cipta Caraka	Professional Services ¹³	3.00	-	3.00	6.50
Standard Chartered Bank	Finance ¹	50.00	-	50.00	125.00
Sumitomo Bank	Finance ¹	50.00	-	50.00	125.00
PT. Sunson Textile Manufacturer Tbk	Textiles ⁵	13.00	18.00	31.00	36.10
Korea, Republic of					
Cheil Jedang Investment Trust & Securities	Finance ¹	50.20	-	50.20	177.00
Lao People's Democratic Republic					
Villa Santi	Tourism ⁸	1.15	-	1.15	2.80
Maldives					
Maldives Leasing Company	Finance ¹	4.25	-	4.25	12.00
Mongolia					
X.A.C. Co. Ltd.	Finance ¹	0.40	-	0.40	1.90
Nepal					
International Leasing and Finance Co., Ltd	Finance ¹	0.31	-	0.31	1.10
Pakistan					
Crescent Greenwood Ltd	Textiles ⁸	10.50	6.90	17.40	17.40
Lasmo Oil Pakistan Limited	Oil, Gas, & Mining	40.00	-	40.00	120.00
Sarah Textiles	Textiles ⁸	1.60	-	1.60	1.60
Philippines					
Asian Eye Institute	Health Care	1.00	-	1.00	4.20
Avalon Professional Web Trade Pte. Ltd.	Information	1.00	-	1.00	8.00
Filinvest Alabang Inc.	Construction ¹²	22.00	-	22.00	44.00
Manila North Tollways Corporation	Transportation ³	46.00	-	46.00	365.00
Philippine Export Development Facility	Finance ¹	6.00	-	6.00	12.00
Philippine International Air Terminal Corporation	Transportation ³	50.00	75.00	125.00	642.50
Sri Lanka					
South Asia Gateway Terminals (Private) Limited	Transportation ³	1.50	-	1.50	1.50
Thailand					
Alusiam Light Metal Industry Co., Ltd.	Metals ⁷	8.75	-	8.75	35.00
Standard Chartered Nakornthon Bank	Finance ¹	50.00	-	50.00	125.00
TelecomAsia Corporation Plc	Information	99.45	-	99.45	500.00
Thai Tap Water Company Limited	Utilities	56.45	-	56.45	235.00
Thailand International Rating Agency	Finance ¹	0.12	-	0.12	1.20
Vietnam					
RMIT International University Vietnam	Education Services	7.50	-	7.50	33.80

COUNTRY/PROJECT	SECTOR	IFC FINANCING	SYNDICATIONS	TOTAL PROJECT FINANCING	PROJECT SIZE
REGIONAL INVESTMENTS					
Asia Paper Markets	Pulp & Paper	1.00	-	1.00	8.00
One Studio	Information	3.00	-	3.00	13.30
Pacific NetMarkets Limited	Pulp & Paper	2.00	-	2.00	8.00
EUROPE AND CENTRAL ASIA					
Albania					
American Bank of Albania	Finance ¹	2.50	-	2.50	5.00
Anglo Albania Petroleum Limited	Oil, Gas, & Mining	10.00	-	10.00	197.50
Seament	Minerals ⁴	15.00	-	15.00	60.00
Azerbaijan					
Koçbank Azerbaijan	Finance ¹	0.06	-	0.06	0.06
Bosnia and Herzegovina					
Bosnalijek d.d.	Chemicals	2.30	-	2.30	5.90
Microenterprise Bank d.d. Sarajevo	Finance ¹	0.37	-	0.37	1.50
Privredna Banka Sarajevo Group	Finance ¹	13.68	-	13.68	14.30
Bulgaria					
Bulbank AD	Finance ¹	17.95	-	17.95	250.00
Doverie Brico	Trade ¹⁰	4.80	-	4.80	14.40
EPIQ Group	Indus/Cons Products ⁶	7.98	-	7.98	21.66
Kronospan Bulgaria EOOD	Indus/Cons Products ⁶	6.36	2.73	9.09	18.00
ProCredit Bank AD	Finance ¹	1.05	-	1.05	5.25
Sofia Med	Metals ⁷	11.55	-	11.55	80.00
Croatia					
Locat Leasing Croatia, D.O.O.	Finance ¹	6.20	-	6.20	22.00
Pliva d.d.	Chemicals	35.00	12.50	47.50	113.00
Cyprus					
Bravo Holdings Limited	Food ⁹	10.00	-	10.00	10.00
Czech Republic					
Konsolidacni Banka	Finance ¹	22.50	-	22.50	50.00
Estonia					
Krenholmi Valduse A.S.	Textiles ⁵	6.66	9.49	16.15	41.70
Georgia					
Microfinance Bank of Georgia	Finance ¹	0.29	-	0.29	2.40
Hungary					
Hungary Energy Efficiency Co-Finance Program 2	Finance ¹	12.00	-	12.00	70.00
Kazakhstan					
CASPI Limited	Tourism ⁸	2.50	-	2.50	5.90
Closed Joint Stock Company "Kaztak A.S."	Metals ⁷	2.60	-	2.60	8.40
Ispat Karmet JSC	Funds ¹¹	3.40	-	3.40	3.40
OJSC Kazkommertsbank	Finance ¹	15.00	-	15.00	15.00
OJSC NefteBank	Finance ¹	2.50	-	2.50	2.50
Kyrgyz Republic					
Akun Ltd.	Food ⁹	2.40	-	2.40	10.80
FINCA International, Inc.	Finance ¹	1.00	-	1.00	2.50
Latvia					
Linstow Varner SIA	Trade ¹⁰	25.00	35.00	60.00	146.04

PROJECT APPROVALS

(in millions of U.S. dollars)

COUNTRY/PROJECT	SECTOR	IFC FINANCING	SYNDICATIONS	TOTAL PROJECT FINANCING	PROJECT SIZE
Lithuania					
Vilniaus Bankas AB	Finance ¹	18.72	-	18.72	20.00
Macedonia, former Yugoslav Republic of					
Komercijalna Banka A.D. Skopje	Finance ¹	4.66	-	4.66	5.00
Stopanska Banka A.D. Skopje	Finance ¹	0.55	-	0.55	5.00
Moldova					
Retelele Electrice (mun. Chisinău) S.A., Retelele Electrice de Distribuție Centru S.A. and Retelele Electrice de Distribuție Sud S.A.	Utilities	25.00	-	25.00	136.00
Victoriabank	Finance ¹	5.00	-	5.00	5.00
Voxtel S.A.	Information	0.31	-	0.31	6.00
Romania					
Banca Românească S.A.	Finance ¹	6.00	-	6.00	6.30
ICME	Metals ⁷	12.94	-	12.94	43.50
Kronospan Romania SRL	Indus/Cons Products ⁶	30.20	45.73	75.93	143.00
Romlease	Finance ¹	4.00	-	4.00	4.00
Russian Federation					
Baring Vostok Private Equity Fund	Funds ¹¹	15.00	-	15.00	175.00
Bema Gold Corporation	Oil, Gas, & Mining	1.00	-	1.00	1.00
OOO Bravo International	Food ⁹	15.00	7.00	22.00	40.00
Ford Motor Company ZAO	Indus/Cons Products ⁶	55.00	55.00	110.00	221.40
New Medical Center	Health Care	2.10	-	2.10	9.00
Omsukchansk Mining and Geological Company	Oil, Gas, & Mining	10.00	-	10.00	76.49
Probusiness Bank	Finance ¹	5.00	-	5.00	5.00
Ramenka OOO	Trade ¹⁰	30.00	-	30.00	125.50
Ruscam	Minerals ⁴	13.00	-	13.00	25.00
ZAO Stora Enso Packaging	Pulp & Paper	0.20	-	0.20	0.21
Volga-Dnepr Airlines	Transportation ³	25.00	25.00	50.00	65.90
Slovak Republic					
Slovenska Konsolidačná, A.S.	Finance ¹	20.00	-	20.00	54.00
Vseobecna Uverova Banka, A.S.	Finance ¹	50.00	-	50.00	50.00
Tajikistan					
Somon	Food ⁹	0.40	-	0.40	1.12
Tajikistan Finconsult Company	Professional Services ¹³	0.15	-	0.15	0.42
Turkey					
Akbank T.A.S.	Finance ¹	45.00	80.00	125.00	225.00
Arcelik A.S.	Indus/Cons Products ⁶	30.00	100.00	130.00	500.00
CBS Printas Baski Murekkepleri ve Gereçleri A.S.	Indus/Cons Products ⁶	0.01	-	0.01	0.14
Gunkol/TEBA	Indus/Cons Products ⁶	10.00	-	10.00	25.00
Istanbul Bilgi University	Education Services	12.00	-	12.00	38.20
Turkish Private Equity Fund	Funds ¹¹	10.00	-	10.00	40.00
Ukraine					
JSC Damen Shipyards Okean	Indus/Cons Products ⁶	10.00	-	10.00	40.70
Uzbekistan					
OJSC Hamkorbank	Finance ¹	2.00	-	2.00	2.00
Private Closed Joint Stock Commercial Bank "Parvina Bank"	Finance ¹	1.00	-	1.00	2.50
REGIONAL INVESTMENTS					
Baltic SME Fund	Funds ¹¹	7.50	-	7.50	40.00
Central Asia Early Stage Investment Fund	Funds ¹¹	2.50	-	2.50	20.00

PROJECT APPROVALS

(in millions of U.S. dollars)

COUNTRY/PROJECT	SECTOR	IFC FINANCING	SYNDICATIONS	TOTAL PROJECT FINANCING	PROJECT SIZE
LATIN AMERICA AND THE CARIBBEAN					
Argentina					
Edenor SME Line	Utilities	20.00	-	20.00	20.00
Formatos Eficientes S.A.	Trade ¹⁰	12.00	-	12.00	86.20
Gasnor S.A.	Utilities	21.00	20.00	41.00	103.00
Instituto Tecnológico de Buenos Aires	Education Services	7.00	-	7.00	26.90
Nuevo Banco de Santa Fé S.A.	Finance ¹	20.00	-	20.00	20.00
Universidad del Salvador	Education Services	10.00	-	10.00	20.00
Belize					
Nova Toledo Ltd. and Nova Laguna Ltd.	Agriculture ²	6.00	-	6.00	12.00
Bolivia					
Banco Ganadero	Finance ¹	5.00	-	5.00	5.00
Caja Los Andes S.A.	Finance ¹	0.15	-	0.15	0.20
Central Aguirre Portuaria, S.A.	Transportation ³	2.50	-	2.50	5.20
Petroquímica Boliviana S.A.	Chemicals	10.50	-	10.50	30.12
Telefónica Celular de Bolivia S.A	Information	15.00	10.00	25.00	80.80
Brazil					
AG Concession	Infrastructure	30.00	-	30.00	-
Apolo Produtos de Aço S.A.	Indus/Cons Products ⁶	8.00	-	8.00	27.10
Bradesco Templeton	Funds ¹¹	20.00	-	20.00	100.00
Cataguazes Leopoldina	Utilities	45.00	40.00	85.00	119.99
Escol@24Horas.com	Education Services	3.25	-	3.25	11.50
Grupo Peixoto de Castro (GPC) Participações S.A.	Indus/Cons Products ⁶	9.00	-	9.00	11.10
Satipel Industrial S.A.	Indus/Cons Products ⁶	30.00	-	30.00	128.00
Synteko Produtos Químicos S.A.	Indus/Cons Products ⁶	18.00	-	18.00	42.00
Tecon Salvador S.A.	Transportation ³	4.50	5.00	9.50	16.30
Universidade do Sul de Santa Catarina	Education Services	15.00	-	15.00	45.00
Colombia					
Cementos del Caribe, S.A., Cales y Cementos de Toluviejo, and Corporación de Cemento Andino C.A.	Minerals ⁴	25.00	48.00	73.00	88.50
Colombia Capital Growth Fund	Funds ¹¹	19.00	-	19.00	76.00
Colombian Home Mortgage Corp. (CHMC)	Finance ¹	140.00	-	140.00	200.00
Costa Rica					
Alterra Partners Costa Rica S.A.	Transportation ³	35.00	85.00	120.00	160.99
Banco Interfín S.A.	Finance ¹	15.00	-	15.00	15.00
El Salvador					
CAESS/EEO Distribution Companies	Utilities	45.00	75.00	120.00	120.00
Jamaica					
Mossel (Jamaica) Limited	Information	30.00	21.00	51.00	150.00
Mexico					
Banco BBVA - Bancomer	Finance ¹	100.00	-	100.00	100.00
Combustibles Ecológicos Mexicanos, S.A. de C.V.	Chemicals	10.00	-	10.00	27.50
Compañía Tratadora de Aguas Negras de Puerto Vallarta, S.A. de C.V.	Utilities	1.00	-	1.00	1.00
Financiera Compartamos, S.A. de C.V., SOFOL	Finance ¹	1.90	-	1.90	1.90
Greenmanor S.A. de C.V.	Agriculture ²	7.00	-	7.00	27.00
Grupo Financiero Banorte, S.A. de C.V.	Finance ¹	100.00	100.00	200.00	200.00
Hipotecaria Su Casita, S.A. de C.V. - SOFOL	Finance ¹	13.40	-	13.40	22.40
InverCap S.A. de C.V.	Funds ¹¹	0.07	-	0.07	0.07
Pan American Silver Corporation	Oil, Gas, & Mining	1.20	-	1.20	1.20
Plata Panamericana, S.A. de C.V.	Oil, Gas, & Mining	10.30	18.30	28.60	50.80
Tenedora Nemak S.A. de C.V.	Indus/Cons Products ⁶	1.52	-	1.52	44.00
Nicaragua					
Banexpo	Finance ¹	5.00	-	5.00	5.00

PROJECT APPROVALS

(in millions of U.S. dollars)

COUNTRY/PROJECT	SECTOR	IFC FINANCING	SYNDICATIONS	TOTAL PROJECT FINANCING	PROJECT SIZE
Peru					
Agro-Guayabito S.A.	Food ⁹	2.00	-	2.00	-
Banco Sudamericano	Finance ¹	7.50	-	7.50	30.00
Inka Terra Peru, S.A.C.	Tourism ⁸	8.00	-	8.00	15.00
Minera Quellaveco S.A.	Oil, Gas, & Mining	0.75	-	0.75	3.75
Peru Orient Express Hotel	Tourism ⁸	10.00	-	10.00	26.00
Tecnofil S.A.	Indus/Cons Products ⁶	7.40	-	7.40	21.00
Universidad Peruana de Ciencias Aplicadas, S.A.	Education Services	7.00	-	7.00	14.00
Trinidad and Tobago					
Royal Merchant Bank and Finance Company	Finance ¹	40.00	-	40.00	40.00
Unicell Paper Mills Caribbean Ltd.	Pulp & Paper	9.00	-	9.00	32.30
Uruguay					
Banco Montevideo S.A.	Finance ¹	18.00	-	18.00	18.00
Universidad de Montevideo	Education Services	5.00	-	5.00	10.52
REGIONAL INVESTMENTS					
Certifica.com	Information	5.50	-	5.50	3.25
Convergence Communications, Inc.	Information	2.15	-	2.15	20.00
HSBC Argentina Holdings, S.A.	Funds ¹¹	19.67	-	19.67	250.00
HSBC Private Equity (South America) Ltd.	Funds ¹¹	0.33	-	0.33	0.50
Medical Systems Finance Holding Limited	Finance ¹	-	15.00	15.00	15.00
PriceSmart, Inc.	Trade ¹⁰	32.00	-	32.00	115.00
MIDDLE EAST AND NORTH AFRICA					
Algeria					
Algérie Leasing	Finance ¹	4.70	-	4.70	20.00
Arab Republic of Egypt					
Amreya Casting Company	Indus/Cons Products ⁶	4.74	-	4.74	14.50
E.D.F. Port Said East Power S.A.E., and E.D.F. Suez Gulf Power S.A.E.	Utilities	96.00	305.00	401.00	686.40
EFG Hermes Holding SAE	Finance ¹	30.00	-	30.00	45.00
Egyptian Cement Company S.A.E.	Minerals ⁴	35.00	-	35.00	-
IT Worx	Professional Services ¹³	2.50	-	2.50	6.00
ORIX Leasing	Finance ¹	6.00	-	6.00	6.00
Unipak Nile Limited	Pulp & Paper	3.00	-	3.00	6.00
Jordan					
International Luggage Manufacturing Company	Textiles ⁵	15.00	-	15.00	39.00
Jordan Gateway Projects Company	Construction ¹²	10.00	-	10.00	35.60
Lebanon					
Banque Saradar S.A.L.	Finance ¹	10.00	-	10.00	10.00
Lebanese Leasing Company S.A.L.	Finance ¹	10.00	-	10.00	10.00
Morocco					
Medi Telecom S.A.	Information	93.95	328.82	422.77	1674.99
Syrian Arab Republic					
Arab Ceramic Roof Tiles Company	Minerals ⁴	6.62	-	6.62	22.10
WORLDWIDE					
Gerling Credit Insurance Group	Finance ¹	8.82	-	8.82	18.37
InfrastructureWorld.com (IWorld)	Information	10.00	-	10.00	40.00
Round 1	Funds ¹¹	3.00	-	3.00	6.00

AEF=Africa Enterprise Fund
SEF= Small Enterprise Fund

1. Finance & Insurance
2. Agriculture & Forestry
3. Transportation & Warehousing
4. Nonmetallic Mineral Product Manufacturing
5. Textiles, Apparel, & Leather
6. Industrial & Consumer Products

7. Primary Metals
8. Accommodation & Tourism Services
9. Food & Beverages
10. Wholesale & Retail Trade
11. Collective Investment Vehicles
12. Construction and Real Estate
13. Professional, Scientific, & Technical Services

TECHNICAL ASSISTANCE & ADVISORY PROJECTS

COUNTRY	PURPOSE	DESCRIPTION (DEPARTMENT &/OR FUNDING SOURCE)
SUB-SAHARAN AFRICA		
Botswana	Privatization	Provided services as lead advisor in privatization of Air Botswana. (PSAS, TATF – Canada)
Cameroon	Privatization	Lead advisor on the successful privatization of SONEL, the electric utility. (PSAS)
Chad	SME	Analyzed VITA Pep Chad, one of the country's top microfinance institutions. (SCBF)
	SME	Provided financing and capacity building initiative for local suppliers of oil pipeline. (SCBF)
Congo, Republic of	FDI	Undertook review of country's investment law. (FIAS)
Ethiopia	FDI	Provided assistance to Ethiopian Investment Authority in developing a strategic approach for promoting FDI. (FIAS)
Kenya	Sector Study	Conducted strategic review of Kenya pulp and paper industry. (TATF – Finland)
	SME	Financed feasibility study for small and medium enterprise factoring company. (SCBF)
Madagascar	Sector Study	Assessed crayfish stocks and developed sustainable management plan. (TATF)
	Financial Sector	Surveyed potential market for life and nonlife insurance in Madagascar. (FM, TATF – Sweden)
Mauritania	FDI	Reviewed tax system and fiscal incentives and developed action plan. (FIAS)
	Privatization	Lead advisor to government on completed privatization of Mauritel, national telecommunication company. (PSAS)
Mozambique	SME	Designed training program for small and medium enterprises to integrate into the supply chain of large companies. (SCBF)
	FDI	Reviewed and evaluated implementation process for removal of administrative barriers to investment. (FIAS)
Nigeria	Privatization	Lead advisor to government on privatization of Lagos Water. (PSAS, TATF – Norway, Netherlands, Sweden, Austria)
	FDI	Reviewed Nigerian Investment Promotion Commission. (FIAS)
	FDI	Undertook diagnostic study of environment for nonoil sector FDI. (FIAS)
	Sector Study	Conducted market study of pharmaceutical products. (TATF – Canada)
	SME	Supported establishment of financing facility for small enterprises serving the oil sector. (SCBF)
São Tome and Principe	Financial Sector	Provided viability study for creating insurance or asset management company. (FM, TATF – Norway)
	FDI	Reviewed business climate, with special attention to legal, institutional, and administrative framework. (FIAS)
	FDI	Conducted review of country's draft Investment Code. (FIAS)

FDI = Foreign direct investment
FIAS = Foreign Investment Advisory Service
FM = Regional financial markets division or
 Financial Markets Advisory Department
PEP = Private Enterprise Partnership

PSAS = Private Sector Advisory Services
SCBF = Small and Medium Enterprise Department
 Capacity Building Fund
SME = Small and medium enterprise
TATF = Technical Assistance Trust Funds program

COUNTRY	PURPOSE	DESCRIPTION (DEPARTMENT &/OR FUNDING SOURCE)
Senegal	Infrastructure	Developed short-term and long-term system expansion plan for electricity sector. (TATF – Switzerland)
	SME	Performed study on regional credit bureau feasibility. (SCBF)
	FDI	Analyzed enterprise tax burden and efficiency of existing fiscal incentives. (FIAS)
	FDI	Provided advice on establishing Investment Promotion Agency. (FIAS)
South Africa	Privatization	Lead advisor in successful commercialization program for South Africa National Parks. (PSAS, TATF)
	SME	Supported establishment of entrepreneurship center at University of Cape Town. (SCBF)
Tanzania	Privatization	Provided services as lead advisor in privatization of Air Tanzania Corporation. (TATF – Denmark)
	Sector Study	Reviewed potential for providing credit to smallholder farmers through Abood Group. (TATF – Denmark)
	Sector Study	Studied feasibility of establishing aquaculture operation on Lake Victoria. (TATF – Canada)
Uganda	Infrastructure	Assisted government in developing profitable and sustainable rural electrification program. (TATF – USA)
Zambia	SME	Reviewed opportunities for small and medium enterprises to integrate into supply chains of larger firms. (SCBF, TATF – Japan)
Zimbabwe	FDI	Advised Zimbabwe Investment Centre on strategic planning issues. (FIAS)
Africa Region	SME	Produced Web site oriented to small and medium enterprises. (FM, TATF)
	SME	Trained loan officers to evaluate credit risk of loan applications from small and medium enterprises. (FM, TATF)
	SME	Provided corporate governance training and assisted in development. (FM, TATF – Norway, Denmark)
	FDI	Provided assistance to the Common Market for Eastern and Southern Africa in designing and developing regional investment promotion agency. (FIAS)
	FDI	Advised World Bank and West African governments on regional strategy for private sector development. (FIAS)
ASIA AND THE PACIFIC		
Bangladesh	SME	Identified important textile subsectors with growth potential and also identified sectoral constraints. (TATF – Denmark)
	SME	Helped prepare for initiative to support private sector small and medium enterprises. (TATF – Denmark)
Bhutan	FDI	Reviewed draft investment policy statement prepared by government. (FIAS)
Cambodia	SME	Supported Hagar Crafts handicrafts business. (SCBF)
	FDI	Assisted government move to performance-based incentives. (FIAS)
	Financial Sector	Provided advice and diagnostic assessment of Foreign Trade Bank. (FM, TATF – Australia)
	FDI	Provided advice on improving investment and business climate through establishment of a Private Sector Forum (PSF) secretariat. (TATF – Australia)
China	FDI	Provided assistance to assess revenue implications of various foreign investment incentives regimes. (FIAS)
	Financial Sector	Reviewed Nanjing City Commercial Bank's financial performance and provided advisory assistance. (FM, TATF – Ireland)
	Financial Sector	Prepared report on corporate governance practices among mainland-listed companies. (TATF)

COUNTRY	PURPOSE	DESCRIPTION (DEPARTMENT &/OR FUNDING SOURCE)
China (cont.)	SME	Conducted seminar on an enabling environment for small and medium enterprise development. (FM, TATF – Australia)
	Sector Support	Convened two-day mining roundtable conference with the Ministry of Land Resources. (TATF – Australia)
	Sector Study	Prepared report to evaluate investment opportunities in medical insurance sector. (FM, TATF)
	SME	Undertook preparation for initiative to support private sector small and medium enterprises in Sichuan Province. (FM, TATF – Netherlands)
	Financial Sector	Provided best practice assistance to an insurance company on range of business elements. (FM, TATF – Switzerland)
	FDI	Provided support to roundtable investment seminar in Shaanxi Province, with participation of provincial government officials and foreign investors focusing on FDI issues over which the provincial government has jurisdiction. (TATF – Australia)
	Financial Sector	Provided Chinese Securities Regulatory Commission and other institutions with support to develop a curriculum for training directors of Chinese listed companies (with a particular focus on responsibilities of outside directors). (TATF – Australia)
East Timor	FDI	Performed preliminary diagnostic study of foreign investment environment and designed foreign investment code. (FIAS)
	FDI	Participated in mission for preparation of country economic memorandum. (FIAS)
Fiji	SME	Designed environmentally sensitive (bio-gas) and sustainable effluent disposal/management system. (TATF – New Zealand)
India	Infrastructure	Analyzed wind resources and technical aspects of a project. (TATF – Denmark)
	SME Social Sector	Strengthened BASIX, a leading local microfinance institution. (SCBF) Enabled more students to access high-quality tertiary education by providing necessary financing. (TATF)
	Project Preparation	Assessed operations and provided assistance to upgrade effectiveness of an agro-processing company. (TATF – United Kingdom)
Indonesia	SME	Assessed viability of business development services program. (TATF – Switzerland)
	SME	Assessed feasibility of coordinated approach to supporting small and medium enterprises. (TATF – Australia)
	FDI	Examined potential problems for investors in government decentralization and provided recommendations. (FIAS)
	FDI	Assisted AusAID in redesigning a foreign investment implementation project. (FIAS)
Lao People's Democratic Republic	Sector Study	Assisted tourism authority development of pilot ecotourism plan, targeting the Luang Nam Ha National Biodiversity Conservation Area. (TATF – Japan)
	Sector Study	Assisted in improving environmental and social regulatory, management, and monitoring framework for the mining sector in Lao PDR. (TATF – Australia)
Maldives	SME	Finalized regulatory, fiscal, and legal framework and provided training on leasing. (FM, TATF – Japan)
Mongolia	FDI	Reviewed draft investment law and provided comments. (FIAS)
	SME	Assisted in establishing transparent legislation for domestic leasing industry. (FM, TATF – Japan)
Palau	FDI	Reviewed draft legislation of foreign investment act. (FIAS)
Papua New Guinea	SME	Assisted in restructuring private hospital and developed management information and accounting systems. (TATF – Australia)
Samoa	FDI	Supported sourcing, recruitment, and training of three local executives. (TATF – New Zealand)

COUNTRY	PURPOSE	DESCRIPTION (DEPARTMENT &/OR FUNDING SOURCE)
Samoa (cont.)	FDI	Supported MedCen Samoa Holdings through first year of ISO (international standards) certification. (TATF – Australia)
	FDI	Provided assistance for design of duty-suspension scheme for exporters. (FIAS)
	Financial Sector	Provided assistance for the institutional strengthening program for the National Bank of Samoa Ltd. (FM, TATF – New Zealand)
Thailand	Financial Sector	Assisted development of local derivatives markets to improve risk management capabilities for local institutions. (FM, TATF – Japan)
Tonga	FDI	Reviewed and assessed effectiveness of tax-based scheme. (FIAS)
Vietnam	SME	Designed and marketed self-study management workbooks. (SCBF)
	SME	Supported Internet-based business to link Vietnamese exporters with overseas buyers. (SCBF)
	Financial Sector	Provided diagnostic review of legal, business, and banking sector issues related to student loan program. (FM, TATF – Australia)
	Project Preparation	Prepared Resettlement Action Plan. (TATF – Australia)
Asia and the Pacific Region	FDI	Provided support, including program development and paper on investor screening, for meeting of Pacific heads of investment promotion agencies. (FIAS)
	FDI	Addressed foreign investment issues in the development of tuna management plans of Solomon Islands, Palau, and Vanuatu. (FIAS)
	Sector Study	Provided independent feasibility study for regional telemedicine sector. (TATF – Ireland)
	Sector Study	Assessed feasibility of providing economic incentives to encourage fishermen to replace cyanide fishing. (TATF – Japan)
	Sector Study	Prepared strategy for promoting sustainable private mining investments. (TATF – Japan)
	FDI	Prepared report on International Dispute Resolution Conventions for the Forum of Economic Ministers Meeting. (FIAS)
EUROPE AND CENTRAL ASIA		
Albania	FDI	Conducted diagnostic review of investment climate and identified priority areas for reform. (FIAS)
	Sector Study	Assisted in strengthening the insurance industry by providing recommendations on legal and regulatory framework changes for the sector. (TATF – Luxembourg)
Armenia	FDI	Conducted administrative barriers study. (FIAS)
	FDI	Developed institutional framework for foreign investment promotion. (FIAS)
Azerbaijan	Financial Sector	Provided assistance to State Committee for Securities and Baku Stock Exchange for strengthening of institutions. (FM, TATF – Netherlands)
Bosnia and Herzegovina	FDI	Conducted administrative barriers study and reviewed the commercial and legal framework. (FIAS)
	Financial Sector	Assisted restructuring and privatization of Privredna Banka Sarajevo. (FM, TATF – Italy)
Bulgaria	Sector Study	Helped apricot and peach farmers improve businesses and implemented program to support fruit production. (TATF – Greece)
Croatia	SME	Provided advisory and consulting services to five agribusiness and wood processing companies. (TATF – Netherlands)
	Financial Sector	Reviewed insurance law and provided recommendations. (FM, TATF – Sweden)
	FDI	Conducted an administrative barriers study. (FIAS).
	FDI	Provided assistance to government on tax incentives reform and other FDI-related tax issues. (FIAS)

COUNTRY	PURPOSE	DESCRIPTION (DEPARTMENT &/OR FUNDING SOURCE)
Georgia	Privatization	Provided services as lead advisor in privatization of Georgia Power. (PSAS)
	Financial Sector	Provided assistance in converting two privately owned banks to international accounting standards and contributed to creating procedures and steps necessary to convert local accounting and reporting systems to IAS. (TATF – France)
Hungary	Environment	Provided assistance to help reduce greenhouse gas emissions and support implementation of energy efficiency projects. (TATF – Austria, Netherlands)
Kazakhstan	SME	Provided consulting services to strengthen local firms. (FM, TATF – Netherlands)
	SME	Provided financial sector institution building and small and medium enterprise development. (FM, TATF – Netherlands)
	SME	Supported local business integration into supply chain of Ispat Karmet steel plant. (SCBF, TATF)
	SME	Assisted corporate citizenship program for privatized local steel mill's plan to work with small and medium enterprises. (TATF)
Kyrgyz Republic	Financial Sector	Conducted market analysis related to conversion of FINCA Kyrgyzstan into a commercial bank. (FM, SCBF)
	SME	Assisted local businesses' incorporation into supply chain of Kumto gold mine. (SCBF)
	Sector Study	Carried out study of tourism sector and recommended investment approach. (TATF)
	Sector Study	Assisted small packaging company in reviewing and strengthening marketing strategy function. (TATF – Finland)
	Sector Study	Developed a planning document for use by government and interested private sector parties that could be used to stimulate tourism sector investment. (TATF – Switzerland)
	FDI	Provided review of draft investment law. (FIAS)
Latvia	Sector Study	Conducted analysis and survey on use and quality of public space in city center of Riga. (TATF – Denmark)
Lithuania	Project Preparation	Provided assistance in developing marketing proposal for textile plant and manufacturing machinery sale. (TATF)
Moldova	Sector Study	Conducted market and feasibility study for new hotel, including preparation of market and financial projections. (TATF – United Kingdom)
	Sector Study	Completed review of investment options for selected vineyards. (TATF – Italy)
	Sector Study	Conducted study assessing technical and market constraints and opportunities faced by a local chocolate and candy producer. (TATF – Italy)
Romania	Financial Sector	Reviewed insurance company accounting procedures and advised management on best practices. (TATF – Sweden)
	Privatization	Provided assistance to privatized chemical, textile, fiber, and yarn manufacturer in bringing operations in line with Romanian and international guidelines. (TATF – Switzerland)
	FDI	Conducted study on administrative barriers and investigated procedural impediments. (FIAS)
Russian Federation	FDI	Conducted administrative barriers study of four regions. (FIAS)
	Social Sector	Trained management and medical teams. (TATF – Finland)
	Financial Sector	Provided advice from Leasing Development Group through on-site visits. (FM, TATF – United Kingdom)
	Financial Sector	Supported reengineering of Probusinessbank. (FM, TATF – United Kingdom)
Slovak Republic	FDI	Conducted administrative barriers study. (FIAS)

COUNTRY	PURPOSE	DESCRIPTION (DEPARTMENT &/OR FUNDING SOURCE)
Tajikistan	Financial Sector	Provided hands-on advisory services to transform private bank into sustainable business. (FM, TATF – Switzerland)
	Financial Sector	Provided staff members training on financial management services. (FM, TATF – Italy)
	Infrastructure	Provided financial, legal, economic, energy, and social advisors needed to structure and finance joint venture company. (TATF – Switzerland)
Turkey	FDI	Helped government in organizing and implementing conference on foreign direct investment. (TATF – Spain, Austria)
	FDI	Diagnosed FDI environment, focusing on legal and macroeconomic policies and institutional issues. (FIAS)
	FDI	Provided follow-up to diagnostic study and conducted an administrative barriers study. (FIAS, TATF)
Turkmenistan	Financial Sector	Provided assistance to leading private bank to transform it into sustainable business. (FM, TATF)
Ukraine	Financial Sector	Screened and identified potential partner banks, implementation of work plan, and potential credit lines to meet needs of small and medium enterprise borrowers. (TATF – Netherlands)
	SME	Supported production of annual survey of legislative, administrative, financial, market environment for SME development. (TATF – Norway)
Uzbekistan	Sector Support	Helped government organize and implement seven-day conference to promote textile arrangements. (TATF – Switzerland)
	SME	Provided assistance to two small private banks and provided capacity-building support services. (FM, TATF – Japan)
	Financial Sector	Provided assistance to help banking institutions become effective intermediaries to channel credit to small and medium enterprises. (TATF – Ireland)
	Sector Study	Reviewed textile sector in Andijan and Karakalpakstan Oblasts and the competitiveness of Uzbekistan's textile sector in relation to the needs of international markets. (TATF – Switzerland)
Yugoslavia, Federal Republic of	FDI	Completed review of FDI law and provided guidelines for new law. (FIAS)
	Other	Provided project coordinator to monitor responsiveness of IFC interventions. (TATF – Sweden)
	Sector Study	Investigated potential of pharmaceutical, agriculture, food and processing, and garment sectors. (TATF – Sweden)
	Sector Study	Performed assessment of information technology and telecommunications sectors. (TATF – Sweden)
	Financial Sector	Conducted retail banking survey and assessed growth potential for domestic and foreign financial institutions. (FM, TATF – Sweden)
	Financial Sector	Assisted review of economic transformation through open, transparent, and competitive private sector. (FM, TATF – Sweden)
	Project Preparation	Assisted a fresh juice company in introducing management information system and cost control program, and carrying out IAS audit. (TATF – Sweden)
Europe and Central Asia Region	SME	Provided assistance for new fund targeted at small and medium enterprises in Estonia, Latvia, and Lithuania. (TATF – Austria)
	Financial Sector	Provided consulting services to support investment program in Central Asia. (FM, TATF)
	SME	Assessed regulatory framework for leasing in three central Asian republics. (FM, TATF – Japan)
	SME	Provided assistance to investment target companies of small and medium enterprises fund. (TATF – Austria, Finland)
	SME	Supported implementation of business plan to establish Agribusiness Support Foundation related to investment. (TATF – Netherlands)
	FDI Sector Study	Conducted fieldwork related to FDI. (FIAS) Provided comprehensive analysis of housing market and mortgage lending markets. (FM, TATF – Netherlands)

COUNTRY	PURPOSE	DESCRIPTION (DEPARTMENT &/OR FUNDING SOURCE)
LATIN AMERICA AND THE CARIBBEAN		
Belize	Sector Study	Assessed acceptable operating practices and established standards for aquaculture operations. (TATF – Japan)
Brazil	Privatization	Lead advisor to government of Pernambuco on completed privatization of Port of Suape. (PSAS)
	FDI	Reviewed investment environment with special emphasis on export-oriented FDI. (FIAS)
	FDI	Conducted an administrative barriers study with a focus on São Paolo and Rio de Janeiro. (FIAS)
Costa Rica	FDI	Assisted interministerial committee in evaluating options on tax structure and incentives. (FIAS)
	SME	Helped Costa Rica-based group build small and medium enterprise investment capacity in Latin America. (SBCF)
Dominican Republic	Financial Sector	Provided support to a regional capital markets seminar in Santo Domingo. The seminar was intended to increase understanding of opportunities and constraints to capital market development as well as encourage closer regional cooperation. (FM, TATF – Sweden)
El Salvador	Sector Study	Assisted government in undertaking comprehensive feasibility study on innovative, private sector–led reform being proposed for San Salvador’s bus system. (TATF – Switzerland)
Honduras	Financial Sector	Drafted legislation to promote natural disaster insurance and reinsurance. (FM, TATF – France)
	FDI	Reviewed business environment for FDI with objective of setting a broader strategic reform agenda. (FIAS)
Mexico	Sector Study	Evaluated feasibility of post-harvest financing for grain farmers, traders, and processors, using warehouse receipts. (TATF – Canada)
Panama	Privatization	Lead advisor for market assessment and privatization of Howard Air Force Base. (PSAS)
Peru	SME	Reviewed criteria for formation of warehouse and distribution center and wholesale market on shared site in Chiclayo. (TATF – Netherlands)
Latin America and the Caribbean Region	SME	Assisted Central American businesses in countries affected by Hurricane Mitch, with project development, training, skills development, and funding. (FM)

COUNTRY	PURPOSE	DESCRIPTION (DEPARTMENT &/OR FUNDING SOURCE)
MIDDLE EAST AND NORTH AFRICA		
Egypt, Arab Republic of	Social Sector	Conducted fact-finding study on providing Internet services to "Smart Schools." (TATF – New Zealand)
	FDI	Developed institutional framework for foreign investment promotion. (FIAS)
Lebanon	Privatization	Provided services as lead advisor in privatization of Middle East Airlines. (PSAS)
	Financial Sector	Assisted government in implementing insurance law passed in 1999. (FM, TATF – Canada)
Morocco	FDI	Performed review of investment charter. (FIAS)
	Project Preparation	Provided assistance for creating weather risk management company. Activities included basic meteorological fact-finding, product design, options on corporate structure, preparation of business plan, and implementation strategy. (FM, TATF – Italy)
	Sector Study	Carried out market and feasibility study for establishing country's first private university. (TATF – Italy)
Saudi Arabia	FDI	Conducted analysis of institutional framework for effective investment promotion, facilitation, and new investment law. (FIAS)
Syrian Arab Republic	SME	Assisted in development of textile industry. (TATF – Italy)
	Financial Sector	Provided review of Syrian banking sector and legal and regulatory framework for banking activities, including impediments to banking sector development. (FM, TATF – France)
Middle East and North Africa Region	Sector Study	Provided market analysis of information technology sector and investment outlook in Algeria, Egypt, Morocco, Tunisia, West Bank and Gaza, Jordan, Lebanon, and Syria. (TATF – Italy, France)
WORLDWIDE		
World Region / Global	Sector Study	Conducted study of life sciences sector, aiming to increase investment and development impact. (TATF – Japan)
	SME	Provided micro- and small business lenders with information on technological innovations. (FM, TATF – Sweden)
	Environment	Developed new approach to environmental review of projects. (TATF – France)
	Financial Sector	Performed global survey of financial intermediaries. (FM, TATF – Ireland)
	Environment	Developed methodology for factoring quantified environmental costs and benefits into decision-making process. (TATF – Switzerland)
	Financial Sector	Analyzed and structured investment proposal for nonbank financial institutions. (FM, TATF – Japan)
	SME	Supported new microfinance institutions in Moldova, Turkey, Ghana, and the Philippines. (SCBF)
	SME	Strengthened U.S.-based microfinance group at organizational level. (SCBF)
	SME	Built institutional capacity of U.S.-based SME equity investment fund manager. (SCBF)
	SME	Supported capitalization facility to strengthen U.S.-based group's affiliates and leverage commercial funds. (SCBF)
	SME	Supported launch of global knowledge-sharing institution linking investors, governments, and others. (SCBF)
	Environment	Developed clear-cut environmental and social performance guidelines for targeted industrial and business sectors. (TATF – Denmark)
	Financial Sector	Reviewed e-banking practices among market leaders in new business—mainly the Nordic countries—and identified approaches and components that can be applied to small and medium enterprises and rural finance in emerging markets. (FM, TATF – Finland)
	SME	Provided support to financial institutions to encourage more efficient financial services for small and medium enterprises on a profitable basis. (SCBF)

APPENDIXES

Appendix A

GOVERNORS *and* ALTERNATES June 30, 2001

MEMBER	GOVERNOR	ALTERNATE
A		
Afghanistan	(vacant)	(vacant)
Albania	Anastas Angjeli	Fatos Ibrahim
Algeria	Mourad Medelci	Omar Bougara
Angola	Ana Dias Lourenco	Job Graca
Antigua and Barbuda	Lester B. Bird	Asot A. Michael
Argentina	Domingo Felipe Cavallo	Pedro Pou
Armenia	Vahram Nercissiantz	Karen Chshmarityan
Australia	Peter Costello	Kay Patterson
Austria	Karl-Heinz Grasser	Thomas Wieser
Azerbaijan	Elman Siradjogly Rustamov	(vacant)
B		
Bahamas, The	William C. Allen	Ruth R. Millar
Bahrain	Abdulla Hassan Saif	Zakaria Ahmed Hejres
Bangladesh	Shah A.M.S. Kibria	A.K.M. Masihur Rahman
Barbados	Owen S. Arthur	Grantley W. Smith
Belarus	Andrei V. Kobaykov	Vladimir N. Shimov
Belgium	Didier Reynders	Guy Quaden
Belize	Said W. Musa	Yvonne S. Hyde
Benin	Bruno Amoussou	Pierre John Igue
Bolivia	Jose Luis Lupo Flores	Bernardo Requena Blanco
Bosnia and Herzegovina	Mirsad Kurtovic	Dragan Covic
Botswana	Baledzi Gaolathe	Serwalo S.G. Tumelo
Brazil	Pedro Sampaio Malan	Arminio Fraga Neto
Bulgaria	Muravei Radev	Martin Mihaylov Zaimov
Burkina Faso	Jean Baptiste Compaore	Patrice Nikiema
Burundi	Charles Nihangaza	Dieudonne Nintunze
C		
Cambodia	Keat Chhon	Ouk Rabun
Cameroon	Martin Okouda	Daniel Njankouo Lamere
Canada	Paul Martin	Leonard M. Good
Cape Verde	Carlos Augusto Duarte Burgo	(vacant)
Central African Republic	Eric Sorongope	Alexis Ngomba
Chad	Ahmed Lamine Ali	Etienne Djimrarn Moyta
Chile	Nicolas Eyzaguirre	Mario Marcel
China	Xiang Huaicheng	Jin Liqun
Colombia	Juan Manuel Santos Calderon	Juan Carlos Echeverry
Comoros	Djaffar Mmadi	Moindjie Saadi
Congo, Democratic Republic of	Matungulu Mbuyamu Ilankir	Jean-Claude Masangu Mulongo
Congo, Republic of	Mathias Dzon	Clement Mierassa
Costa Rica	Leonel Baruch G.	Eduardo Lizano Fait
Côte d'Ivoire	Affi N'Guessan	Bouabre Bohoun
Croatia	Mato Crkvenac	Josip Kuliscic
Cyprus	Takis Klerides	Andreas Tryfonides
Czech Republic	Jiri Rusnok	Oldrich Dedek
D		
Denmark	Anita Bay Bundegaard	Carsten Staur
Djibouti	Yacin Elmi Bouh	Nouh Omar Miguil
Dominica	Ambrose George	Ambrose M.J. Sylvester
Dominican Republic	Francisco M. Guerrero Prats-R.	Luis Manuel Piantini
E		
Ecuador	Jorge Gallardo Zavala	Alexander Mejia Penafiel
Egypt, Arab Republic of	Medhat Hassanein	Ahmed Mahrous El-Darsh
El Salvador	Juan Jose Daboub	Rafael Barraza
Equatorial Guinea	Fortunato Ofa Mbo	Melchor Esono Edjo
Eritrea	Gebreselassie Yosief	Gabriel Fassil Ogbazghy
Estonia	Siim Kallas	Mihkel Parnoja
Ethiopia	Sufian Ahmed	Girma Birru
F		
Fiji	Jone Yavala Kubuabola	Solomone S. Kotobalavu
Finland	Sauli Niinisto	Satu Hassi
France	Laurent Fabius	Jean-Pierre Jouyet

G

Gabon
Gambia, The
Georgia
Germany
Ghana
Greece
Grenada
Guatemala
Guinea
Guinea-Bissau
Guyana

Casimir Oye-Mba
Famara L. Jatta
Zurab Nogaidei
Heidemarie Wiczorek-Zeul
Yaw Osafo-Maafa
Yannos Papantoniou
Anthony Boatman
Eduardo Humberto Weymann Fuentes
Cheick Ahmadou Camara
Purna Bia
Bharrat Jagdeo

Claude Ayo Iguendha
Dodou B. Jagne
Ivan Chkhartishvili
Caio K. Koch-Weser
Victor Selormey
Yiannis G. Zafeiropoulos
Swinburne Lestrade
Lizardo Arturo Sosa Lopez
Cellou Dalein Diallo
Verissimo Nancassa
Saisnarine Kowlessar

H

Haiti
Honduras
Hungary

Fred Joseph
Gabriela Nunez de Reyes
Mihaly Varga

Fritz Jean
Victoria Asfura de Diaz
Peter Adamecz

I

Iceland
India
Indonesia
Iran, Islamic Republic of
Iraq
Ireland
Israel
Italy

Halldor Asgrimsson
Yashwant Sinha
Rizal Ramli
Hossein Namazi
Issam Rashid Hwaish
Charlie McCreedy
David Klein
Antonio Fazio

Geir Hilmar Haarde
Ajit Kumar
Achjar Iljas
Parviz Davoodi
Hashim Ali Obaid
John Hurley
Avi Ben-Bassat
Mario Draghi

J

Jamaica
Japan
Jordan

Omar Lloyd Davies
Masajuro Shiokawa
Jawad Hadid

Wesley George Hughes
Masaru Hayami
Abderrzaq Bani Hani

K

Kazakhstan
Kenya
Kiribati
Korea, Republic of
Kuwait
Kyrgyz Republic

Oraz Jandosov
Chrysanthus Barnabas Okemo
Beniamina Tinga
Nyum Jin
Yousef Hamad Al-Ebraheem
Temirbek Akmataliyev

Zhaxybek Kulekeyev
Martin Luke Oduor-Otieno
Bureti Williams
Chol-Hwan Chon
Bader Meshari Al-Humaidhi
Kubat Abduldaevich Kanimetrov

L

Lao People's Democratic Republic
Latvia
Lebanon
Lesotho
Liberia
Libya
Lithuania
Luxembourg

Soukanh Maharat
Robertis Zile
Fuad A.B. Siniora
Kelebhone Albert Maope
Amelia A. Ward
Alojeli Abdel Salam Breeni
Jonas Liogingnas
Luc Frieden

Phouphet Khamphounvong
Aigars Kalvitis
Basil R. Fuleihan
Molelekeng E. Rapolaki
M. Nathaniel Barnes
Ali Ramadan Shnebsch
Arvydas Kregzde
Jean Guill

M

Macedonia, former Yugoslav Republic of
Madagascar
Malawi
Malaysia
Maldives
Mali
Marshall Islands
Mauritania
Mauritius
Mexico
Micronesia, Federated States of
Moldova
Mongolia
Morocco
Mozambique
Myanmar

Nikola Gruevski
Pierrot J. Rajaonarivelo
Mathews A.P. Chikaonda
Mahathir Mohamed
Fathulla Jameel
Bacari Kone
Michael Konelios
Mohamed Ould Nany
Khushhal Chand Khushiram
Francisco Gil Diaz
John Ehsa
Mihail Manoli
Chultem Ulaan
Fathallah Oualalou
Adriano Afonso Maleiane
Khin Maung Thein

Dragan Martinovski
Simon Constant Horace
Mapopa Chipeta
Samsudin bin Hitam
Adam Maniku
Toure Alimata Traore
Smith Michael
Abdallah Ould Hormtallah
Philippe Ong Seng
Agustin Carstens
Sebastian L. Anefal
Dumitru Ursu
Ochirbat Chuluunbat
Ahmed Lahimi
Manuel Chang
Soe Lin

N

Namibia
Nepal
Netherlands
New Zealand
Nicaragua
Niger
Nigeria
Norway

Saara Kuugongelwa
Ram Sharam Mahat
Gerrit Zalm
Michael Cullen
Esteban Duque Estrada
Ali Badjo Gamatie
Adamu Ciroma
Anne Kristin Sydnes

Usutuaije Maamberua
Bimal P. Koirala
Eveline Herfkens
Alan Bollard
Francisco Aguirre Sacasa
Maliki Barhouni
Ramsey Oubromoro Mowoe
Sigrun Mogedal

O		
Oman	Ahmed Macki	Mohammed bin Nasser Al-Khasibi
P		
Pakistan	Shaukat Aziz	Nawid Ahsan
Palau	Casmir Remengesau	Lawrence Alan Goddard
Panama	Norberto Delgado Duran	Domingo Latorraca
Papua New Guinea	Mekere Morauta	Koiari Tarata
Paraguay	Francisco Oviedo Britez	James Spalding
Peru	Javier Silva Ruete	Alfredo Jalilie Awapara
Philippines	Jose Isidro N. Camacho	Rafael B. Buenaventura
Poland	Leszek Balcerowicz	Ryszard Kokoszczyński
Portugal	Joaquim Pina Moura	Manuel Pedro da Cruz Baganha
R		
Romania	Mihai Nicolae Tanasescu	Emil Iota Ghizari
Russian Federation	Viktor Khristenko	German O. Gref
Rwanda	Donald Kaberuka	Jean Marie Karekezi
S		
St. Kitts and Nevis	Denzil Douglas	Wendell E. Lawrence
St. Lucia	Kenny D. Anthony	Bernard La Corbiniere
Samoa	Misa Telefoni Retzlaff	Hinauri Petana
Saudi Arabia	Ibrahim A. Al-Assaf	Hamad Al-Sayari
Senegal	Makhtar Diop	Oumar Khassimou Dia
Seychelles	Jeremie Bonnelame	Alain Butler-Payette
Sierra Leone	Peter J. Kuyembeh	Samura Kamara
Singapore	Richard Hu Tsu Tau	Lim Siong Guan
Slovak Republic	Ivan Miklos	Marian Jusko
Slovenia	Anton Rop	Irena Sodin
Solomon Islands	Snyder Rini	Shadrach Fanega
Somalia	(vacant)	(vacant)
South Africa	Trevor Andrew Manuel	Mandisi Bongani Mpahlwa
Spain	Rodrigo de Rato Figaredo	Juan Costa Climent
Sri Lanka	Chandrika Bandaranaike Kumaratunga	P.B. Jayasundera
Sudan	Abdul Rahim Hamdi	Sabir Mohamed Hassan
Swaziland	Guduzza	Musa D. Fakudze
Sweden	Bosse Ringholm	Maj-Inger Klingvall
Switzerland	Pascal Couchepin	Joseph Deiss
Syrian Arab Republic	Mohammed Khaled Al-Mahayni	Mohamad Bittar
T		
Tajikistan	Safarali Najmuddinov	Sharif Rakhimov
Tanzania	Nassoro W. Malocho	Peter J. Ngumbullu
Thailand	Somkid Jatusripitak	Somchainuk Engtrakul
Togo	Simfeitcheu Pre	Kossi Assimaidou
Tonga	Siosua T.T. 'Utoikamanu	'Aisake V. Eke
Trinidad and Tobago	Gerald Yetming	Leroy Mayers
Tunisia	Fethi Merdassi	Abdelhamid Triki
Turkey	Faik Oztrak	Aydin Karaoz
Turkmenistan	Seitbay Kandyrov	Serdar Bayriev
U		
Uganda	Gerald M. Ssendaula	C. M. Kassami
Ukraine	Yriy Yekhanurov	Vasyl Rohovyj
United Arab Emirates	Hamdan bin Rashid Al-Maktoum	Mohammed Khalfan Bin Khirbash
United Kingdom	Clare Short	Gordon Brown
United States	Paul H. O'Neill	Alan P. Larson
Uruguay	Alberto Bension	Ariel Davrieux
Uzbekistan	Rustam S. Azimov	(vacant)
V		
Vanuatu	Joe Bomal Carlo	Jeffery Wilfred
Venezuela, República Bolivariana de	Jorge Antonio Giordani Cordero	Jose Alejandro Rojas Ramirez
Vietnam	Le Duc Thuy	Duong Thu Huong
Y		
Yemen, Republic of	Ahmed Mohamed Sofan	Anwar Rizq Al-Harazi
Yugoslavia, Federal Republic of	Miroslav Labus	Dragisa Pesic
Z		
Zambia	James Mwalimu Mtonga	Stella M. Chibanda
Zimbabwe	Simba Herbert Stanley Makoni	Leonard Ladislas Tumba

Appendix B

DIRECTORS *and* ALTERNATES *and* THEIR VOTING POWER June 30, 2001

DIRECTOR	ALTERNATE DIRECTOR	CASTING VOTES OF	TOTAL VOTES	PERCENT OF TOTAL
APPOINTED				
Jan Piercy ¹	(vacant)	United States	569,629	23.73
Yuzo Harada	Masanori Yoshida	Japan	141,424	5.89
Helmut Schaffer	Eckhardt Biskup	Germany	129,158	5.38
Jean-Claude Milleron ²	Emmanuel Moulin	France	121,265	5.05
Stephen Pickford	Rosemary B. Stevenson	United Kingdom	121,265	5.05
ELECTED				
Phillippe M. Peeters (Belgium)	Emin Dedeoglu (Turkey)	Austria, Belarus, Belgium, Czech Republic, Hungary, Kazakhstan, Luxembourg, Slovak Republic, Slovenia, Turkey	125,221	5.22
Franco Passacantando (Italy)	Helena Cordeiro (Portugal)	Albania, Greece, Italy, Portugal	98,866	4.12
Balmiki Prasad Singh (India)	Mahbub Kabir (Bangladesh)	Bangladesh, India, Sri Lanka	98,264	4.09
Moises Pineda (Mexico)	Jose H. Machillanda (Rep. Bol. de Venezuela)	Costa Rica, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Spain, Venezuela (República Bolivariana de)	97,478	4.06
Terrie O'Leary (Canada)	Sharon Weber (Jamaica)	Antigua and Barbuda, The Bahamas, Barbados, Belize, Canada, Dominica, Grenada, Guyana, Ireland, Jamaica, St. Kitts and Nevis, St. Lucia	92,944	3.87
Finn Jönck (Finland)	Anna M. Brandt ³ (Sweden)	Denmark, Estonia, Finland, Iceland, Latvia, Lithuania, Norway, Sweden	86,693	3.61
Pieter Stek (Netherlands)	Tamara Solyanyk (Ukraine)	Armenia, Bosnia and Herzegovina, Bulgaria, Croatia, Cyprus, Georgia, Israel, Macedonia (former Yugoslav Republic of), Moldova, Netherlands, Romania, Ukraine	86,423	3.60
Andrei Bugrov (Russian Federation)	Eugene Miagkov (Russian Federation)	Russian Federation	81,592	3.40
Jaime Ruiz (Colombia)	Luis Antonio Balduino (Brazil)	Brazil, Colombia, Dominican Republic, Ecuador, Haiti, Panama, Philippines, Trinidad and Tobago	75,980	3.16
Neil F. Hyden (Australia)	Lewis D. Holden ⁴ (New Zealand)	Australia, Cambodia, Kiribati, Korea (Republic of), Marshall Islands, Micronesia (Federated States of), Mongolia, New Zealand, Palau, Papua New Guinea, Samoa, Solomon Islands, Vanuatu	73,309	3.05
Mario Soto-Platero (Uruguay)	Roberto Garcia-Lopez (Argentina)	Argentina, Bolivia, Chile, Paraguay, Peru, Uruguay	64,144	2.67
Matthias Meyer (Switzerland)	Jerzy Hylewski (Poland)	Azerbaijan, Kyrgyz Republic, Poland, Switzerland, Tajikistan, Turkmenistan, Uzbekistan	60,548	2.52
Abdul Aziz Mohd. Yaacob (Malaysia)	Nguyen Doan Hung (Vietnam)	Fiji, Indonesia, Lao People's Democratic Republic, Malaysia, Myanmar, Nepal, Singapore, Thailand, Tonga, Vietnam	59,912	2.50
Girmai Abraham (Eritrea)	Richard H. Kaijuka (Uganda)	Angola, Botswana, Burundi, Eritrea, The Gambia, Kenya, Lesotho, Liberia, Malawi, Mozambique, Namibia, Nigeria, Seychelles, Sierra Leone, South Africa, Sudan, Swaziland, Tanzania, Uganda, Zambia, Zimbabwe	58,496	2.44
Ahmed Sadoudi (Algeria)	Inaamul Haque (Pakistan)	Algeria, Ghana, Iran (Islamic Republic of), Iraq, Morocco, Pakistan, Tunisia	46,016	1.92
Khalid M. Al-Saad (Kuwait)	Mohamed Kamel Amr (Arab Republic of Egypt)	Bahrain, Egypt (Arab Republic of), Jordan, Kuwait, Lebanon, Libya, Maldives, Oman, Syrian Arab Republic, United Arab Emirates, Yemen (Republic of)	34,079	1.42
Yahya Abdulla M. Alyahya (Saudi Arabia)	Abdulrahman M. Almofadhi (Saudi Arabia)	Saudi Arabia	30,312	1.26
Zhu Guangyao (China)	Chen Huan (China)	China	24,750	1.03
Bassary Toure (Mali)	Paulo F. Gomes (Guinea-Bissau)	Benin, Burkina Faso, Cameroon, Cape Verde, Central African Republic, Chad, Comoros, Congo (Democratic Republic of), Congo (Republic of), Côte d'Ivoire, Djibouti, Equatorial Guinea, Gabon, Guinea, Guinea-Bissau, Madagascar, Mali, Mauritania, Mauritius, Niger, Rwanda, Senegal, Togo	22,947	.96

In addition to the directors and alternates shown in the foregoing list, the following also served after October 31, 2000:

DIRECTOR	END OF PERIOD OF SERVICE	ALTERNATE DIRECTOR	END OF PERIOD OF SERVICE
Zhu Xian (China)	February 28, 2001	Pilar Alvarez (Rep. Bol. de Venezuela)	December 15, 2000

Note: Afghanistan (361 votes), Ethiopia (377 votes), and Somalia (333 votes) did not participate in the 2000 Regular Election of Directors. The Federal Republic of Yugoslavia (2,053 votes) became a member after that election.

1 Carole Brookins (U.S.) will serve as director effective August 20, 2001.

2 Resigned effective August 1, 2001; to be succeeded by Pierre Duquesne (France) effective August 20, 2001.

3 Resigned effective July 31, 2001; to be succeeded by Inkeri Hirvensalo (Finland) effective August 23, 2001.

4 Resigned effective July 6, 2001; to be succeeded by Dong-Soo Chin (Republic of Korea) effective July 23, 2001.

Appendix C

BANKING ADVISORY GROUP 2001

Mr. Abdlatif Y. Al-Hamad

Director General/Chairman of the Board
Arab Fund for Economic & Social Development
Safat, Kuwait

Mrs. Ana Patricia Botin

Banco Santander Central Hispano
Madrid, Spain

Mr. Fernao Bracher

Presidente
Banco BBA Creditanstalt S.A.
São Paulo, Brazil

Mr. Richard Fisher

Chairman of the Executive Committee
Morgan Stanley Dean Witter & Co.
New York, U.S.A.

Mr. Toyoo Gyohten

President
Institute for International Monetary Affairs
Tokyo, Japan

Mr. Gerd Hausler

Senior Advisor
Deutsche Boerse AG
Frankfurt am Main, Germany

Mr. Rainer Masera

Managing Director
San Paolo IMI S.p.a.
Torino, Italy

Mr. Roberto Mendoza

Founder
Hancock, Mendoza,
Dachille and Merton
New York, U.S.A.

Mr. Deepak Parekh

Chairman
Housing Development Finance
Corporation Limited
Mumbai, India

Mr. Isaac Takawira

Managing Director
Barclay's Bank of Kenya
Nairobi, Kenya

Mr. Marc Viénot

Président d'Honneur
Société Générale
Paris, France

Mr. Wang Xuebing

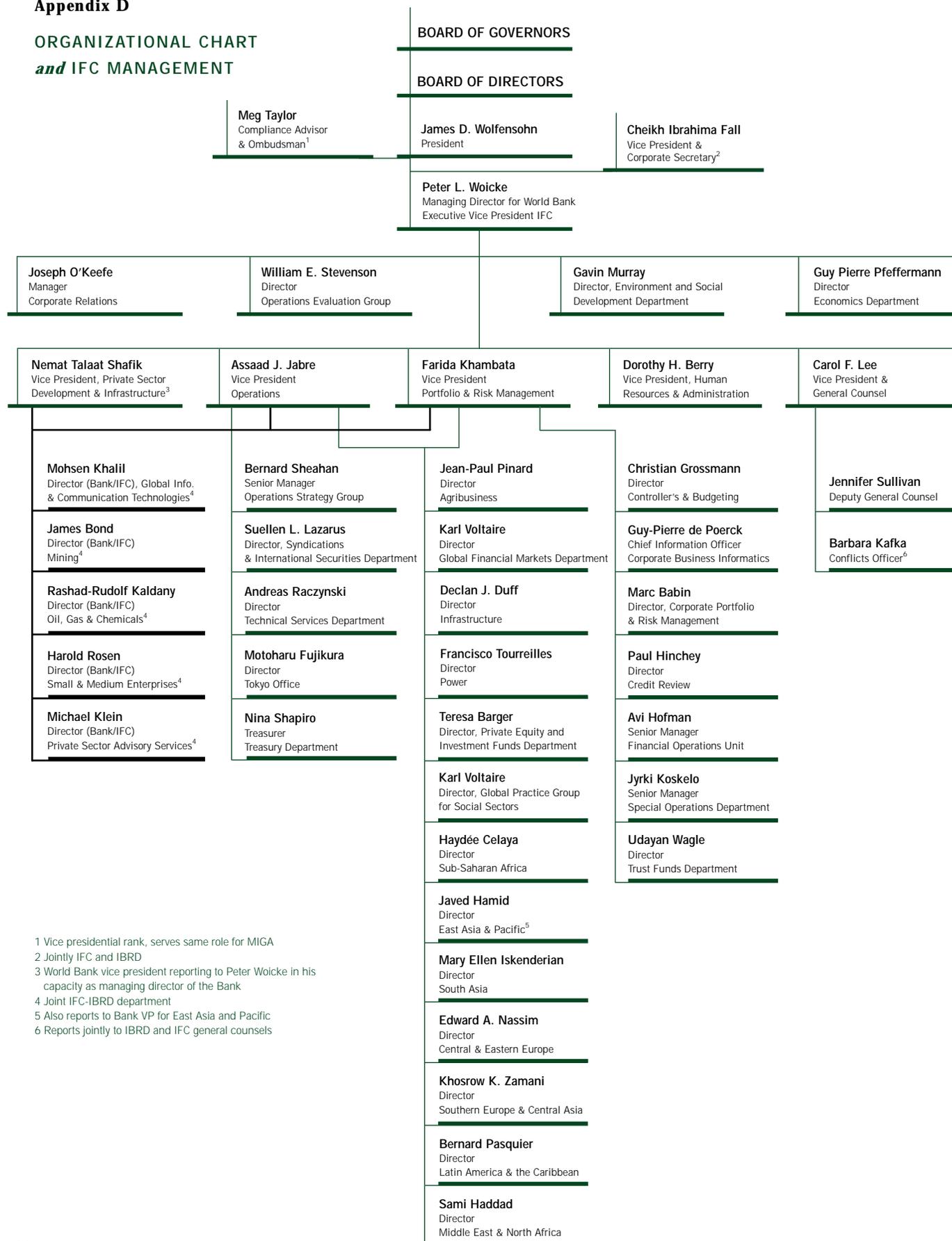
President
China Construction Bank
Beijing, China

Sir David Scholey

Chairman of the Banking Advisory Group
London, United Kingdom

Appendix D

ORGANIZATIONAL CHART and IFC MANAGEMENT



1 Vice presidential rank, serves same role for MIGA

2 Jointly IFC and IBRD

3 World Bank vice president reporting to Peter Woicke in his capacity as managing director of the Bank

4 Joint IFC-IBRD department

5 Also reports to Bank VP for East Asia and Pacific

6 Reports jointly to IBRD and IFC general counsels

IFC MANAGEMENT July 2001

President ¹	James D. Wolfensohn
Executive Vice President ²	Peter L. Woicke
Vice President and Corporate Secretary ¹	Cheikh Ibrahima Fall
Compliance Advisor/Ombudsman ³	Meg Taylor
Vice President and General Counsel	Carol F. Lee
Vice President, Human Resources and Administration	Dorothy H. Berry
Vice President, Operations	Assaad J. Jabre
Vice President, Portfolio and Risk Management	Farida Khambata
Vice President, Private Sector Development and Infrastructure, IBRD	Nemat Talaat Shafik

REGIONAL DEPARTMENTS

Sub-Saharan Africa Department

Director	Haydée Celaya
Associate Director	Abdelkader H. Allaoua
Head of Portfolio, Financial Markets	Alain Soulard
Manager, Portfolio and Credit Review (General Manufacturing)	Colin Warren
Regional Manager, West and Central Africa (Abidjan, Côte d'Ivoire)	Saran Kebet-Koulibaly
Regional Manager, Southern Africa (Johannesburg, South Africa)	G. Michael Tiller
Regional Manager, Eastern Africa (Nairobi, Kenya)	Saleem Karimjee

East Asia and Pacific Department

Director (Hong Kong)	Javed Hamid
Manager, General Manufacturing	Azmat Taufique
Manager, Portfolio and Credit Review (Hong Kong)	Timothy Krause
Manager, Strategy	Dileep Wagle
Manager, Financial Markets	Shidan Derakhshani
Country Manager, Vietnam (Hanoi)	Deepak Khanna
Country Manager, Indonesia (Jakarta)	Amitava Banerjee
Country Manager, Philippines (Manila)	Sergio Pimenta
Country Manager, China and Mongolia (Beijing)	Karin Finkelston
Country Manager, Thailand (Bangkok)	Timothy Ryan

South Asia Department

Director	Mary Ellen Iskenderian
Manager, Portfolio and Credit Review	Michael Essex
Manager, Financial Markets	Georgina Baker
Manager, Strategy and Coordination	Neil Gregory
Country Manager, Pakistan	Farid Dossani
Country Manager, India (New Delhi)	Vipul C. Prakash

Central and Eastern Europe Department

Director (Moscow)	Edward Nassim
Associate Director (Moscow)	Richard Ranken
Associate Director, Portfolio and Credit Review	Robin Glantz
Manager, Financial Markets	Ritva Laukkanen
Manager, General Manufacturing	Dimitris Tsitsiragos
Manager, Strategy and Coordination	Kutlay Ebiri

Southern Europe and Central Asia Department

Director (Istanbul)	Khosrow Zamani
Head of Portfolio, Financial Markets	S. Aftab Ahmed
Head of Portfolio, General Manufacturing	Antonio David
Manager, Financial Markets	Mark Alloway
Country Team Leaders:	
<i>Albania, Bosnia, Croatia, Macedonia, Yugoslavia</i>	Sita Ramaswami
<i>Azerbaijan, Bulgaria, Moldova, Romania, Turkey</i>	Sujata Lamba
<i>Kazakhstan, Kyrgyz Republic, Tajikistan, Turkmenistan, Uzbekistan</i>	Richard Rutherford

Latin America and the Caribbean Department

Director (Rio de Janeiro)	Bernard Pasquier
Associate Director	Jerome Sooklal
Manager, Financial Markets	(vacant)
Manager, Portfolio and Credit Review	Stanley Greig
Chief of Strategy and Coordination	Toshiya Masuoka
Country Manager, Mexico (Mexico City)	Manuel Núñez

Middle East and North Africa Department

Director (Cairo)	Sami Haddad
Manager, General Manufacturing	Vinod Busjeet
Manager, Portfolio and Credit Review	Michael Essex
Manager, Financial Markets	M. Rohil Hafeez

INDUSTRY DEPARTMENTS

Agribusiness Department

Director	Jean-Paul Pinard
Manager, New Investments	Sulyporn Kulsrethsiri
Manager, Portfolio and Credit Review	Macadou N'Daw

Global Financial Markets Group

Director	Karl Voltaire
Senior Advisor, Capital Markets and Technical Assistance	Claudia J. Morgenstern
Head of Structured Finance	Arun Kumar Sharma

Global Information and Communication Technologies Department⁴

Director	Mohsen Khalil
Manager, Portfolio and Credit Review	Joseph Solan
Manager, New Investments	Stephanie von Friedeburg
Head of Internet Group	Ravi Vish

Global Practice Group for Social Sectors

Director	Karl Voltaire
Manager, Business Development	Oscar Chemerinski
Technical Manager	Guy Ellena

Infrastructure Department

Director	Declan J. Duff
Senior Manager, Transport Services	Ravinder Bugga
Manager, Portfolio and Credit Review	Paul Baribeau
Manager, Infrastructure	Amnon Mates
Manager, Utilities	Usha Rao-Monari

Mining Department⁴

Director	James Bond
Manager, New Investments	Kent E. Lupberger
Manager, Portfolio and Credit Review	(vacant)

Oil, Gas, and Chemicals Department⁴

Director	Rashad-Rudolf Kaldany
Manager, Chemicals	Shilpa Patel
Manager, Portfolio and Credit Review	(vacant)
Manager, Oil and Gas	Somit Varma

Power Department

Director	Francisco Tourreilles
Manager, New Investments	Darius Lilaonwala
Manager, Portfolio and Credit Review	Apinya Suebsaeng

Private Equity and Investment Funds Department

Director	Teresa C. Barger
----------	------------------

Small and Medium Enterprise Department⁴

Director	Harold Rosen
Manager, Facilities	Thomas Davenport
Manager, Capacity Building Facility	Vincent Rague

Syndications and International Securities Department

Director	Suellen Lambert Lazarus
Manager, B Loan Management	Mary Elizabeth Ward

Trust Funds Department

Director	Udayan Wagle
Manager, Trust Funds	(vacant)

PROJECT DEVELOPMENT FACILITIES**Africa Project Development Facility (APDF)**

General Manager (Johannesburg, South Africa)	John James
Regional Manager (Johannesburg, South Africa)	Jesper Kjaer
Regional Manager (Nairobi, Kenya)	Mischek Ngatunga
Regional Manager (Abidjan, Côte d'Ivoire)	Henri Rabarijohn
Regional Manager (Accra, Ghana)	Modou Badara Njie

China Project Development Facility (CPDF)

General Manager (Chengdu, China)	Eric Siew
----------------------------------	-----------

Developing Enterprises in South Asia (DESA)

General Manager (Dhaka, Bangladesh)	(vacant)
-------------------------------------	----------

Mekong Project Development Facility (MPDF)

General Manager (Hanoi, Vietnam)	Mario Fischel
Regional Manager (Laos/Cambodia)	Adam Sack
Regional Manager (Ho Chi Minh City, Vietnam)	Anil Sinha

South Pacific Project Facility (SPPF)

General Manager (Sydney, Australia)	(vacant)
-------------------------------------	----------

Southeast Europe Enterprise Development (SEED)

General Manager (Sarajevo, Bosnia-Herzegovina)	Mariann Kurtz
--	---------------

DEPARTMENTS**Controller's and Budgeting Department**

Director	Christian Grossmann
Senior Manager, Budgeting	Richard J. Moss
Senior Manager, Internal Controls and Special Projects	Allen F. Shapiro
Senior Manager, Facilities Financial Control	Simon V. Fowler
Manager, Financial Reporting and Accounting Policy	Paul B. Bravery
Manager, Loss Provisioning	Guy A. de Clercq

Corporate Business Informatics Department

Chief Information Officer	Guy-Pierre de Poerck
Manager, Development and Informatics	Wajdi Bustani
Manager, Business Informatics	Paul Standen

Corporate Portfolio and Risk Management Department

Director	Marc Babin
Head of Equity and Portfolio Management	Sebastian Thiriez
Manager, Risk Management	Lakshmi Shyam-Sunder

Corporate Relations Unit

Manager	Joseph O'Keefe
---------	----------------

Credit Review Department			
Director		Paul Hinchey	
Associate Director		Sakdiyam Kupasimonkol	
Chief Credit Officer		Mun Fui Wong	
Chief Credit Officer		Eduardo Abello	
Chief Credit Officer		Mamta Shah	
Chief Credit Officer		Maria DaG. Domingues	
Chief Credit Officer		Vincent Polizatto	
Economics Department			
Director		Guy Pierre Pfeffermann	
Lead Economist		Frank J. Lysy	
Environment and Social Development Department			
Director		Gavin Murray	
Manager, Environmental Markets Group		Louis Boorstin	
Manager, Project Support Group		William Bulmer	
Financial Operations Unit			
Senior Manager		Avi Hofman	
Manager, Loan and Equity Operations Support		Soon-Wan Ooi	
Manager, Treasury Operations Support		Isaku Higa	
Human Resources and Administration			
Vice President		Dorothy H. Berry	
Manager, Compensation and Policy Implementation		Jean Bradier	
Manager, Global Staffing and Recruitment		Esteban Altschul	
Manager, Learning and Staff Development		Gail Davenport	
Human Resources Team Manager		Eva Mennel	
Human Resources Team Manager		Anne Sahl	
Manager, Facilities and Administration		Geoffrey A. Willing	
Legal Department			
Vice President and General Counsel		Carol F. Lee	
Deputy General Counsel		Jennifer A. Sullivan	
Chief Counsel		Fernando Cabezas	
Chief Counsel, Finance		Victoria C. Choy	
Chief Counsel		David Harris	
Chief Counsel		Eduardo A. Hernandorena	
Chief Counsel		David McLean	
Chief Counsel		Christian Philip	
Chief Counsel		George Springsteen	
Conflicts Office			
Senior Manager ²		Barbara Kafka	
Operations Evaluation Group⁶			
Director			William E. Stevenson
Operations Strategy Group			
Senior Manager			Bernard Sheahan
Technical Services Department			
Director			Andreas M. Raczynski
Associate Director, Technical Services			Garth Hedley
Manager, Insurance Unit			Merunisha Ahmid
Treasury Department			
Treasurer			Nina Shapiro
Manager, Funding Operations			John Borthwick
Manager, Liquid Assets and Cash Management			Mark Spindel
Manager, Client Products and Asset Liability Management			Shanker Krishnan
Manager, Applications Development Group			Takehisa Eguchi
OTHER			
Private Sector Advisory Services⁴			
Director			Michael Klein
Manager, Privatization Policy and Transactions			Denise Leonard
Manager, Privatization Policy and Transactions			David Donaldson
Manager, Business Environment and Foreign Investment			Joseph Battat
Regional Manager (Sydney, Australia)			Andrew Proctor
Special Operations Department			
Director			Jyrki Koskelo

1 These officers hold the same position in IBRD.

2 Also serves as Managing Director for the World Bank, with responsibility for Private Sector Development across the Bank Group.

3 Reports directly to James D. Wolfensohn.

4 Reports to IBRD Vice President, Private Sector Development and Infrastructure, as well as IFC Vice President, Operations and IFC Vice President, Portfolio and Risk Management on portfolio matters.

5 Reports directly to Vice President and General Counsel of both IBRD and IFC.

6 Reports directly to Robert Picciotto, Director General, Operations Evaluation, IBRD and to IFC Executive Vice President.

Appendix E

FIELD REPRESENTATIVES *and* CONTACTS

COUNTRY	CITY	NAME	TITLE
Albania	Tirana	Elira Sakiqi	Program Coordinator
Argentina	Buenos Aires	Ileana Boza	Resident Representative
Armenia	Yerevan	(vacant)	
Australia (FIAS)	Sydney	Andrew Proctor	Regional Manager
Australia (SPPF)	Sydney	(vacant)	
Azerbaijan	Baku	Aliya Nuriyeva	Program Coordinator
Bangladesh	Dhaka	Hafeezudin Ahmad	Resident Representative
Belarus	Minsk	Carl Dagenhart	Project Manager
Bolivia	La Paz	Juan Carlos Echeverría	Investment Officer
Bosnia & Herzegovina	Sarajevo	Haris Kuskunovic	Investment Officer
Bosnia & Herzegovina, SEED	Sarajevo	Mariann Kurtz	General Manager
Brazil	Rio de Janeiro	Bernard Pasquier	Director
Brazil	São Paulo	Wolfgang Bertelsmeier	Deputy Chief of Mission
Bulgaria	Sofia	George Alexandrov	Program Coordinator
Cambodia	Phnom Penh	Deepak Khanna	Country Manager
Cambodia/Lao PDR, MPDF	Phnom Penh	Adam Sack	Regional Manager
Cameroon	Douala	Mohamadou Diop	Regional Representative
China	Beijing	Karin Finkelston	Country Manager
China	Hong Kong	Javed Hamid	Director
China, CPDF	Chengdu	Eric Siew	General Manager
Colombia	Bogota	Paolo Martelli	Resident Representative
Côte d'Ivoire	Abidjan	Saran Kebet-Koulibaly	Regional Manager
Côte d'Ivoire, APDF	Abidjan	Henri E. Rabarijohn	Regional Manager
Croatia	Zagreb	Vedran Antoljak	Program Coordinator
Czech Republic	Prague	Charles van der Mandete	Head of Special Operations
Dominican Republic	Santo Domingo	Salem Rohana	IFC Representative
Egypt, Arab Republic of	Cairo	Sami Haddad	Director
Ethiopia	Addis Ababa	Andrew Danino	Sr. Investment Officer
France	Paris	Arthur Levi	Special Representative
Georgia	Tbilisi	Anna Akhalkatsi	Program Coordinator
Germany	Frankfurt	Oltmann Siemens	Special Representative
Ghana	Accra	Antoine Courcelle-Labrousse	Senior Investment Officer
Ghana, APDF	Accra	Modou Badara Njie	Regional Manager
Guatemala	Guatemala City	Yolande Duhem	Resident Representative
India	Mumbai	Loy Pires	Head

India	New Delhi	Vipul Prakash	Country Manager
Indonesia	Jakarta	Amitava Banerjee	Country Manager
Japan	Tokyo	Motoharu Fujikura	Director, Tokyo
Kazakhstan	Almaty	Jim Anderson	Regional Program Coordinator
Kenya	Nairobi	Saleem Karimjee	Regional Manager
Kenya, APDF	Nairobi	Mischeck Ngatunga	Regional Manager
Korea, Republic of	Seoul	Tae-Hee Yoon	Advisor
Kyrgyz Republic	Bishkek	(vacant)	
Lao PDR	Vientiane	Deepak Khanna	Country Manager
Macedonia, FYR	Skopje	Slobodanka Matakova	Program Officer
Mexico	Mexico City	Manuel E. Nunez	Country Manager
Moldova	Chisinau	Alla Girjau	Program Coordinator
Mongolia	Ulaanbaatar	Shannon Atkeson	Investment Officer
Mozambique	Maputo	(vacant)	
Nepal	Kathmandu	Sudhir Mittal	Resident Representative
Nigeria	Lagos	Akbar Husain	Resident Representative
Pakistan	Islamabad	Farid Dossani	Country Manager
Philippines	Manila	Sergio Pimenta	Country Manager
Poland	Warsaw	Laurence Carter	Regional Representative
Romania	Bucharest	Ana Maria Mihaescu	Chief of Mission, Romania
Russian Federation	Moscow	Edward Nassim	Director
Senegal	Dakar	Souleymane Traore	Regional Coordinator
Singapore	Singapore	Francois Grossas	Principal Investment Officer
South Africa	Cape Town	Henning Amelung	Sr. Investment Officer
South Africa	Johannesburg	G. Michael Tiller	Regional Manager
South Africa, APDF	Johannesburg	John James	General Manager
Sri Lanka	Colombo	Sanjiva Senanayake	Country Manager
Thailand	Bangkok	Timothy Ryan	Country Manager
Trinidad and Tobago	Port of Spain	Kirk Ifill	Regional Representative
Turkey	Istanbul	Khosrow Zamani	Director
Uganda	Kampala	Dan Kasirye	Projects Officer
Ukraine	Kiev	Elena Voloshina	Program Officer
United Kingdom	London	Arthur Levi	Special Representative for Europe
Uzbekistan	Tashkent	Elbek Rikhsiyev	Administrative Assistant
Vietnam	Hanoi	Deepak Khanna	Country Manager
Vietnam, MPDF	Hanoi	Mario Fischel	General Manager
Vietnam, MPDF	Ho Chi Minh City	Anil Sinha	Regional Manager
West Bank & Gaza	Dahiat Al-Bareed	Tamara Lansky	Resident Representative
Zimbabwe	Harare	Imoni Akpofure	Resident Representative
Zimbabwe, APDF	Harare	James Hellerman	Project Manager

Appendix F

IFC ADDRESSES

Headquarters

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Tirana, Albania
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(00355)-4-230016/7
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Argentina, Buenos Aires

Boucharard 547, piso 3°
1106 Buenos Aires, Argentina
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Armenia, Yerevan

Av Sargsyan Street, Republic Square
Yerevan 375010, Armenia
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Australia, Sydney (FIAS)

Regional Manager
Level 18, CML Bldg., 14 Martin Place
Sydney, NSW 2000, Australia
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Azerbaijan, Baku

91-95 Mirza Mansur Str., Icheri Sheher
Baku 370 004, Azerbaijan
Telephone: (994-12) 921-941:922-807
Facsimile: (994-12) 921-479

Bangladesh, Dhaka

c/o World Bank
3A Paribagh
Dhaka 1000, Bangladesh
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Belarus, Minsk

6a Partizansky Prospekt
Minsk 220033, Belarus
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Bolivia, La Paz

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Piso 10 # 1003
La Paz, Bolivia
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Bosnia and Herzegovina,

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51000 Banja Luka
Bosnia and Herzegovina
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Bosnia and Herzegovina, Sarajevo

H. Kresevljakovica 19
71000 Sarajevo
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Brazil, São Paulo

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Bulgaria, Sofia

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World Trade Center /INTERPRED
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Cameroon, Douala

96 rue Flatters
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China, Beijing

9th Floor, Tower B
Fuhua Mansion
8 Chaoyangmen Beidajie
Beijing 100 027, PR China
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Côte d'Ivoire, Abidjan

Cnr. Booker Washington &
Jacques Aka Streets
01-B.P. 1850
Abidjan-01, Côte d'Ivoire
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Facsimile: (225) 2244-4483

Croatia, Zagreb

Trg. J.F. Kennedya 6b/III
Zagreb 10000, Croatia
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Czech Republic, Prague

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Dominican Republic, Santo Domingo

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Egypt, Cairo

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Ethiopia, Addis Ababa

c/o World Bank
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Ghana, Accra

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Guatemala, Guatemala City

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Kazakhstan, Almaty

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Kenya, Nairobi

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Korea, Seoul

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Kyrgyz Republic, Bishkek

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Macedonia, FYR, Skopje

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Facsimile: (389-2) 117-627

Mexico, Mexico City

Prado Sur 240, Suite 402
Lomas de Chapultepec
Del. Miguel Hidalgo
Mexico D.F., 11000, Mexico
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Moldova, Chisinau

76/6 Sciussev Street
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Facsimile: (373-2) 233-908

Mongolia, Ulaanbaatar

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Ulaanbaatar 210 648, Mongolia
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Mozambique, Maputo

Ave. Kenneth Kaunda, nr. 1224
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Nepal, Kathmandu

c/o World Bank
Yak & Yeti Hotel Complex
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Kathmandu, Nepal
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Nigeria, Lagos

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Victoria Island, Lagos, Nigeria
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Pakistan, Islamabad

20 A, Shahrah-e-Jamhuriyat
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Philippines, Manila

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Appendix G

PARTICIPANTS IN LOAN SYNDICATIONS SIGNED IN FY 2001

ABB Export Bank	Deutsche Bank AG
ABC International Bank plc	Deutsche Verkehrs-Bank AG
ABN AMRO Bank NV	Dexia Group
Arab Bank Plc	Dresdner Bank AG
Arab Investment Company SAA	Erste Bank der oesterreichischen Sparkassen AG
Banco Bilbao Vizcaya	FöreningsSparbanken AB (publ) (Swedbank)
Banco BPI SA	Fortis Bank NV/SA
Banco Espirito Santo SA	HVB Group
Banco Santander Central Hispano	ING Group
Bank of Nova Scotia	IntesaBCI Spa
Bank of Scotland	KBC Bank NV
Banque et Caisse d'Epargne de l'Etat, Luxembourg	Landesbank Rheinland-Pfalz Girozentrale
Banque Worms SA	Leonia Bank plc
Barclay's Bank PLC	MashReqBank PSC
Bayerische Landesbank Girozentrale	Natexis Banques Populaires
BNP Paribas	Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden NV (FMO)
British Arab Commercial Bank	NORDEA Group
Caisse des Dépôts et Consignations	Raiffeisen Zentralbank Oesterreich AG
Caixa Geral de Depósitos S.A.	Royal Bank of Scotland plc
California Commerce Bank	San Paolo IMI SpA
Citigroup, Inc.	Société Générale
Comerica Bank	Standard Chartered Bank
Crédit Agricole Indosuez	Sumitomo Mitsui Banking Corporation
Crédit Lyonnais	Transamerica Leasing Inc.
Dai-Ichi Kangyo Bank Limited	Union Européenne de CIC
	Westdeutsche Landesbank Girozentrale

Acronyms, Notes, and Definitions

ACRONYMS

ADB	Asian Development Bank	IPO	initial public offering
AEF	Africa Enterprise Fund	LAC	Latin America and the Caribbean
AfDB	African Development Bank	LIBID	London interbank bid rate
AMSCO	African Management Services Company	LIBOR	London interbank offered rate
APDF	Africa Project Development Facility	MENA	Middle East and North Africa
ASEAN	Association of Southeast Asian Nations	MIGA	Multilateral Investment Guarantee Agency
BOT	build-operate-transfer	MPDF	Mekong Project Development Facility
BOOT	build-own-operate-transfer	NGO	nongovernmental organization
CFA	African Financial Community	OECD	Organization for Economic Cooperation and Development
CLF	Caribbean Loan Facility	OEG	Operations Evaluation Group
CPDF	China Project Development Facility	PIIF	Pacific Islands Investment Facility
EBRD	European Bank for Reconstruction and Development	SADC	Southern African Development Community
ESSA	Enterprise Support Services for Africa	SCI	special capital increase
FDI	foreign direct investment	SEED	Southeast Europe Enterprise Development
FIAS	Foreign Investment Advisory Service	SEF	Small Enterprise Fund
GCI	general capital increase	SME	small and medium enterprise
GDP	gross domestic product	SOE	state-owned enterprise
GDR	global depository receipt	SPPF	South Pacific Project Facility
GEF	Global Environment Facility	TATF	Technical Assistance Trust Funds
GNP	gross national product	UEMOA	West African Economic and Monetary Union
IBRD	International Bank for Reconstruction and Development	UNDP	United Nations Development Programme
IDA	International Development Association	USAID	United States Agency for International Development
IFC	International Finance Corporation	WTO	World Trade Organization
IMF	International Monetary Fund		

NOTES *and* DEFINITIONS

1. IFC's fiscal year runs from July 1 to June 30. Thus, FY01 began on July 1, 2000, and ended on June 30, 2001.
2. The World Bank includes both IBRD and IDA. The World Bank Group includes IBRD, IDA, IFC, and MIGA.
3. Investment amounts are given in U.S. dollars, regardless of the currencies of the investment. Investment amounts in non-U.S.-dollar currencies are revalued on the ending day of the month in which they are approved.
4. Figures cited in connection with project financing may refer to the following:
Approvals—Loans, syndicated loans, guarantees, equity and quasi-equity investments, risk management products and underwritings approved by the Board of Directors during FY01.
Commitments—Loans, investments, guarantees, and risk management products for which agreements were signed by IFC during FY01.
Disbursements—Loans and investments actually paid out during FY01.
5. In some tables, totals may differ from the sum of individual figures because of rounding.
6. A single loan agreement between IFC and the borrower normally stipulates the full amount of financing to be provided by IFC and the participating institutions. The IFC loan is typically in two portions:
The A-loan is IFC's own portion, funded with IFC's own resources and subject to its agreed loan terms.
The B-loan is funded by participants on terms that may differ from those of IFC.
7. On-lending: The process of lending funds raised from the Corporation's own sources through intermediaries, such as local banks.
8. Quasi-equity instruments incorporate both loan and equity features, which are designed to provide varying degrees of risk/return trade-offs that lie between those of straight loan and equity investments.
9. IFC and participants fully share the commercial credit risks of projects, but, because IFC is the lender of record, participants receive the same tax and country risk benefits that IFC derives from its special status as a multilateral financial institution.

Our Mission:

We promote sustainable private sector investment in developing countries, helping to reduce poverty and improve people's lives.

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