

IFC's Technical Assistance Trust Funds Program

approved 128 technical assistance assignments in FY01

valued at \$15.6 million. Highlights of program activity during the year were:

- **New trust funds.** Two new trust funds were signed this year with the Government of Sweden, one of which was earmarked for the Federal Republic of Yugoslavia and the other for the Baltic Sea area.
- **Renewal of trust funds.** The Government of Canada renewed its agreement with IFC for an additional three years.
- **Country coverage.** TA work was carried out in more than 70 countries, comprising both individual country and multi-country assignments.
- **Poverty and low income focus.** Sixteen TA assignments with a value of about \$2 million were carried out in countries with a high incidence of extreme poverty (more than 25 percent of the population living on less than \$1 per

day).¹ Overall, more than 90 percent of TA assignments were in low- and lower-middle income countries.

- **Country risk focus.** Eighty-three TA assignments were carried out in countries with very high country risk ratings.¹
- **Contributions to the Program.** New commitments of funds by donors to TATF in FY01 amounted to \$14 million, the same as for FY00. Donors have continued to express their desire for IFC to fully utilize existing balances before making new replenishments. During FY01, an extra effort has been made to close older projects so that undisbursed funds could be released and rolled back to fund new TA assignments.

Program Overview

The TATF Program was instituted by IFC in 1988 to manage technical assistance programs funded by bilateral and multilateral donors. At the end of FY01, the Program comprised 34 main trust funds and three other project specific trust funds (stand-alone trust funds), established through agreements signed between IFC and the Governments of Australia, Austria, Canada, Denmark, Finland, France, Greece, India, Ireland, Israel, Italy, Japan, Luxembourg, the Netherlands, New Zealand, Norway, Spain, Sweden, Switzerland, the United Kingdom, and the United States.

Cumulative contributions to the TATF Program since the inception of the program amount to some \$137 million. This total includes contributions made both by donor governments (the largest contributors) and by IFC through its allocations to the IFC TA Fund (see table on page 10).



IFC's TATF
team

¹ As defined by the World Bank Development Indicators and *Institutional Investor* magazine.

TATF Program Statistics, FY97–FY01

Fiscal Year	1997	1998	1999	2000	2001
TA projects approved	93	138	153	160	128
Value of approvals (US\$ m)	\$12.8	\$21.4	\$19.8	\$20.2	\$15.6
Average TA project value (US\$ m)	\$0.138	\$0.155	\$0.129	\$0.126	\$0.122
Annual contributions (US\$ m)	\$13	\$16	\$25	\$14	\$14
Annual disbursements (US\$ m)	\$7.4	\$8.4	\$13.2	\$13.0	\$11.8
Number of main trust funds	26	27	34	35	37

The technical assistance assignments carried out under the TATF Program are developed and managed by IFC staff. As discussed in some detail below, the TA assignments cover a wide range of activities and may be linked directly to a prospective IFC investment project or targeted toward broader groups such as SMEs or government officials. In all assignments, IFC staff is directly involved in the supervision of TA, the identification, selection and hiring of consultants, the processing of consultant invoices and expense statements, financial accounts management, and legal clearances. IFC's Trust Funds Department, which has overall responsibility for management of the program, is funded through administrative fees charged to individual trust fund accounts under agreements with donors. Close liaison is maintained between IFC's Trust Funds Department and departments in the World Bank responsible for donor-funded programs and trust fund accounting. In addition, IFC and World Bank staff work closely in the design and implementation of many TA assignments, particularly where the TA is related to broader policy dialogue involving a government and the Bank.

Growth Trend in TA Assignments

In FY01, a total of 128 new TA assignments (\$15.6 million) were approved. A complete listing and description of all the TA assignments approved under the program in FY01 are presented in the annex to this chapter.

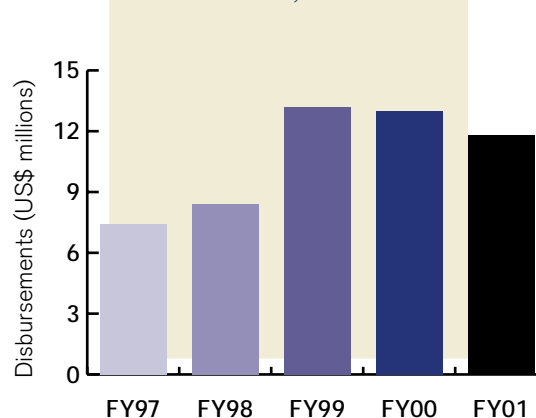
Between FY00 and FY01, the number of TA assignments carried out under the TATF Program declined by about 20 percent both in number and value. This was due in part to the shifting of funding sources of TA work from TATF to newly established donor-funded project development facilities—SEED in the Balkans, and CPDF in China. A lot of SME-related TA in these regions now

flows through these facilities rather than through the TATF Program. The average value of TA assignments approved in FY01 was \$122,000 compared with \$126,000 in FY00.

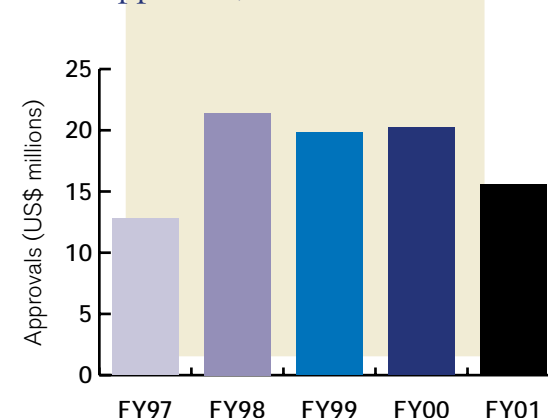
Total annual disbursements in FY01 were \$11.8 million, down by about \$1.2 million. Disbursements are registered when payments are made to consultants for work carried out; typically, there is a lag from when a TA assignment is approved and final payments to consultants are made. A description of IFC's Technical Assistance Trust Funds Consultant Services is presented later in this chapter.

TA assignments were carried out in more than 70 countries. The ten countries that were the largest recipients accounted for about 27 percent of the number of assignments, and some 40 percent of the value. China had an 8 percent share both in number and in value terms.

TATF Program
Disbursements, FY97–FY01



TATF Program
Approvals, FY97–FY01



FY01 IFC Investments and TA by Country Income and Risk Rating

FY01 IFC Investments and TA by Country Income and Risk Rating

US\$ millions and percent of total

Category	IFC Investment ¹	IFC TA ¹
Country income		
Low	\$933 (19%)	\$5.132 (42%)
Lower-middle	\$2,851 (57%)	\$6.195 (51%)
Upper-middle	\$1,811 (24%)	\$0.918 (7%)
Higher	\$10 (0%)	\$0 (0%)
Country risk rating		
Not rated	\$1,061 (21%)	\$7.719 (63%)
0-25	\$1,903 (38%)	\$2.192 (18%)
26-45	\$1,938 (39%)	\$2.334 (19%)
46-100	\$73 (1%)	\$0 (0%)

Source: Country income and risk classifications from World Bank Development Indicators and *Institutional Investor* magazine.

¹ Includes country specific TAs and investments only

Countries Receiving Most IFC TA¹ in FY01

Number of approvals and US\$ millions

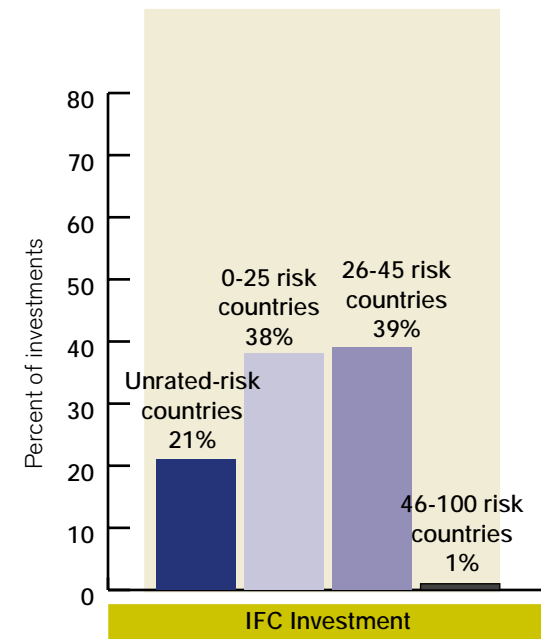
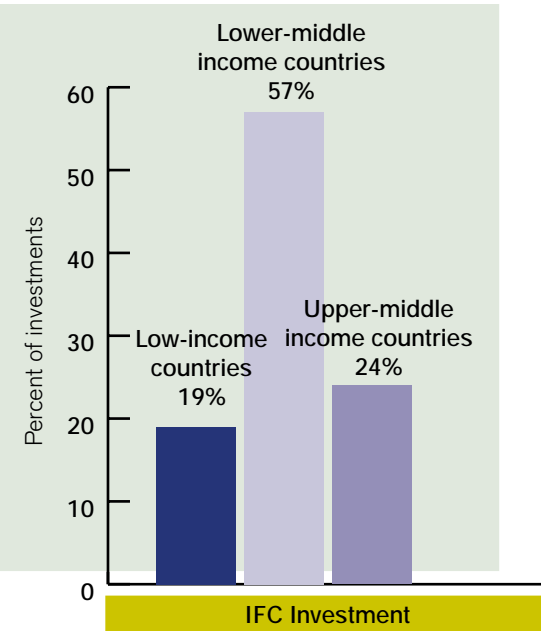
Country	TA Approvals	\$ Amount
China	10	\$1.25
Tajikistan	3	\$0.78
Russia Federation	3	\$0.76
Yugoslavia	6	\$0.68
Uzbekistan	4	\$0.58
Kazakhstan	3	\$0.52
El Salvador	1	\$0.44
Croatia	2	\$0.36
Hungary	2	\$0.35
Thailand	1	\$0.33

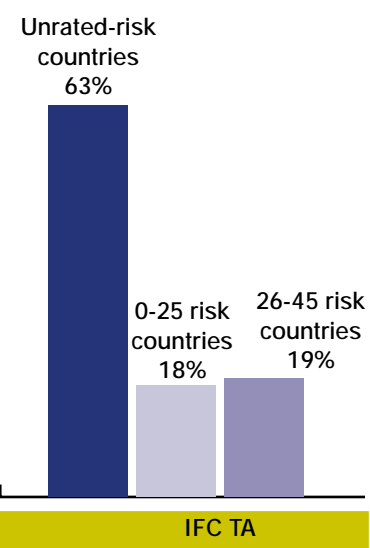
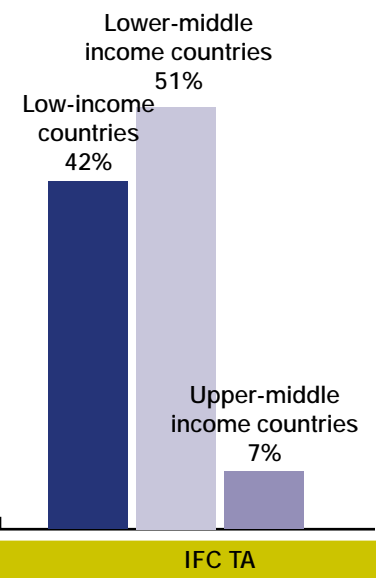
¹ Includes country specific TAs only

TA in Poorer and Riskier Countries

IFC's strategy for technical assistance is for TA to "lead" investment activities, by focusing efforts in countries where the circumstances facing private businesses are more difficult. This means that a relatively high proportion of IFC's TA work is undertaken in poor countries with high-risk economies. This can be seen clearly in the charts to the right. In FY01, over 90 percent of IFC's TA assignments (both in number and value) were undertaken in countries classified as being low- or lower-middle income, with a little more than 40 percent in low-income countries. As expected, these were higher than the proportion of IFC investment activity in the same group of countries.

A total of 16 assignments worth \$2.0 million were carried out in ten countries identified by World Bank studies as having a high incidence of extreme poverty. These ten countries were Bangladesh, El Salvador, Honduras, India, Kenya, Lao People's Republic, Madagascar, Nigeria, Senegal and Zambia. These are countries with very difficult economic situations, having little or no access to international financial markets. Overall, around 65 percent of IFC's TA in FY01 was carried out in the higher risk countries, compared to about 78 percent in FY00.





TA Activity by Region

Two regions account for more than 50 percent of all TA activity, both in terms of the number of projects and the amount of funding—these are Asia and the Pacific, and Europe. This proportion was about the same last year. In other regions, the largest increase in TA approvals was in the Central Asia region, which saw its share of projects rise from 5 percent last year to 13 percent this year as a result of a strategic approach by the regional department to link technical assistance more closely with investments. This increase also reflects the realization that providing a broad range of technical assistance, is in most instances, a necessary condition for sustainable investments in frontier markets.

The share of TA activity decreased substantially in the Middle East and North Africa region (MENA) and in Sub-Saharan Africa. In MENA, the number of TA projects declined from 17 last year to eight this year, while the amount of TA decreased from \$2.2 million to \$0.7 million. This decline is essentially the result of the volatile political situation in West Bank and Gaza, which was the overall largest single beneficiary of TA last year. In Sub-Saharan Africa, 16 projects and \$1.6 million were approved this year compared to 28 projects and \$3.3 million last year. The decrease in TA was mainly because of a reduction in privatization-related assignments, of which there was a large number in FY00, itself a record year for TA approvals in the region.

FY01 IFC TA by Region

US\$ thousands

Donor Country	Asia & Pacific	Central Asia	Europe	LAC	MENA	Sub-Saharan Africa	Global	TOTAL
Austria	-	-	275	-	-	-	-	275
Australia	985							985
Canada				81	128	138		347
Denmark	358		47			334	198	937
Finland		40	213			95	78	426
France			220	179	109		192	700
Greece			55					55
IFC TA Fund	194	270	110	6		340	19	939
Ireland	186	94					76	356
Italy		115	268		351			734
Japan	1,062	670		300		35	475	2,542
Luxembourg			138					138
Netherlands	170	455	1,536	72				2,233
New Zealand	106				75			181
Norway			20			192		212
Spain			80					80
Sweden			805	202		31	50	1,088
Switzerland	596	855	120	445		250	100	2,366
United Kingdom	50		715					765
United States						201		201
TOTAL	3,707	2,499	4,602	1,285	663	1,616	1,188	15,560
Number of Approvals	34	17	37	7	8	16	9	128



More than 90 percent of TA assignments were in low- and lower-middle income countries.

Asia and the Pacific (34 projects, \$ 3.7 million in funding)

Nine donors were active in the region. The most active were Australia and Japan, with about \$1 million in funding each, followed by Switzerland, Denmark, the IFC TA Fund, Ireland, Netherlands, New Zealand, and the United Kingdom.

Among beneficiary countries, China received about one-third of all TA activity in the region, in volume as well as in amount of funding (ten projects for a total of \$1.25 million). These proportions are about the same as last year's. The single largest TA in China (about \$0.5 million) was provided by Switzerland for building the management capacity of a large life insurance company. Other large TA projects were funded by Australia and the IFC TA Fund in the field of corporate governance and training for members of the Boards of private companies. The Netherlands provided over \$0.15 million for a study in the agribusiness sector in Sichuan province, with a view to identifying SMEs that could be supported by the IFC-managed China Development Facility.

Another large TA funded by Japan (\$0.35 million) was regional in nature, and aimed at identifying both the potential for, and the constraints to, mining development and at preparing a strategy for attracting sustainable private mining investments.

Central Asia (17 projects, \$2.5 million in funding)

Funding in this region was mostly provided by the Netherlands, Switzerland, Japan, the IFC TA Fund, Italy, Ireland and Finland.

The single largest recipient countries include Tajikistan (three projects, \$0.78 million), Uzbekistan (four projects, \$0.56 million), and Kazakhstan (three projects, \$0.51 million).

With respect to sectors, half of the 17 TA projects in the region were in banking and finance, for capacity building or institutional strengthening purposes. Two assignments involved joint ventures or twinning arrangements with financial institutions from donor countries. This concentration reflects IFC's focus on financial institutions (including stock exchanges), as an effective agent for private sector development, especially for SMEs.

Other TA projects involved sectoral studies (textiles in Uzbekistan, tourism in the Kyrgyz Republic) and corporate governance (Armenia and Kazakhstan).

Europe (37 projects, US\$ 4.6 million in funding)

Overall, 13 donors were involved in funding 37 assignments in Europe. As was the case last year, Russia remained the

largest recipient of funding (\$0.76 million), followed closely by Yugoslavia (\$0.68 million). TA assignments were also carried out in most of the other countries in the region. In addition, there were five regional projects for a total of \$0.66 million, including a \$0.21 million project funded by the Netherlands for a comprehensive analysis of the mortgage and housing lending markets in Central Europe.

Yugoslavia was the beneficiary of a special \$1.6 million trust fund established by Sweden for the economic reconstruction of the country. In just two months, six projects were approved, which included the funding of an expatriate coordinator based in Belgrade. The projects approved mainly involve market surveys and diagnostic studies, which should help identify the sectors and companies that IFC should support as priorities.

Financial markets were the main focus of the technical assistance in the Central and Eastern European region, with 14 projects (38 percent of the total) involved in the development of the sector. Activities supported included regulatory advisories, the development of leasing companies, auditing, housing finance, insurance supervision, management training, and the twinning of banks.

Project-specific assignments involved SMEs or post-privatization investments in

the mining (Albania), textile (Lithuania, Romania) and agribusiness (Moldova, Croatia) sectors.

Innovative assignments involved energy-efficiency in Hungary (funded by the Netherlands and Austria), private-sector health services in Russia (funded by Finland), and the treatment and recovery of shipping wastes in the Black Sea region (funded by the Netherlands)

Latin America and the Caribbean (seven projects, \$1.3 million in funding)

In line with the frontier nature of IFC's investment and TA activities, TAs in the LAC region were concentrated in four large frontier assignments: (1) the pre-feasibility study of an integrated bus transportation system in the city of San Salvador (\$0.5 million, funded by Switzerland); (2) the development of sustainability criteria for shrimp farming in Belize, the results of which would be applicable in the entire region (\$0.3 million, funded by Japan); (3) a regional capital markets seminar in the Dominican Republic (\$0.2 million, funded by Sweden); and, (4) the drafting of a new legislative framework for the development of private insurance and reinsurance mechanisms as a way to reduce the economic and financial costs borne by

governments in countries hit by natural disasters (\$0.18 million, funded by France)

Other assignments involved pre-feasibility studies in Peru for the establishment of a warehouse and distribution center and wholesale market (funded by the Netherlands), and in Mexico for the provision of post-harvest financing to grain farmers, traders and processors using warehouse receipts (funded by Canada).

Middle East and North Africa (eight projects, \$0.7 million in funding)

Italy was the most active donor in the Middle East and North Africa, funding four of the eight TA projects in this region.

In addition, technical assistance in the region was focused on frontier sectors (education, information technology) and countries (Syria). Syria was the beneficiary of two TA assignments. The first, funded by France, was to review the country's banking sector, in the wake of a change in the banking legislation, which will allow the establishment of foreign banks in the country. The second was project specific and involved the funding by Italy of three feasibility studies for the creation of joint venture companies in the textile sector. France and Italy also shared the funding of a TA assignment for the evaluation of

investment opportunities in the information technology sector in Algeria, Egypt, Jordan, Morocco, Tunisia, and the West Bank and Gaza. In another TA funded by the Netherlands, both IT and education were combined in a study of the provision of Internet services for "smart schools" in Egypt.

Sub-Saharan Africa (16 projects, \$1.6 million in funding)

Twenty-five percent of the TA in the region (both in terms of volume and amount—four projects for \$0.4 million) were for technical assistance at the regional level. A large number of donors (eight trust funds, including IFC) participated in the funding. Four projects (for a total of \$0.36 million) involved direct and indirect support to SMEs and local development, including two assignments on "supply chain" linkages. These projects include: (1) the creation of a website focused on the needs of small entrepreneurs (funded through the IFC TA Fund); (2) a review in Tanzania of the potential to provide credit to smallholder farmers through a large agribusiness concern (funded by Denmark); (3) identification of opportunities for SMEs in the Copperbelt region of Zambia to participate in the supply chain of large mining firms in the region (funded by Japan); and (4) a

training program for loan officers of banks involved in lending to SMEs (funded through the IFC TA Fund).

Additional funding of \$0.18 million was obtained from Norway and Denmark for two other projects focused on corporate governance training in Ghana, Mozambique, Tanzania, Uganda, Zambia, and Zimbabwe in FY01, bringing the total support from \$0.38 million to \$0.56 million.

Two large TA projects were carried out in the utilities sector. The first (\$0.27 million, funded jointly by the United States and IFC) was undertaken at the request of the Government of Uganda to help develop private greenfield rural electrification projects. The second, funded by Switzerland (\$0.25 million) is to develop an expansion plan for the electricity sector in Senegal, and to assess the role and the regulatory and legislative environments for independent power producers in the country.

In the financial sector, IFC and Sweden jointly funded a survey of the potential market for life and non-life insurance in Madagascar, and Norway funded a similar study in Nigeria.

In other sectors, Denmark provided the funding of transition management specialists for the privatization of the Air Tanzania Corporation. Strategic reviews of specific industries were also undertaken: pulp and

paper in Kenya, funded by Finland; and the pharmaceutical sector in Nigeria, funded by Canada, which also funded the feasibility study of an aquaculture project in Tanzania. In the environment sector, IFC provided the funding for a stock assessment of crayfish in Madagascar and the implementation of a sustainable development management plan.

Global Projects (nine projects, \$1.2 million in funding)

Global projects accounted for 7 percent of total TA activity, both in terms of numbers and value. Assignments essentially involved the assessment of opportunities for investment in new frontier sectors—for example, a study of the life sciences sector funded by Japan, an evaluation of new techniques to validate the environmental benefits of investment projects funded by Switzerland, a pilot-project funded by France to test the use of the Life Cycle Management technique, and an assignment to develop environmental and social guidelines for selected business sectors funded by Denmark.

Types of TA Assignments

In FY01, IFC continued its strategic direction of opening up frontier countries and broadening and deepening its private

sector development impact. Consistent with this strategy, the TATF program supported technical assistance assignments with broad-based development impacts; a majority of TA assignments contributed to one or more types of TAs shown on page 25. For example, a TA evaluating the risk of a specific project may also have components that enhance the legislative and regulatory environment for the project/sector or enhance the TA beneficiary's management or environment capacity.

The main sectors in which IFC TAs were carried out during the year were financial services, food and agribusiness, infrastructure (which includes power, telecoms, water, and transport sectors), and social services (which includes health care and education).

There were also a large number of multi-sector TA assignments.

SMEs

Small- and medium-sized enterprises (SMEs) are a vital element of the World Bank Group's private sector development strategy since in many countries SMEs form the bulk of the private sector. They are thus the economic base and the engine of growth, as well as providing the political support for economic reforms. In FY01 there were a total of 42 TATF activities that

FY01 IFC TA by Sector

Number of assignments and US\$ millions

Sector	Number of TA Assignments	Value
Financial services	47	\$7.0
Manufacturing & industry	21	\$1.8
Food & agribusiness	16	\$1.9
Infrastructure	14	\$2.2
Health care & education	8	\$0.5
Multi-sector TA	22	\$2.2
TOTAL	128	\$15.6

FY01 IFC TA by Type

Number of assignments

Type of TA	Number of TA Assignments
IFC project-related	57
SME support	42
Sector reviews/identification	29
Enabling environment	39
Training and capacity strengthening	22
Privatization/corporate advisory	23
Post-privatization	6
Others	20

Note: The above categories are not mutually exclusive; an individual TA assignment may contribute to more than one category.

directly or indirectly supported IFC's work on SMEs. These activities ranged from TAs to specific SMEs costing as little as \$20,000 in the Pacific Islands region to as much as \$500,000 for a TA to strengthen two banks that will channel credit to SMEs in Uzbekistan.

This section of the report gives a flavor of TA for SME activities in the various regions. Some examples with crosscutting impact may also be found in other sections. Chapter 3 of this report contains more information on SME activities; readers may also refer to the annual review of the Bank Group's SME Department.

Globally, IFC is reaching out to SMEs through financial intermediaries. With the support of Sweden and in partnership with

the World Bank Institute (WBI), IFC organized a global conference on profiting from small business lending. The conference focused on the importance of credit information and credit scoring in small and micro enterprise credit. It formed part of the move to assist IFC client financial institutions to increase their profitability in servicing small businesses through use of recent advancements in information and financial technologies.

In Africa, regional activities supported by Norway, Denmark and the IFC TA Fund addressed crosscutting corporate governance issues. This work developed training programs and national codes of practice; trained loan officers at banks that have chosen to target SME lending; and created a website that will assist SME entrepreneurs and other SME service providers to locate information and data relevant to running their businesses and developing new business concepts.

Several TA allocations to IFC's newly created Private Enterprise Partnership program (see Chapter 4 for a full description) complemented its efforts in promoting

SMEs. In Russia, the United Kingdom continued its support of leasing development through a new grant to extend that work to the Urals region. In the Ukraine, the Dutch and Norwegians supported work on screening and identifying partner banks for SME lending and a survey of the legislative, administrative, financial and market environment for SMEs. In Armenia, the Netherlands supported a second phase of a project on corporate governance that seeks to improve the legislative framework as well as provided TA to enterprises, universities and government officials.

In the Baltic countries of Estonia, Latvia and Lithuania, Austria and Finland have supported a TA facility that will provide advisory support to SMEs receiving loans and quasi-equity and equity finance through a new investment fund set up with IFC assistance.

In Central Europe, the Netherlands supported the development of a business plan to establish an Agribusiness Support Foundation that will invest in SMEs and support their operational, technical and financial development. The Netherlands

also supported a feasibility study of foreign direct investment (FDI) in selected agro-industrial and wood processing companies in Croatia. In Kazakhstan, the Netherlands supported two SME related activities: institutional strengthening of a small second-tier regional bank to make it an effective channel for credit to the SME sector; and the provision of advisory services and training to help strengthen SME suppliers to the oil and gas and the mining industries and to enhance local institutions in their quality management and business services capacity. In Uzbekistan, Japan and Ireland supported two small but promising private banks with a goal of transforming them into sustainable banking institutions that will serve as effective intermediaries for credit to the SME sector.

In Bangladesh, Denmark supported two assignments that will complement the recently approved IFC facility—Developing Enterprises in South Asia (DESA)—which focuses on the region’s SME needs. The agribusiness export study identified the SMEs that needed technical, economic and marketing support to expand their exports and screened companies for potential investment projects that could be supported by DESA. Denmark also supported work on promoting value-added textile and garment opportunities. The study identified SMEs

with growth potential, assessed sectoral constraints and made proposals for specific initiatives to address the constraints for follow-up work through DESA.

In China, Australia financed a seminar on building the enabling environment for SME development that built on the widely disseminated IFC report *China’s Emerging Private Enterprises: Prospects for the New Century*. The report was published in October 2000 and was based on an earlier TA project also funded by Australia. Also in China, the Netherlands supported a study on the agribusiness sector in Sichuan that helped prepare the ground for follow-up support to private sector SMEs through the China Project Development Facility (CPDF).

There were also several TA assignments that directly supported individual SMEs. In Fiji, New Zealand supported the design of an environmentally sound effluent disposal and management system for a proposed piggery. In Papua New Guinea, Australia supported TA for a private hospital and medical clinic. In Samoa, Australia supported advisory assistance to the country’s first private hospital aimed at helping the hospital through its first year of certification to ISO standards. Also in Samoa, New Zealand supported the sourcing, recruitment and training of three chief executive officer level executives for three private companies.

Local Private Sector / SME “Supply Chain”

IFC continued to promote expanded and more equitable access to economic opportunity for small businesses and micro-entrepreneurs in rural areas by providing TA to enable them to serve as contractors and suppliers to large multinational companies in their communities.

In Kazakhstan, the Dutch government provided expert assistance and training to a selected number of local firms to enable them to become eligible suppliers to a consortium of companies. IFC also provided assistance to a privatized steel mill to spin off many of its support services and industries to small businesses and micro-entrepreneurs in its community.

In Indonesia and Zambia, the Governments of Ireland and Japan provided TA to enable small businesses and micro-entrepreneurs in the Kalimantan and Copperbelt regions respectively to participate in the supply chain of large multinational mining firms. The TA assignment reviewed the purchasing needs of the large mining firms and the capabilities of small businesses to meet these needs. It then developed a framework that IFC could use to help local suppliers and the mining companies work together. The assignment

also helped develop guidelines for establishing local business development funds.

In Tanzania, Denmark provided support to determine the feasibility of reviving and expanding smallholder out-grower production of cash crops for processing by a local company, modernizing the agricultural infrastructure, strengthening institutional farmers' organizations, and providing technical support to farmers. Similarly, Greece provided support to a fruit juice processor in Bulgaria to design and implement a program to make local farmers more reliable suppliers and to improve and increase their production of fresh fruits.

Enabling Environment

The importance of the overall enabling environment, or investment climate, for private sector investment is recognized as a critical ingredient for promoting economic growth. IFC is strengthening its investment and advisory work in support of improving the investment climate in member countries.

Many assignments were carried out in various sectors to provide advice to governments on changes in laws and regulation and in their implementation. IFC often works with the World Bank to strengthen the Bank Group's overall impact in this important area.

Reflecting IFC's strategic focus, the number of enabling environment TAs was large in the financial sector. These are discussed in the section below on financial markets and intermediaries. All these assignments are aimed at the diversification and deepening of the financial sector.

In addition to work in the financial markets areas, a number of TA assignments addressed other business sectors; for example, Japan supported a mining study in the transition countries in East and Central Asia. Despite tremendous growth of FDI into many developing countries by international mining companies, the transition countries largely missed out on such investments despite excellent geology and mineral potential. This underperformance reflects a lack of legal and regulatory framework, fiscal regimes, and institutional capacity to manage mineral projects. The TA assignment identified both the potential for and the constraints to mining development and prepared a strategy for attracting sustainable private mining investments in these countries.

Also, in the mining sector, the Government of Australia supported a two-day roundtable conference with the Ministry of Land and Resources in China, that provided a forum where mining companies, local governments of China's western regions,

financial institutions, and donors could discuss their respective views and concerns regarding mining investment in the western regions. Australia also supported an assignment to improve the environmental and social regulatory, management and monitoring framework for the mining sector in Lao PDR. This work includes a review of the existing environmental and social regulations, institutional capacity and mandates of the existing institutions/agencies involved in the mining sector and a diagnosis of current constraints.

The Governments of Spain and Austria supported assistance to the Government of Turkey in organizing a conference on increasing foreign direct investment flows to Turkey. The new Swedish Trust Fund for Yugoslavia supported the diagnostic study of the foreign direct investment environment and administrative barriers to investment in that country. Both assignments were carried out in conjunction with FIAS's work.

Australia supported the establishment of a Private Sector Forum Secretariat in Cambodia that will facilitate a dialogue, partnerships and direct linkages among the private sector, donor countries, the government and multilateral institutions in order to improve that country's investment and business climate.



Australia also supported an investment seminar with a focus on Shaanxi Province in China. The aim was to better understand the aspects over which the provincial government has some jurisdiction, and the provincial government and members of the foreign investor community will be involved.

Social Sectors

During FY01, the TATF program continued to support IFC's strategic move into the social sectors—education and health services—focusing on improving the quality and efficiency of private sector service provision.

In education, IFC has supported four TA assignments in Vietnam, Egypt, Morocco, and India. In Vietnam, Australian funding helped establish the first Western-style foreign-managed international university through the preparation of a resettlement action plan (RAP) to help mitigate the effects of resettlement during the development of the main campus facilities. In Egypt, New Zealand provided funding to carry out a fact-finding and analytic review of the provision of Internet services to support “smart schools.” This work will recommend ways to improve connectivity and usage of the Internet, advise on content and curriculum, and identify potential partners/projects to help establish smart schools. With support from Italy, a study was carried out in Morocco to assess the market for a private university and to prepare a preliminary feasibility study. In India, the IFC TA Fund supported the development of legal documentation for a student loan program at the National Institute for Information Technology (NIIT). This work was in support of an IFC investment that will provide up to \$80 million of financing for NIIT students over a five-year period.

In health, IFC has supported five TA assignments in Asia, Russia, the Pacific Islands and Nigeria. In Asia, Ireland supported a feasibility study for the capitated telemedicine sector. This work will develop appropriate business models using global

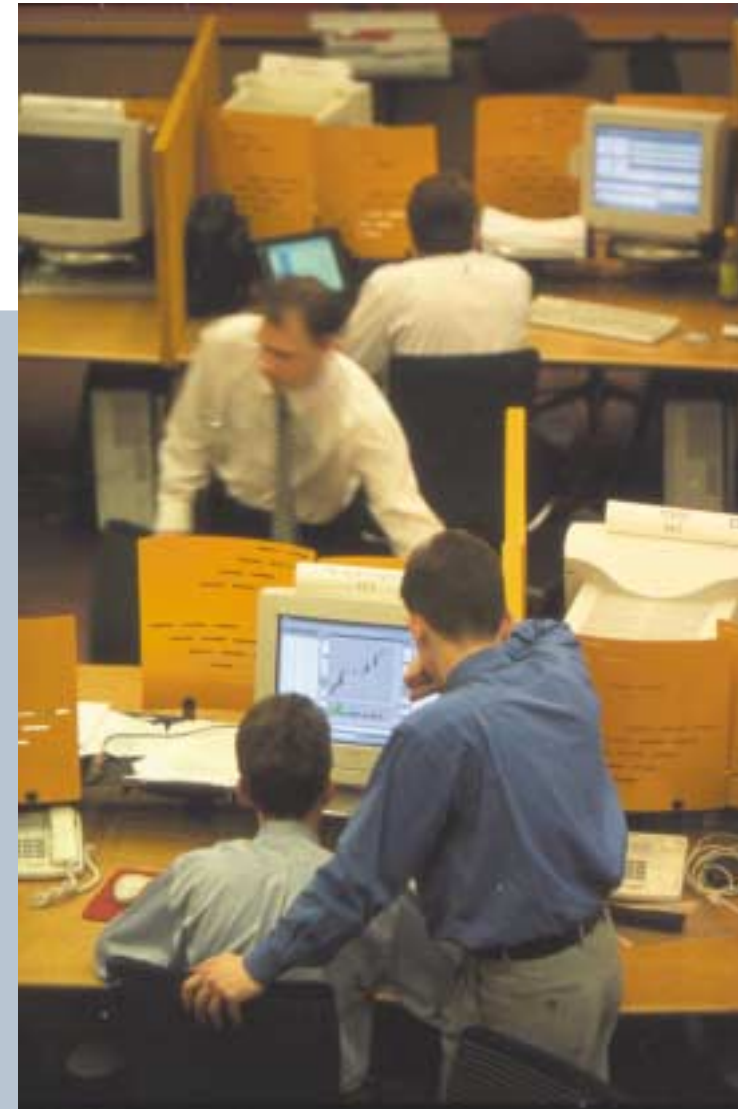
benchmarks, develop criteria for successful new entrants into the capitated telemedicine market and identify potential business opportunities for IFC. In Russia, Finland supported training that will help transfer West European medical best practices and management expertise to a new private medical center, as well as to other medical services providers in the region. Australia has provided support to two private medical centers in the Pacific Islands and in Papua New Guinea. Australia is supporting a leading private medical institution to restructure and develop a management information and accounting system as well as to arrange financing for their expansion. In Samoa, the Australian funding provided assistance to the country's first private hospital during its first year of ISO certification and to put in place a basis for the hospital to handle future ISO audits through its own capabilities. In the broader health sector, a market study for pharmaceutical products was carried out in Nigeria with funding from Canada. The study will assess the supply/demand for both imported and locally produced medicines and will assist IFC in identifying particular subsectors and companies to work with in order to promote greater access to pharmaceuticals.

Financial Markets and Intermediaries

Consistent with IFC's investment activities, and in line with its strategic directions, this was the sector with the largest number of interventions. In FY01, IFC undertook 47 TA assignments in the financial sector. These covered a range of objectives, including developing and strengthening private banking institutions—mainly in IFC's Southern Europe and Central Asia region—promoting and developing a market-oriented legal and regulatory framework for the insurance and leasing sectors, developing a derivatives market, and promoting IFC access to credit by strengthening the capacity of financial institutions that serve them.

In Georgia, Kazakhstan, the Kyrgyz Republic, Tajikistan, Turkmenistan, and Uzbekistan, the Japanese, Dutch, French, and Swiss Governments and IFC provided TA to help strengthen six promising private banks that can become effective intermediaries for channeling credit to the SME sector, to help a private bank convert to international accounting standards, to provide funds for a small private bank to enter into a twinning arrangement with a Western financial institution, and to undertake a feasibility study for converting a nonprofit micro-finance institution into a full-fledged banking institution.

In Bosnia and Herzegovina, Italy supported the privatization of a state-owned banking group by providing funding for a due diligence review of the group of four banks, hiring a banking expert to negotiate with the group's creditors and developing a feasible transaction structure for a complex privatization.



Given the importance of the insurance industry in developing financial markets, a number of TA assignments focused on it. Sweden funded the review of existing insurance law in Croatia and recommended changes aimed at strengthening the law and aligning it with EU standards. Luxembourg supported a TA to help develop the legal and regulatory framework for the insurance industry in Albania. In Honduras, funding from France helped the government design and draft a new national disaster insurance law based on the French natural disaster insurance scheme. The draft was discussed at a seminar for officials from Central American countries, which could adopt some provisions of the proposed Honduran law. Canada supported a review of the proposed insurance regulations in Lebanon to assist the insurance supervisor in assessing the needs of the market and to provide the necessary training to the staff of the supervisory authority.

The Government of Japan supported three leasing sector studies in Central Asia, the Maldives, and Mongolia. Typically, these studies helped assess the regulatory framework for leasing and recommended improvements to governments for creating a more enabling environment. The United Kingdom government supported a TA on leasing in the Ural region of Russia; an aim

of the project is to develop a local team of experts that will support the regional growth of leasing.

In Thailand, funding from Japan helped develop Thailand's derivatives market. The TA assisted the Thai Securities and Exchange Commission in formulating regulations for its over-the-counter and exchange traded derivatives, in providing training for key participants in the Thai derivatives market, in strengthening the institutional capacity of the clearing and settlement entity for derivatives transactions, and in organizing a workshop for the exchange of information and ideas between Thai regulators and derivatives market participants.

Corporate Governance

IFC continued to promote the establishment of corporate practices and principles that help companies attract private investment. It also continued to help them compete more effectively by improving their governance.

In China, Australia supported the Chinese Securities Regulatory Commission together with selected academic institutions, in developing a curriculum for training directors of listed companies in China, in training a critical mass of local facilitators and trainers capable of organizing and conduct-

ing courses for directors of Chinese listed companies, and in preparing the feasibility study for establishing an Institute for Corporate Directors. A regional project in Africa is described in the SME section.

Privatization and Post-Privatization

Technical assistance on privatization matters remains an important part of the TATF Program. This includes both pre-privatization advice to governmental entities as well as post-privatization advice to recently-privatized companies.

An example of pre-privatization advice is the assistance to the Tanzanian government privatization agency to privatize the national airline, an assignment supported through the Danish Trust Fund. This work also includes a diagnosis of the airline's operations and proposes measures to address the problems. Italy supported the Bosnian government in the privatization of a bank group. Another banking privatization project was the Foreign Trade Bank in Cambodia, which was helped with its privatization efforts by funding from Australia. A diagnosis of the bank's present situation was made together with advice on the practical procedures and aspects of privatization in light of experiences gained from similar privatization efforts in other countries.

Post-privatization assistance to a Tajik energy supplier, was supported by Switzerland; the aim of this work is to structure, establish, and finance an independent and autonomous energy supply company in the eastern part of the country (see page 48). The Swiss government also provided expert environmental assistance to a recently privatized Romanian chemical, yarn and textile fiber manufacturer. This assistance will enable the firm to bring its operations into compliance with Romanian and international guidelines, as well as enable the firm to become eligible for international financing.

Technology

The introduction of new technologies can help private companies leapfrog stages of development. This is especially true with the development and introduction of ICT and e-related technologies, which are increasingly important for companies to participate and compete in regional and global markets.

The Government of Finland is supporting a program to establish e-banking systems for small business and rural finance in the Baltics and Northwest Russia. This program will identify and map e-banking practices that can be applied to SMEs and rural financing in emerging markets, and find,

design and launch potential e-finance opportunities in the region.

The Swedish government helped finance a global conference on the role of credit information and credit scoring in small and micro enterprise credit. The conference was intended to acquaint potential lenders to micro and small businesses with technological innovations for credit decision making. By applying these credit decision tools, financial intermediaries can substantially increase the efficiency, volume, range and profitability of financial services for micro and small businesses in developing countries.

In the MENA region, France and Italy provided support on the market analysis of the information technology sector and investment outlook in Algeria, Egypt, Jordan, Lebanon, Morocco, Syria, Tunisia and West Bank and Gaza. Sweden supported an initial review of the IT sector in the Federal Republic of Yugoslavia. The projects will highlight types of projects that would provide positive economic and developmental impact and result in successful investments.

The IFC TA Fund supported the establishment of an SME oriented website, which provides information to assist SME entrepreneurs and those servicing them with information and data relative to conducting their business and developing new business concepts.

Signature Authority Delegated to IFC

Based on good relations that donors and IFC have built over the years, there continues to be increasing flexibility regarding the requirement that all TA proposals must obtain prior approval from the donor. The amounts to which signature authority could be applied range from \$25,000 to \$100,000 per TA assignment. As at the end of FY01, 19 trust funds agreements allow IFC to approve TA proposals internally without prior donor clearance. These include trust funds with Governments of Canada, Denmark, Greece, Ireland, Italy, Luxembourg, the Netherlands, Norway, Spain, Sweden and Switzerland.

Untying of Development Assistance Gains Momentum

During FY01, IFC was the beneficiary of the unilateral decision made by the United Kingdom on untying of their development assistance. Based on that decision we have amended our TATF Memorandum of Understanding with the UK Department for International Development to remove any restrictions on the origin of consulting services. Thus they become our third completely untied TATF source of funding along with Japan and our own IFC TA Fund.

Ireland has also amended its TATF agreement with IFC to partially relax the tied nature of their trust fund. Now, in each calendar year, 25 percent of contracting can be with local or regional consulting firms or individuals from IFC client countries and an additional 25 percent for consulting firms or individuals from other donor countries which maintain similar untied IFC TATFs.

Overview

During FY01, IFC's Trust Funds Department awarded a total of 165 contracts. Of these, 103 were to consulting firms (total value \$8.32 million, average value \$81,000), and 62 appointment letters (total value \$1.59 million, average value \$25,700) were to individual consultants to carry out technical assistance assignments under the TATF Program. The Trust Funds' Consultant Services section assists IFC task managers in the search, selection, and hiring of consultants, reviews consultant proposals, and ensures that consultant fee payments and reimbursement of expenses for TATF projects are processed in an efficient manner. TATF Consultant Services is also responsible for ensuring that over the course of the consultancy assignment, IFC remains not only in compliance with World Bank Group policies, but also with donor agreements and project descriptions submitted to donors.

Identifying Consultants Hired under IFC's TATF Program

Consultants for TA projects are identified through various means, including consultant profiles sent in by firms, letters of interest from individual contractors, DACON (the World Bank Group's registry of consultants), previous experience with a consultant, or recommendations from IFC investment officers or industry specialists. In addition, consultants are also identified through regular consultant seminars hosted by the donor country to provide interested parties an overview of IFC, its TATF Program, and the consultant hiring process. Consultants are provided the opportunity to liaise with IFC task managers and engage these and other representatives from IFC in a dialogue regarding TATF.

Consultants continue to access TATF's database of consultants, launched in FY00. Both firms and individuals may submit their company profiles or CVs through the TATF website (www.ifc.org/tatf). IFC task managers can view the database in a variety of ways: by sector, by nationality, by country of experience, and so on.

Procurement Guidelines

Selection of consultants may depend on the needs of a particular project or task manager or on the requirements of a particular trust fund. It may be done through competitive, advertised, or invited bidding or through sole-source selection. IFC task managers are encouraged to expand the search for consultants as widely as possible, but within the nationality restrictions of the individual donor agreements. As a last resort, sole-source selection may be used in exceptional cases where the consultant has clearly established capabilities in the required field and/or where assignments are small.

Consultant Hiring Overview

After a TA assignment is approved by the donor and a consultant is selected, the task manager submits the company proposal (for firms) or CV (for individual contractors) and terms of reference to the Trust Funds Department. The nationality of the consulting firm or individual is verified to comply with the requirements of the trust fund agreement and to determine tax liability. Financial proposals are scrutinized by Consultant Services in order to comply with World Bank Group standard formatting of proposals. Fees are checked against the Bank Group's standard rates, market rates, and rates from similar-sized companies. Estimated reimbursable expenses such as airfares and per di-

ems are verified to ensure that they fall within Bank guidelines. TATF Consultant Services may recommend fee revisions to a task manager, a firm, or an independent contractor in accordance with World Bank policies and guidelines; however, the World Bank's Institutional Procurement Department and IFC's Recruitment Department have the sole responsibility for issuing the letter of appointment and setting rates. All legal consulting work by firms, law firms, or lawyers must be cleared by IFC's Legal Department.

Contracting of Firms

The World Bank Institutional Procurement Department is responsible for processing all contracts for firms. Prior to submitting a proposal to Institutional Procurement via the Trust Funds Department, the IFC task manager must ensure that the firm is registered as an approved vendor by the World Bank. Registration with DACON does not automatically mean that a consulting firm is registered as a vendor; a separate application process is required. The vendor registration forms, available at www.worldbank.org/apandprocurement, request the company's tax, bank, and insurance information and references from previous clients.

Formal proposals from firms contain a company profile, the scope of work or a description for the work the company will undertake on the project, a detailed financial section, including

detailed budget breakdowns of lump sum fees for professional services and travel and related expenses, and standard CVs of each team member. Overhead costs such as administrative and office support charges and other company overheads are reflected in the fee proposal breakdown as part of the daily chargeout rate of each team member. Separate chargelines for overheads, as well as contingencies, are typically eliminated from proposals.

Contracting of Individuals

IFC's Recruitment Department is responsible for processing and issuing all appointment letters to international short-term consultants. Upon submission of a CV, the terms of reference issued by the IFC task manager, and a request to hire a consultant to the Recruitment Department via the Trust Funds Department, an appointment letter will be issued. The consultant's remuneration is derived from a competitive fee matrix and is based on a combination of education, years of experience, skills, and abilities of the consultant and the characteristics of the assignment. Taxation liability is also a factor in determining the consultant fees, as certain nationals are not normally subject to taxation on their income from the World Bank Group.

During the assignment, the consultant is considered to be a World Bank Group staff member and is sub-

ject to certain rules (such as confidentiality and avoiding conflicts of interest) and restrictions (such as not being allowed to work for the Bank Group for more than 190 days in a given fiscal year). However, benefits such as limited insurance coverage and advance travel arrangements are available to the consultant.

Commencing the Assignment

Initial contact with the consultant or firm may take place weeks or months prior to commencing work on a project. However, once funding is secured through written formal approval from the donor, the IFC task manager is required to submit a contract request to TATF Consultant Services. A standard contract is normally generated in five business days for individual contractors or five to ten business days for firms. Complete contract packages are sent by regular mail from the contracting unit and advance copies of the contract are faxed out along with fee, travel, and expense claim information from TATF Consultant Services. Authorization to commence the assignment is given when a copy of the signed contract is returned to the contracts officer. Under no circumstances is a consultant or consulting firm to begin work without prior acceptance of the terms and conditions specified in the IFC contract or appointment letter. While the contract package is being finalized, Consultant Services can assist the consultant or the firm

with travel plans, visa arrangements, and health and country clearances, if applicable. Air tickets and an advance of fees to cover a portion of travel costs can be arranged through the unit for individual consultants. Firms, however, are responsible for purchasing air tickets and providing advances for their own employees.

Invoicing and Payment

Upon receipt of the signed contract or appointment letter by the contracts officer, funds are released for use and initial fee payments of lump-sum contracts may be disbursed. Other disbursements are made upon receipt of a deliverable (for instance, the completion of a particular phase of a project or submission of a draft report). Travel and miscellaneous costs may be claimed at the end of a trip or at the end of an assignment and are paid at cost up to the amount indicated in the contract. Original air tickets and other receipts must accompany the invoice for travel and miscellaneous expenses. Individual contractors must submit official World Bank forms for fee payments, accompanied by timesheets and statement of expense reports (with original tickets and receipts attached). Invoices or claims for reimbursements submitted are reviewed by TATF Consultant Services and approved by the IFC task manager responsible for coordinating the work assignment. Terms for payment are 30 days.

Vendor Kiosk

The World Bank's Institutional Procurement Unit and Accounts Payable Section has launched a new Vendor Kiosk. Of interest to consulting firms are: a vendor query function to check on invoice status and payment history; vendor update services to update existing records of firms already working with the Bank Group; and vendor registration services to verify qualifications of firms selling goods or services to the Bank Group for the first time. The service is secure and password protected. To use this service or for more details, visit www.worldbank.org/apandprocurement.

DACON and Vendor Registration

What is DACON?

DACON is a consultant registration database for firms only and is managed by the World Bank and IDB. It is a tool for Bank borrowers, beneficiaries, and staff to assist in short listing and long listing firms for projects. It is not necessary to register with DACON to be considered for an assignment with IFC TATF or any other World Bank Group unit. It is also important to note that registration in the DACON system is not an endorsement by the World Bank of the information or qualifications provided by firms. DACON is not the equivalent of "vendor registration" with the World Bank Institutional Procurement Department. A separate registration process is required for vendor registration (see below). For more information about DACON, visit www.wbdacon.com.

What is Vendor Registration?

The World Bank Institutional Procurement Department verifies the qualifications of all firms providing services to the World Bank Group. Eligible firms are registered as vendors if they demonstrate that they are: incorporated or registered as a company; operate with a positive operating income; provide evidence of insurance coverages; have client references; are legally able to conduct business in their country; and have more than one business client (not more than 20 percent of its total revenue can be derived from World Bank contracts). Upon request, TATF Consultant Services can provide additional vendor registration requirements and vendor registration forms to firms when they are invited to bid on or are selected for a TA assignment. Vendor registration forms are processed by the World Bank Institutional Procurement vendor registration team in approximately five business days. A notification of acceptance and a vendor registration number are sent to the firm as confirmation.

Asia & the Pacific Region

Bangladesh

STUDY ON PROMOTING VALUE-ADDED TEXTILE AND GARMENT MAKING BUSINESSES. This TA project is to identify key textile subsectors with growth potential, and the constraints to their growth. It will propose specific initiatives to address the constraints identified, to help open up possibilities for competitive exports. *Denmark*

EXPORT AGRIBUSINESS SECTOR STUDY. This TA project involves a review of the agribusiness sector; identifying specific subsectors that have the technical financial, economic and market potential for a significant expansion in exports; assessing the key constraints faced by SMEs in these subsectors; and screening potential companies and opportunities that could be developed as investment projects. The assignment will help prepare the ground for IFC's SME facility—the Developing Enterprises in South Asia Program. *Denmark*

Cambodia

DEVELOPMENT OF STRATEGY FOR RESTRUCTURING AND PRIVATIZATION OF THE FOREIGN TRADE BANK. This TA project is to provide a diagnostic of Cambodia's Foreign Trade Bank and to make suggestions on the practical procedures and aspects of privatization. *Australia*

SUPPORT FOR PRIVATE SECTOR FORUM SECRETARIAT. This assignment will establish a secretariat for the successful Private Sector Forum (PSF) in Cambodia. The aim of the PSF is to facilitate a dialogue, partnerships and direct linkages among the private sector (both foreign and domestic), donor countries, the government and multilateral institutions in order to stimulate private sector economic development. *Australia*

China

FINANCIAL REVIEW/AUDITS AND EXPERT ASSISTANCE ON CREDIT AND RISK MANAGEMENT. This assignment will consist of reviews and audits of a commercial bank in Nanjing City; and advisory assistance to improve the bank's credit and risk management policies and procedures. *Ireland*

CORPORATE GOVERNANCE TA. This project responds to a request by the Government of China for TA on corporate governance. A formal study is to be conducted jointly by the World Bank and the East Asia Department of IFC. The assignment is to produce a report on corporate governance practices among mainland-listed companies as a key input to the World Bank/IFC advisory effort, and will also include a review of relevant key legal statutes. *IFC TA Allocation*

SME DEVELOPMENT: SEMINAR ON BUILDING ENABLING ENVIRONMENT. This TA supports a regional seminar on implementing some of the findings of the IFC report on *China's Emerging Private Enterprises: Prospects for the New Century* (published in October 2000), in the real life environment of Chengdu city. The seminar is expected to provide examples of how the recommendations from the study may be carried out and to provide input to efforts of the State Economic and Trade Commission

and the Government of Chengdu to create a conducive environment for SME development. *Australia*

ROUNDTABLE CONFERENCE ON PRIVATE SECTOR ROLE IN DEVELOPING MINING SECTOR. This TA assignment convened a roundtable conference with China's Ministry of Land and Resources (MOLAR), to provide a forum where mining companies, local governments of China's western regions, financial institutions and donors could discuss their respective views and concerns regarding mining investment in western regions. *Australia, IFC TA Allocation*

REVIEW OF MEDICAL INSURANCE SECTOR. This TA assignment is to conduct a review of and evaluate possible investment opportunities in the medical insurance sector in China. *IFC TA Allocation*

REVIEW OF SICHUAN AGRIBUSINESS SECTOR. The assignment will help to prepare the ground for IFC's China Project Development Facility (CPDF) that focuses on promoting growth of SMEs. The assignment will comprise a review of the agribusiness sector, identifying specific subsectors that have the potential for significant expansion, as well as pre-screening companies in these sectors that appear to have high potential to be developed to operate more effectively (some of

which might become IFC investment projects). *The Netherlands*

TRAINING FOR COMPANY DIRECTORS. This TA will support the Chinese Securities Regulatory Commission (CRSC) and other institutions (mainly academia) in the development of a curriculum for training directors of Chinese listed companies (with a particular focus on responsibilities of outside directors) and to train a critical mass of local facilitators and trainers. *Australia*



ASSISTANCE ON DEVELOPING PROVINCIAL INVESTMENT PROMOTION STRATEGY (SHAANXI, CHINA). This assignment supports a roundtable investment seminar in Shaanxi Province, China, with participation by provincial government officials and by members of the foreign investor community. The seminar will address the existing environ-

ment for FDI in the province, focusing on those aspects over which the provincial government has some jurisdiction. *Australia*

CAPACITY BUILDING ASSISTANCE TO LIFE INSURANCE COMPANY. This TA to a life insurance company involves helping the company to adopt international best practices for insurance companies in the areas of financial planning and management control systems; developing and strengthening the company's operational manuals, policies and guidelines; and training staff in developing and managing the firm's master information system, evaluating actuarial risks, managing the investment portfolio, enhancing skills in front and back office operations. *Switzerland*

Fiji

ENVIRONMENTAL DESIGN AND MANAGEMENT PLAN FOR NEW PIGGERY. This TA will assist in the design of an environmentally friendly (biogas) and sustainable effluent disposal/management system for a proposed piggery. *New Zealand*

India

TECHNICAL STUDY FOR WIND ENERGY PROJECT. This TA supports an independent analysis of the wind resource and the technical factors relevant to

developing a wind energy project of up to 40MW in the state of Maharashtra, India. *Denmark*

LEGAL DOCUMENTATION FOR A STUDENT LOAN PROGRAM. The TA project supports the drafting of legal documentation for a student loan program for computer science students developed by IFC and NIIT, a local Indian sponsor. *IFC TA Allocation*

STRATEGIC AND OPERATIONAL REVIEW OF AN INDIAN FOOD PROCESSOR (GLOBAL GREEN). This assignment will assess plant operations and provide assistance to upgrade the operational effectiveness of an agro-processing company, with an aim to its becoming an ISO9000/HACCP accredited business capable of competing in global markets and providing a reliable cash crop outlet for small Indian farmers. *United Kingdom*



Indonesia

FACT-FINDING AND FEASIBILITY STUDY ON INSTITUTING BUSINESS DEVELOPMENT SERVICES. The main objective of this TA is to help a Swiss NGO assess the viability of creating a business development services program in Indonesia. The TA would also help to better understand the most appropriate business development services intervention in various regions in Indonesia and to assess the market for such services. *Switzerland*

SME COUNTRY MAPPING AND SME FACILITY BUSINESS PLAN IN THE EASTERN ISLANDS REGION. This TA assignment will assess the feasibility of implementing a coordinated approach to supporting SMEs. The work will include a review of SME constraints and opportunities and will produce

a concept paper for potential future work on promoting growth of the SME sector. *Australia*

Lao People's Democratic Republic

NAM HA ECOTOURISM PROJECT. This project is assisting the Lao tourism authority in developing a pilot ecotourism plan, targeting the Luang Nam Ha National Biodiversity Conservation Area. A main objective of this work is to help develop adequate zoning, management and safeguarding guidelines and regulations for both the environment and indigenous people. The project will also analyze the financing needs and sources for ecotourism investment in the Luang Nam Ha area. *Japan*

SUSTAINABLE DEVELOPMENT OF MINING SECTOR. The objective of the TA is to improve the environmental and social regulatory, management and monitoring framework for the mining sector. The assignment includes a strategic review of the existing environmental and social regulations, institutional capacity and mandates of the existing institutions/agencies involved in the mining sector and a diagnosis of current constraints. *Australia*

Maldives

ADVISORY ON LEGISLATION FOR LEASING INDUSTRY. This TA will help finalize the regulatory, fiscal and legal framework, and train the local players in the leasing industry. Currently, most existing financial institutions in the Maldives concentrate on short-term lending and trade financing. A leasing industry would play a critical role in broadening the availability of medium-term finance. *Japan*

Mongolia

ASSISTANCE ON DEVELOPING LEASING SECTOR. This TA will carry out a market study of the leasing sector and assist the government in setting up viable and transparent legislation for the domestic leasing industry. *Japan*

Papua New Guinea

EXPERT ASSISTANCE TO PRIVATE HOSPITAL AND MEDICAL CLINIC. This TA will help a leading private medical institution restructure, develop workable management information and accounting systems, and arrange financing for expansion. *Australia*

Samoa

SUPPORT FOR CEO PROGRAM. This TA will support the sourcing, recruitment, installation and training of three CEO-level executives for three private sector Samoan companies. The overall assistance has been split into two phases, with the current, initial phase covering sourcing and recruitment aspects. *New Zealand*

OPERATIONAL SUPPORT TO ENSURE CERTIFICATION CONTINUITY FOR PRIVATE HOSPITAL. The country's first private hospital—the only hospital in the Pacific Island region with ISO certification—will be helped through its first year of certification to ISO standards until the next audit period, thereby providing a base for the hospital to manage itself through ISO audits in the future. *Australia*

TECHNICAL ASSISTANCE TO NATIONAL BANK OF SAMOA. Phase III of an institutional strengthening program for the

National Bank of Samoa Ltd. (NBS) will include preparation of a strategic plan with the NBS Board; further strengthening credit assessment and credit control; and review and evaluation of the current NBS software. *New Zealand*

Thailand

ADVISORY ASSISTANCE TO GOVERNMENT ON DEVELOPING DERIVATIVES MARKET. The project will assist Thailand in developing its local derivatives markets, primarily for financial derivatives, to improve risk management capabilities for local institutions. Activities involved include: assisting the Thai SEC in preparing regulations for OTC and exchange traded derivatives; clearing and settlement functions; training key market participants; and coordinating a public/private sector workshop with participation by Thai regulators, market players and relevant officials from other emerging markets countries with recent experience in introducing local derivatives markets. *Japan*

Vietnam

DIAGNOSTIC REVIEW OF STUDENT LOAN PROGRAM. This assignment will carry out a diagnostic review of the legal, business and banking sector environment necessary for the development of a Student Loan

Program (SLP) which is being investigated in connection with the establishment of the main campus of a foreign managed Western-style international university. *Australia*

RESETTLEMENT ACTION PLAN FOR CONSTRUCTION OF PRIVATE UNIVERSITY. This TA assignment is to support preparation of a Resettlement Action Plan (RAP) in connection with the development of a foreign managed western-style international university. The RAP will set out measures to: mitigate adverse effects of resettlement; maintain or improve the living standards of those affected; provide development opportunities to the directly affected and subsequent host communities; and ensure transparency in the implementation of the resettlement. *Australia*

Asia Region

FEASIBILITY STUDY FOR THE CAPITATED TELEMEDICINE SECTOR. This study involves a structural analysis of the current and future capitated telemedicine markets in Asia, with emphasis on India, the Philippines, and Bangladesh; comparisons with relevant global telemedicine and insurance markets; profiles of competitors and substitutes; essential success criteria for a new company entering the market; and business opportunities for IFC. *Ireland*

FEASIBILITY STUDY FOR A SUSTAINABLE ORNAMENTAL FISHERY INDUSTRY. This TA assignment looks at the ornamental fishery sector in Indonesia, the Philippines, and other regions in the western Pacific, and seeks to replace the highly destructive methods currently in use (e.g., cyanide fishing) with more benign fishing methods. The aim is to increase the economic value of coral reefs to local communities by creating an international distribution channel for more sustainably harvested, high-quality marine ornamentals. *Japan*

POTENTIAL FOR MINING INVESTMENT IN DEVELOPING COUNTRIES IN ASIA. The objective of this assignment is to identify both the potential for and constraints to mining development in transitional economies in East and Central Asia, and to prepare a strategy for attracting sustainable



private mining investments in these countries, which have excellent geology and mineral potential.

Japan

Central Asia Region

Kazakhstan

ASSISTANCE TO LOCAL SERVICES SUPPLIERS ON QUALITY MANAGEMENT. This TA assignment aims at strengthening selected local firms—with a focus on SMEs—helping them grow their businesses and become eligible suppliers to international consortia operating in joint ventures with the Kazakh government, mainly in the oil, gas, and mining sector. The assignment will provide advisory services and training to potential local suppliers in reaching the necessary quality and reliability standards. *The Netherlands*

STRENGTHENING INSTITUTIONAL CAPABILITIES OF A REGIONAL BANK. This broad based TA will help transform a small, second-tier regional bank in western Kazakhstan into a sustainable financial institution that will be an effective intermediary to channel credit to the SME sector. *The Netherlands*

DEVELOPING CORPORATE CITIZENSHIP PROGRAM FOR

STEEL MILL. The privatization of a major local steel mill in Kazakhstan has created a range of opportunities for SMEs to provide goods and services, which were previously produced within the company. The management of the mill now wishes to adopt a corporate citizenship program in order to develop local SMEs to become good suppliers and good corporate citizens in their own right. This TA project supports external consultants to help IFC put together a corporate citizenship program *IFC TA Allocation*

Kyrgyz Republic

TOURISM SECTOR STUDY. This study seeks to develop a planning document, for use by both the government and interested private sector parties, to attract more investments into the country's tourism sector. Ideally, this would be complemented by tourism promotion activities implemented in the public sector. *Switzerland, IFC TA Allocation*

MARKET ANALYSIS FOR CONVERTING NONPROFIT MICROFINANCE INSTITUTION INTO A COMMERCIAL BANK. The TA assignment is to carry out a market analysis as part of the feasibility study for converting a local nonprofit microfinance institution into a full range banking institution. Two additional preparatory components are being

conducted separately by the nonprofit institution. These involve internal analysis and the analysis of the regulatory framework. *IFC TA Allocation*

EXPERT ASSISTANCE ON BUSINESS DEVELOPMENT AND TECHNOLOGY OPTIONS FOR PACKAGING COMPANY. This TA will help a producer of diversified corrugated cardboard and packaging products manage its business growth in a more strategic manner, as its production capacity increases and as the company begins to market outside the country. *Finland*

Tajikistan

CAPACITY BUILDING FOR LOCAL BANK. Under a twinning arrangement, a Swiss bank will transfer skills, policies, procedures, and systems to a Tajik bank in a range of critical operational and technical areas. *Switzerland*

LOCAL CAPACITY BUILDING FOR INTERNATIONAL STANDARDS AUDITS. A program will offer training to staff members of the first local private financial consulting firm in Tajikistan on providing financial management services consistent with international standards of practice. Training will also be offered to other appropriately qualified local individuals. It is envisaged that this training program may allow local



Tajik companies access to means of preparing bankable investment projects. *Italy*

EXPERT ASSISTANCE ON STRUCTURING, ESTABLISHING, AND FINANCING AN ENERGY SUPPLY COMPANY. This project reflects the third phase of a program of TA to structure and finance an autonomous joint venture company to supply energy to the Gorno-Badakhshan region of Eastern Tajikistan. The grant supports costs of retaining financial, legal, economic, energy and social advisors. *Switzerland*

Turkmenistan

INSTITUTIONAL STRENGTHENING FOR LOCAL PRIVATE BANK. Under this TA project expert assistance to a leading private bank in Turkmenistan aims at transform-

ing it into a sustainable banking institution that will be an effective intermediary to channel credit to the SME sector in the country. This is the first phase of a broader program of TA to the bank and includes help on conducting an internal audit and on business strategy planning. *IFC TA Allocation*

Uzbekistan

CONFERENCE ON EXPANDING BUSINESS OPTIONS IN TEXTILE AND CLOTHING SECTOR. This project helped the Government of Uzbekistan to organize a conference to promote outward processing traffic (OPT) textile arrangements to local Uzbekistan garment manufacturers and to explore joint venture arrangements between Uzbekistan garment manufacturers and invited European textile manufacturers. Representatives from European textile and garment manufacturers invited to participate reflected a cross section of these industries. *Switzerland*

INSTITUTIONAL STRENGTHENING OF LOCAL PRIVATE BANKS. This TA project provides expert assistance to two small but promising private banks in Uzbekistan with a goal of transforming them into sustainable banking institutions that will be effective intermediaries to channel credit to the SME sector in the

country. It also provides capacity-building enterprise support services to SMEs who borrow from the target banks. The additional work required covers the areas of strategic planning, management of branch network, treasury, marketing, and IT operations. *Japan, Ireland*

FACT-FINDING STUDY ON TEXTILE SECTOR. This assignment has two components: a review of the textile sector in Uzbekistan (in Andijan and Karakalpakstan Oblasts); and a review of the competitiveness of Uzbekistan's textile sector in relation to the needs of international markets. The aim is to help the country to attract more private investments into the textile sector. Results may be used by Uzbekistan's authorities as input for developing more effective policies and strategies. *Switzerland*

Central Asia Region

LEASING SECTOR STUDY. An assessment of the regulatory framework for the leasing industry in the Kyrgyz Republic, Tajikistan and Turkmenistan will cover all regulatory aspects surrounding financial leasing transactions, and include both a review of the existing laws and taxation dealing with leasing, and recommendations to the respective governments to help create a more favorable business environment for leasing ventures. *Japan*

EXPERT SUPPORT FOR MULTIPLE BANKS AND ENTERPRISES. Under this TA project an external consultant will spend up to three months in Central Asia—a challenging business environment—to provide sustained support to banks being considered for IFC investments. The consultant will be conducting in-depth evaluation of possible investment prospects for IFC, and assist in strengthening skills in IFC projects. *IFC TA Allocation*

Europe Region

Albania

RECOMMENDATIONS FOR LEGAL AND REGULATORY FRAMEWORK RELATING TO INSURANCE. This TA assignment responds to a request from the Albanian Minister of Finance for IFC's assistance in strengthening the country's insurance industry. It is to produce recommendations to the government on changes required in the legal and regulatory framework. *Luxembourg*

Armenia

CORPORATE GOVERNANCE STRENGTHENING INITIATIVE (PHASE II). This project is a follow-up to an earlier project on corporate governance in Armenia. The project aims at improving the legislative

framework in Armenia and will provide assistance to enterprises, universities, and government officials. *The Netherlands*

Azerbaijan

INSTITUTIONAL STRENGTHENING FOR BAKU STOCK EXCHANGE AND FOR SECURITIES COMMISSION. This project provides institutional strengthening assistance (including training) to two newly established financial institutions—the State Committee for Securities and the Baku Stock Exchange. *The Netherlands*

Baltic Republics

BALTIC SMALL AND MEDIUM ENTERPRISE FUND TA FACILITY. This proposed TA facility would support investee companies served by a new fund targeted at SMEs in the Baltics. *Austria, Finland*

Bosnia and Herzegovina

BANK PRIVATIZATION ADVISORY WORK. This grant supports experts in working with IFC to assist in the restructuring and the privatization of the Privredna Bank Sarajevo (PBS) group. This is the initial phase of a broader program of TA being coordinated by IFC to help accomplish the privatization of PBS. *Italy*

Bulgaria

DECIDUOUS FRUIT FARMING: ASSISTANCE TO IMPROVE HORTICULTURAL PRACTICE. This assistance seeks to help a Bulgarian fruit juice processing company to develop and implement a horticultural program that will enable local farmers in Bulgaria to improve their production of fresh fruits so that they can become reliable suppliers to fruit products processors. *Greece*

Central Europe

ESTABLISHMENT OF AGRIBUSINESS SUPPORT FOUNDATION. This project is to develop a comprehensive business plan to establish an Agribusiness Support Foundation, whose objective is to invest in industry specific SMEs and support their operational, technical and financial development. In a second phase, the project will help implement the business plan by developing an initial pipeline of projects. *The Netherlands*

Croatia

STUDY ON THE FEASIBILITY OF FOREIGN DIRECT INVESTMENT IN SELECTED CROATIAN COMPANIES. This TA project supports advisory and consulting services to five Croatian agro-industrial and wood processing

companies at pre-feasibility and feasibility stages. *The Netherlands*

EXPERT ASSISTANCE IN STRENGTHENING INSURANCE LAW. This grant supports an insurance expert's review of the existing Croatian insurance law and recommends changes aimed at strengthening the law and aligning it with European Union standards. *Sweden*

Georgia

CONVERSION OF LOCAL BANKS TO INTERNATIONAL ACCOUNTING STANDARDS . The TA is to provide assistance in the conversion to IAS of two privately owned and managed banks in Georgia; and contribute toward a broader IFC initiative to create a template of procedures and steps necessary to convert local accounting and reporting systems to IAS. *France*

Hungary

PROMOTING AVAILABILITY OF FINANCING FOR ENERGY EFFICIENCY PROJECTS. Under this TA supporting the implementation of energy efficiency (EE) projects in Hungary, activities include: general market promotion; supporting end-users in evaluating technical alternatives for EE improvements; supporting energy service companies and EE businesses in managing and

expanding their operations; helping end-users to obtain funding for EE projects; and providing training to help financial institutions to become active in EE financing. *Austria*

ENERGY EFFICIENCY CO-FINANCING . This project supports the TA component of the Hungary Energy Efficiency Co-Financing Program (HEECP). HEECP seeks to address the two main constraints to energy conservation in Hungary: lack of information about energy saving technology and techniques; and lack of capital for funding initial energy savings investments. *The Netherlands*

Latvia

SURVEY OF PUBLIC SPACE QUALITY AND USES IN RIGA CITY CENTER. This TA will collect information on quality and patterns of use of public spaces in Riga's city center and make this information easily accessible to government authorities, city planners, business associations and other interested groups. The objective is to assist the ongoing work of improving the quality of the city's public spaces. *Denmark*

Lithuania

EXPERT ASSISTANCE ON SALE OF TEXTILE PLANT PROPERTY AND EQUIPMENT. This TA project is to provide expert assistance to a

Lithuanian company in developing a marketing proposal for the sale of its textile property and manufacturing machinery in Vieciunai, Lithuania, and to help the company to coordinate with a Baltic States property agent to market the property. *IFC TA Allocation*

Moldova

MARKET AND FEASIBILITY STUDY FOR A HOTEL. This TA is a market study and feasibility study for a new hotel in Moldova's capital city, Chisinau. In addition, the TA will make recommendations on such factors as standards of service, and the scale and range of facilities to be included. *United Kingdom*

FEASIBILITY STUDY OF A RESTRUCTURING INVESTMENT IN A WINERY. This TA is an in-depth review of an existing feasibility study, prepared by a local company, for the restructuring and renovation investment in new plantations in selected vineyards in south Moldova. *Italy*

PREPARATORY STUDY FOR MODERNIZATION OF CANDY FACTORY. This study will assess the technical and market constraints and opportunities faced by a local chocolate and candy producer, with an aim of defining a sustainable business plan for the company's future operation, including the scale and content of the modernization investments envisaged. *Italy*

Romania

TRAINING AND TECHNICAL ASSISTANCE FOR SENIOR MANAGEMENT OF LOCAL INSURANCE COMPANY. This grant supports expert assistance to senior managers of an existing composite (both life and nonlife) insurance company in Romania. The assistance will help them better structure the company's operations to make it more stable and financially secure. *Sweden*



COMPREHENSIVE ENVIRONMENTAL AUDIT OF A CHEMICAL AND FIBER PRODUCER. This project provides expert environmental assistance to a recently privatized chemical, textile fiber and yarn manufacture. TA work includes gathering baseline data on current levels of the plant's air and waste water emissions, surface water, and ground contamination and developing an environmental management plan to enable the company to mitigate the adverse environmental impacts of its operation. *Switzerland*

Russian Federation

MEDICAL CENTER PROJECT: TRANSFER OF KNOW-HOW AND BEST PRACTICE TO MEDICAL PROFESSIONALS. This TA assignment is to help a private medical center in Saint Petersburg to leverage its management skills and professional medical expertise to other medical personnel in the region. This is to be accomplished through a "train-the-trainers" program, as well as through on-site visits by foreign experts and medical center staff to surrounding areas where medical or clinical services are offered. *Finland*

DEVELOPMENT OF LEASING SECTOR IN THE URAL REGION OF RUSSIA. Growing out of previous TA work on leasing in Russia this TA is designed to extend the experience of IFC's

Leasing Development Group (LDG) to the Urals. The concept is to develop a team of local experts who will support increased regional knowledge of leasing as a source of finance to facilitate renewal and acquisition of capital assets. *United Kingdom*

TWINNING PROJECT FOR COMMERCIAL BANK. This TA will provide banking specialists to support the re-engineering of a commercial bank in Moscow, and supplements an earlier grant. This additional component will provide advisory services in the areas of financial management, asset/liability and market risk management, credit management, and IT/MIS. *United Kingdom*

Turkey

DIAGNOSTIC ASSESSMENT OF FOREIGN DIRECT INVESTMENT. This assignment is to undertake a diagnostic assessment, funded jointly with FIAS, to identify the issues and real prospects for increasing FDI flows to Turkey. This diagnostic will explore both government and private sector issues, and identify areas that are slowing or perceived to be impeding FDI into Turkey. The assessment will provide the basis for the design of a conference on FDI (see below), to be conducted jointly by the Government of Turkey, the World Bank and IFC. *IFC TA Allocation*

FOREIGN DIRECT INVESTMENT CONFERENCE. The Government of Turkey will organize a conference to increase foreign direct investment (FDI) flows into Turkey. The conference will draw on a diagnostic assessment (see above) carried out by the World Bank Group's Foreign Investment Advisory Service (FIAS) in October 2000. *Austria, Spain, IFC TA Allocation*

Ukraine

BANK RE-ENGINEERING PROJECT. This TA effort is to upgrade the institutional capabilities of local banks so they can prospectively manage credit lines focused on SME borrowers. The assignment involves screening and identifying potential banks in Ukraine—two relatively smaller banks will be selected—and implementing a tailored technical assistance work plan leading to an IFC investment. *The Netherlands*

IN-DEPTH SURVEY OF STRUCTURE OF SME SECTOR. This grant supports producing an annual survey of legislative, administrative, financial, and market environments for SME development in Ukraine. Funding supports field work and preliminary data analysis, and contributes toward the cost of publishing the report for use by the Government of Ukraine in considering its private sector development strategy. *Norway*

Yugoslavia, Federal Republic of

APPOINTMENT OF TA AND INVESTMENT PROJECT COORDINATOR. Given IFC's reengagement in the Federal Republic of Yugoslavia this grant supports a field-based project coordinator to help IFC reestablish its operations. This private sector specialist will help provide in-depth detailed industry analyses. *Sweden*

STUDY OF INVESTMENT OPPORTUNITIES IN SELECTED INDUSTRIES. This grant supports the initial stages of needs assessment and project identification work focused on garment-making, food and food processing, and pharmaceuticals industries. *Sweden*

ASSESSMENT OF THE INFORMATION TECHNOLOGY AND TELECOMMUNICATIONS SECTORS. If Yugoslav companies are to compete effectively in regional and global markets, they will need to assess the contribution that information technology and telecommunications can make to their operations and business strategy and invest in these business tools. This TA project involves an assessment of the relevant sectors. *Sweden*

SURVEY OF RETAIL BANKING MARKET. This TA assignment is to conduct a survey of the retail banking market as a first step toward assessing the business

potential of the banking sector. It includes an assessment of the growth potential for domestic and foreign financial institutions that might be interested in entering the market, and will identify regulatory or business issues that need to be addressed. *Sweden*

DIAGNOSTIC OF BUSINESS ENVIRONMENT AND ADMINISTRATIVE BARRIERS TO FOREIGN DIRECT INVESTMENT. This project is to do basic fact-finding and diagnostic work on improving the country's business environment and promoting foreign direct investment and new business start-ups. The work includes reviewing existing laws and policies and administrative barriers and providing recommendations for consideration by government authorities on steps to take to make the country more attractive for FDI. *Sweden*

EXPERT ASSISTANCE ON COST CONTROL, ACCOUNTING AND MANAGEMENT INFORMATION SYSTEMS FOR A FRUIT JUICE COMPANY. This TA project assists a fresh fruit juice company in introducing an effective management information system, a cost control program, and in carrying out an IAS audit. *Sweden*

Europe Region

TECHNICAL REVIEW OF MARKET AND INSTITUTIONAL FACTORS REGARDING HOUSING FINANCE.

This project is to provide a comprehensive analysis of the current housing market and mortgage/housing lending markets in Russia, Ukraine, Poland, Slovakia, and the Czech Republic. The report will highlight aspects of the legal and regulatory framework which encourage or impede the development of the housing finance market. *The Netherlands*

FEASIBILITY AND PROJECT DESIGN STUDY FOR SHIP WASTE RECOVERY FACILITY. This TA supports a feasibility study and business plan for a ship waste facility to serve the Black Sea region. The study will cover the technical and operational factors, financial feasibility, and markets for the service. Results of this study may be used to establish a financially viable multipurpose floating waste processing facility. *The Netherlands*

Latin America and the Caribbean

Belize

PROMOTING SUSTAINABLE SHRIMP AQUACULTURE. This TA will develop agreed upon acceptable operating practices, establish norms and standards for aquaculture operations, and undertake an assessment of the cumulative impacts of the industry in Southern

Belize to help guide future expansion of the industry. *Japan*

Dominican Republic

REGIONAL CAPITAL MARKETS DEVELOPMENT SEMINAR. This grant supported a regional capital markets seminar in Santo Domingo, Dominican Republic, sponsored by the country's Central Bank and the Santo Domingo Stock Exchange to get a better understanding of opportunities and constraints in the Dominican Republic's capital markets, as well as to encourage closer regional cooperation. Participants were senior private and public officials from various Latin American and Caribbean countries who are active senior level players in a range of capital markets institutions. *Sweden*

El Salvador

FEASIBILITY STUDY FOR AN INTEGRATED BUS SYSTEM. This grant supports a comprehensive feasibility study for an innovative, private sector led reform that has been proposed for the city of San Salvador's bus system. The study involves in-depth analysis of the technical, legal, economic, logistic, and institutional factors for the proposed revamping of transportation services delivery. *Switzerland*

Honduras

NEW INSURANCE LEGISLATIVE FRAMEWORK. This TA assignment will draft new legislation to help promote natural disaster insurance and reinsurance. The legislation will be based on the French natural disaster insurance scheme and the CIMA insurance code adopted in Yaounde by most French speaking African countries (July, 1992). The assignment will include a workshop on effective disaster risk management, to be organized by the World Bank and the Inter-American Development Bank. *France*

Mexico

POST-HARVEST FINANCING TO GRAIN FARMERS. This TA project is to evaluate the feasibility of providing post-harvest financing to Mexican grain farmers, traders and processors through introduction of a warehouse receipt system. The application of a warehouse receipts scheme can help to improve grain production and marketing systems by increasing the efficiency with which the commodities are handled and managed once they leave farmers' fields. *Canada*

Peru

ESTABLISHING A COMBINED WHOLESALE MARKET AND LOGISTICS AND DISTRIBUTION CENTER. This TA assignment will

review the criteria for the formation of a warehouse and distribution center and wholesale market on a shared site in the northern Peruvian city of Chiclayo. The anticipated market will be further developed and integrated through the establishment of a warehouse and distribution center for logistics companies and producers. *The Netherlands*

Central America Region

DEVELOPMENT INITIATIVE FOR SMES (HURRICANE MITCH AFFECTED COUNTRIES: GUATEMALA, HONDURAS, NICARAGUA, EL SALVADOR). Funding through this TA complements earlier funding by the Italian Trust Fund to assist SMEs in these countries with project development, training and skills development, and obtaining access to funding. *IFC TA Allocation*

Middle East and North Africa Region

Egypt

STUDY OF INTERNET SERVICE PROVISION FOR "SMART SCHOOLS." This assignment consists of a fact-finding and analytic study on the provision of Internet services to "smart schools." The work will assess the current

status of the use of the Internet in urban and rural schools; recommend ways to improve connectivity and usage of the Internet in schools; advise on content and curriculum for smart schools; advise on potential partners/projects that could help establishment of these schools; and explore possibilities for implementing smart schools in other countries in the MENA region. *New Zealand*

Lebanon

EXPERT ASSISTANCE ON IMPLEMENTING LEGAL AND REGULATORY FRAMEWORK FOR INSURANCE INDUSTRY. This grant supports expert assistance to the Government of Lebanon in implementing the new insurance law passed in 1999. It involves reviewing the proposed regulations prepared by the insurance supervisor's office; assisting the supervisor in assessing the needs of the market; and providing necessary training to the staff of the supervisory authority. *Canada*

Morocco

DESIGN AND IMPLEMENTATION OF WEATHER INDEX INSURANCE COMPANY. This assignment provides preparatory assistance for creating a weather risk management company in Morocco. Activities involved in the project

cover a broad range, and include basic meteorological fact-finding; product design; options on corporate structure; and preparation of business plan and implementation strategy. *Italy*

MARKET STUDY ON ESTABLISHING A PRIVATE UNIVERSITY. The TA project consists of a market and a feasibility study for establishing the first private university in Morocco, to be located in Casablanca. *Italy*

Syrian Arab Republic

BANKING SECTOR REVIEW. This TA project has two main components: a review of the Syrian banking sector, with emphasis on evaluating existing bank operations; and a review of the legal and regulatory framework for banking activities in the country and the impediments to the development of the banking sector. *France*

STRENGTHENING BUSINESS OF SMALL SCALE TEXTILE MANUFACTURERS. This TA assignment is to assist in the development of the textile industry by providing local producers with expert advice in the formulation of business plans, accounting standards, and financial projections, and also by assisting in the preparation of audited financial statements. *Italy*

MENA Region

INVESTMENT OPPORTUNITIES IN THE INFORMATION TECHNOLOGY SECTOR. This TA project comprises a market analysis of the information technology sector and a review of the investment outlook for IT projects in selected countries in the MENA region (Algeria, Egypt, Jordan, Lebanon, Morocco, Syria, Tunisia, and the West Bank and Gaza). The project will highlight the types of projects which would provide positive economic and development impact in the targeted countries. The project will also provide information to assist governments of these countries to develop policies regarding the IT sector and/ or their industry associations that facilitate an effective investment decision-making process. *France, Italy*

Sub-Saharan Africa

Kenya

STRATEGIC REVIEW OF THE PULP AND PAPER INDUSTRY. This TA project is to carry out a strategic review of the future of Kenya's pulp and paper industry over a ten to fifteen year horizon. One of the study's main objectives is to provide the government and IFC with a clearer understanding of the regional (Eastern and Southern African) pulp and paper markets

and the competitiveness, current and potential, of Kenya's pulp and paper industry in order to help determine policy regarding support for private investments in the sector. *Finland*

Madagascar

CRAYFISH STOCK ASSESSMENT AND MANAGEMENT PLAN. This TA project is to assess crayfish stocks in Southern Madagascar and develop a sustainable management plan for a crayfish fishery company. *IFC TA Allocation*

STUDY OF INSURANCE MARKET AND INVESTMENT ENVIRONMENT. This TA project is a survey of the potential market for life and non-life insurance in Madagascar to provide an assessment of the viability of creating an insurance company. This includes review and analyses of the existing insurance market, with particular attention to legal, regulatory, tax and institutional factors. *Sweden*

Nigeria

STUDY ON PHARMACEUTICAL PRODUCTS AND SUPPLY CHAIN. An independent market study for pharmaceutical products will analyze the market by major therapeutic category, including supply (both of imported and of locally produced medicines), demand (by category of drug, type

of customer—institutions vs. individuals), location, willingness and capacity to pay, and distribution and logistics. *Canada*

ASSESSMENT OF INSURANCE, PENSIONS AND ASSET MANAGEMENT MARKET. This TA is a review and assessment of the potential market for life and non-life insurance, pension funds, and asset management. The project is to give particular attention to legal regulatory, tax and institutional factors. The assignment will also provide an assessment on the viability of creating an insurance or an asset management company. *Norway*

Senegal

STUDY ON STRUCTURE AND POTENTIAL FOR EXPANDING THE POWER SECTOR. This study is to develop short-term and longer-term expansion plans for Senegal's electricity sector. It is expected to provide IFC and other potential investors with an objective view of the power supply/demand situation and the investment requirements for correcting the existing imbalance in the country. *Switzerland*

Tanzania, United Republic of

ASSISTANCE ON PRIVATIZATION OF NATIONAL AIRLINE. This grant supports external legal, airline, and transition management specialists to assist IFC in its work as lead

advisor to the Tanzania government in privatizing the national airline. *Denmark*

REVIEW OF POTENTIAL FOR SMALL-HOLDER OUTGROWER PRODUCTION IN THE MOROGORO REGION. This TA will review the potential for providing credit, through an existing Tanzanian business group, to small holder farmers in the region surrounding the group's processing facilities. Under the proposed arrangement, the group would provide the farmers with the necessary financial means to produce and market cotton, sunflowers and soybeans, all of which have been limited in recent times by the lack of rural agricultural credit. *Denmark*

FEASIBILITY STUDY FOR AN AQUACULTURE OPERATION. This TA project consists of a feasibility study for the establishment of an aquaculture operation on Lake Victoria. The assignment may also help demonstrate the potential of aquaculture for the other countries sharing Lake Victoria (Uganda, Kenya and Tanzania) and more broadly for all Sub-Saharan Africa. *Canada*

Uganda

EXPERT ASSISTANCE TO UGANDA RURAL ELECTRIFICATION DEVELOPMENT PROJECT (URED). This project is to help the

Government of Uganda develop a private sector led pilot rural electrification project through setting up new greenfield rural electrification projects that can attract private sector investors. The assignment will quantify the attractiveness of the first tranche of projects, present the results to a group of pre-selected participants, and help negotiate with the government for licenses, concessions, and so on. *United States, IFC TA Allocation*

Zambia

STRENGTHENING SUPPLY CHAIN LINKAGES FOR SME SUPPLIERS. This project will review opportunities for IFC to assist SMEs in the copperbelt region of Zambia to participate in the supply-chain of large firms in the region, with a particular focus on the mining sector. The work will consist of two phases: (1) an assessment of the purchasing needs of large mining firms, and of the capabilities of local SMEs, and a diagnostic of the constraints to developing supply-chain linkages; and (2) a structure and methodology for IFC to deliver services to suppliers and purchasers to improve their ability to work together. *Japan*

Africa Region

CREATION OF SME WEBSITE. This TA project involves design and preparatory work for an SME-oriented website, focused on the business needs of SME companies and entrepreneurs in Africa. It is anticipated that the website will provide a focal point for providing information and data relative to conducting their businesses and developing new business concepts as well as for potential service providers to SME firms. The initial information to be carried on the website will focus on sharing lessons learned, and information concerning the APDF and the Enterprise Support Service for Africa effort. *IFC TA Allocation*

TRAINING PROGRAM FOR SME LENDING. This TA project prepared and conducted a training program to loan officers at banks in Côte d'Ivoire, Chad and Senegal. Banks targeted in this TA were those that currently lend to SME borrowers. The objectives of the assignment are to better equip loan officers to evaluate the credit risk of SME loan applications, and manage a portfolio of SME loans. *IFC TA Allocation*

CORPORATE GOVERNANCE CAPACITY BUILDING. Two separate grants were secured from

the governments of Denmark (for Ghana, Uganda and Zimbabwe) and Norway (for Mozambique, Tanzania and Zambia) to support this TA. The work consists of: corporate governance training, company level governance diagnostics; assistance in the development of national codes of practice for corporate governance; and expert assistance for developing corporate governance manuals. *Denmark, Norway*

Global/Multi Region

SCOPING STUDY ON INVESTMENT POTENTIAL FOR LIFE SCIENCES INDUSTRIES. This grant supported an initial review of the life sciences sector in order to determine how IFC might increase its investment and development impact in the sector. *IFC TA Allocation*

GLOBAL CONFERENCE ON SMALL BUSINESS LENDING. This grant supports an IFC and World Bank Institute global conference on the role of credit information and credit scoring in small and micro enterprise credit. The aim of the conference is to acquaint micro and small business lenders in emerging markets with

technological innovations for credit decision making and the implications for more effective management of their own institutions. *Sweden*

LIFE CYCLE MANAGEMENT AS TOOLS FOR ENVIRONMENTAL GOOD PRACTICE IN INVESTMENT PROJECTS. This grant supports expert assistance to carry out a pilot/test project for the introduction of a new analytic tool (Life Cycle Assessment—LCA) in the evaluation of the environment and development impact of IFC investment projects. LCA is concerned with the overall impact of extended systems (sequences of industrial operations) on the environment, and helps to identify and quantify impacts in a system-wide fashion (manufacturing, use phase, and end-of-life). *France*

STUDY OF FINANCIAL INTERMEDIARIES' TRAINING NEEDS. This assignment will survey up to 30 selected IFC client financial intermediaries (FIs) globally in order to determine success factors, with special focus on risk assessment; skills/knowledge gaps; needs for additional support; and support services currently procured. *Ireland*

ASSESSING AND QUANTIFYING THE ENVIRONMENTAL BENEFITS OF INVESTMENT PROJECTS. The aim of this study is to develop a methodology for incorporating quantified analysis of environmental costs and benefits in IFC project appraisals. It is envisaged that this appraisal component could lead to a more accurate picture of the economic rate of return (ERR) on investments, and would enable better estimates of their development impact with respect to environmental costs and benefits. *Switzerland*

STRENGTHENING SECURITY OF FINANCIAL SERVICES THROUGH BIOMETRIC TECHNOLOGIES. This TA project will analyze and structure an investment proposal for IFC and its co-investors to strengthen the provision of financial services and the management of financial institutions in developing countries through the use of biometric technology. *Japan*

DEVELOPMENTAL ENVIRONMENTAL AND SOCIAL PERFORMANCE GUIDELINES FOR SELECTED BUSINESS SECTORS. The objective of this TA is to develop clear-cut environmental and social performance guidelines for targeted industrial

and business sectors, for which guidelines are currently inadequate or nonexistent. The guidelines will be made available for use not only by multilateral organizations, but also by local governments, regulatory agency authorities, and project sponsors. *Denmark*

STUDY OF INVESTMENT OPPORTUNITIES IN LIFE SCIENCES/BIOTECHNOLOGY INDUSTRIES. Following up on the scoping study (see above) this study will look at the life sciences sectors to identify where investment may produce significant economic and development impact and to determine the nature and extent of IFC's involvement in the sector. *Japan*

SCOPING STUDY OF POTENTIAL FOR E-BANKING SYSTEMS FOR SMALL AND RURAL FINANCE. This TA project focuses on the new promising area of e-banking. The idea is to identify and review e-banking practices among market leaders in this new business area—mainly the Nordic countries—and identify approaches and components that can be applied to SME and rural financing in emerging markets, with an aim to helping e-banking ventures to initiate pilots in the Baltics and Northwest Russia. *Finland*

SOLAR DEVELOPMENT GROUP

This TA project aims to promote the use of and investments in photovoltaic technologies, as these can provide affordable and environmentally sound electric power to off-grid and remote locations. The grant supports efforts of a joint venture specifically created to accelerate photovoltaic use in underserved communities, in a private sector context. This involves both the conduct of education and awareness programs, and training and technical assistance, with an ultimate objective to make investments in photovoltaic projects to serve mainly low-income populations. *The Netherlands*

Success stories help us better understand
how technical assistance efforts are helping improve people's
lives around the world. The following four stories are from

Russia, China, South Africa, and Tajikistan.



The Dutch dairy company, Campina Melkunie, considered expanding production to Russia

but faced major obstacles, including inadequate quality of milk and a lack of a reliable supply. Resolving these issues was crucial to Campina's commitment to a Russian operation. IFC offered to work with Campina to help boost the quality and quantity of milk production in local farms. With a grant from the Dutch Trust Fund and money from Campina itself, IFC surveyed farms and located potential suppliers. A team of local IFC consultants and Dutch dairy consultants was dispatched to the farms for 18 months, training local farmers on best practices, introducing modern technology to increase the quality and quantity of milk to meet Campina's demand and quality standards. Given positive initial results, Campina decided to go ahead with the full production facility. This work led to a \$50 million investment in a yogurt factory that IFC helped finance with a long-term loan. In June, 2000, production officially began and demand for Campina products continues to rise in Russia. The plant is operating at full capacity and Campina plans to install another production line soon.

Additionally, IFC helped structure Campina's investments into its supplier farms to acquire new milking and cooling equipment (some 1 million euros). An innovative payment structure calculated the cost of the new equipment in milk, and the farms have one to four years to pay Campina back through the supply of milk. The project financing schemes are extremely important, as Russian banks are not ready to extend credit to agricultural businesses. The Russian farmers have improved their milk quality, almost doubled their production and now have a steady purchaser of their products. The competition among various foreign producers for milk suppliers has resulted in higher prices for milk and higher earnings for farmers.

China: Roundtable Stimulates Interest in Mining

China's mining industry offers great economic potential but has been constrained by a combination of failing State Owned Enterprises (SOEs), uncontrolled small mines, and safety and environmental problems. In addition, China has not seen the development or continued operation of any major mine by foreign investors since it opened its markets to foreigners in the early 1980s. This roundtable was organized by the Mining Department (a global department of the World Bank Group) and the Chinese Ministry of Land and Resources (MOLAR) with funding from Australia, the IFC TA Fund, and provincial authorities. It provided a forum for study and discussion of the policies and business environment affecting foreign investment in the mining sector of Western China. More than 130 people attended the conference, which included a series of presentations and roundtables (the presentations are available on the MOLAR website at www.MLR.gov.cn). The conference was greatly appreciated by both MOLAR and the provincial authorities. MOLAR has expressed an

interest in following up with the Mining Department's policy group to continue and complete reforms in the mining sector in order to create an attractive environment for domestic and foreign private investment.

South Africa: Conservation and Commerce in National Parks

South African National Parks (SANP) is responsible for the management of all national parks in South Africa, including the world-famous Kruger National Park. It is excellent at its core functions of maintaining biodiversity and protecting the environment. However, its commercial operations do not provide a sufficient level of financial returns to sustain operations and exercise its full mandate. SANP recognized the planned cutbacks in government subsidies for South Africa's national parks, and the fact

that these parks could generate significantly higher revenue and foreign exchange that could be used to better protect the park resources. In 1999, it engaged IFC to provide technical assistance with concessioning its commercial operations to the private sector. IFC's assistance included advising SANP on: the broad commercialization framework; the market potential of the concessions; environmental provisions to be included in the concession contracts; the social implications of sites concessioned; a strategy for franchising SANP's

restaurants and retail facilities; and methods of promoting black economic empowerment through the commercialization process.

In December 2000, SANP signed seven contracts for concessions to establish ecotourism lodges in its national parks. The seven concessions are expected to result in 316 new beds in the game lodge sector, and capital investments of \$17 million, as well as generate a guaranteed income to SANP with a net present value of about \$27 million. Actual income could be substantially above the guaranteed level. It is also expected that additional tourism demand for food, souvenirs, educational materials, guides and transportation services will stimulate local investment, employment and income in the concession sites and the South African economy as a whole. The second phase of the IFC-assisted commercialization program, involving additional concession sites plus the outsourcing of SANP's shops and restaurants, is expected to be completed by October 2001.

Tajikistan: Improving Peoples' Lives in the High Mountains

Gorno Badakhshan is a poor, remote and highly mountainous region in Eastern Tajikistan, with winter temperatures as low as minus 30°C. Prior to the breakup of the former Soviet Union, the 200,000 residents were dependent on diesel generators for about 60 percent of their energy needs, with the remaining being supplied from the centralized power distribution of the former



Soviet Union. After the breakup of the former Soviet Union, the newly independent Tajikistan experienced great difficulties in generating the foreign exchange required to pay for importing the needed diesel oil. As a result, Gorno Badakhshan began to experience frequent blackouts and eventually a complete loss of power, which caused considerable personal hardships—schools, hospitals and businesses also had to close for lack of heating. In 1998, at the request of the Tajikistan government, IFC used Swiss Trust Funds to examine the feasibility of establishing a private independent power supply company in Gorno-Badakhshan. This study provided the basis for a concession agreement that was negotiated between the Government of Tajikistan, Aga Khan Foundation for Economic Development, and IFC for the establishment of a private energy supply company, Palmir Energy Company (PEC), to take over all electricity power facilities in the region, as well as to develop new power sources on Lake Yashikul. To date, all engineering, environmental and social studies have been completed, construction arrangements investigated, and an extensive series of public hearings held with interested stakeholders in the project. IFC and an investor group (potentially consisting of the Swiss government, the International Development Association, the



Aga Khan Foundation for Economic Development and the Organization of Petroleum Exporting Countries) are negotiating with the Tajikistan government for PEC's financing. When implemented, PEC will use innovative approaches for providing a basic infrastructure service to improve the lives of the residents of Gorno-Badakhshan.

Zimbabwe: Stimulating Ventures With Capital

IFC funded a feasibility study for the creation of the first venture capital company in Zimbabwe, recognizing that the growth of

startup companies and small- and medium-sized enterprises was being constrained by the lack of adequate long-term capital. The study confirmed the need and feasibility of establishing a venture capital company. IFC subsequently made a \$1.7 million investment for a 9 percent share of the Venture Capital Company of Zimbabwe (VCCZ). Since the establishment of this company, Zimbabwean entrepreneurs without adequate capital or collateral security can now invest in new fields such as the private provision of healthcare, education, manufacturing, and financial services. VCCZ has demonstrated the need for venture capital in

Zimbabwe, and the empowerment it provides indigenous and local private sector entrepreneurs. VCCZ is also having a dramatic impact in generating employment in the small and medium enterprises sector in Zimbabwe, with one of its investee companies employing more than 200 people. The success of this company has led to the creation of five venture capital companies in Zimbabwe; and more are in the process of being established.