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P H A R E

INDICATIVE FINANCIAL AND AID COMMITMENTS AND
NEAR COMMITMENTS IN FAVOUR OF
POLAND AND HUNGARY

TABLES

Key

G : Grant

L : Loan

* : Country involved with firm or possible commitments. Amounts unspecified.

+ : See table "Financial and Aid Commitments for Poland & Hungary".

	FOOD SUPPLIES (G)	AGRICULTURE	TRAINING	INVESTMENT	ENVIRONMENT	ENERGY	MEDICAL	OTHER COOP.	EXPORT CREDIT	FINANCING PROJECT	FUND STABILIS.	REDUCTION DEBT	W E C J		
													TOTAL GRANT	TOTAL LOAN	TOTAL CUMULATIVE
EC	125	100-G	28-G		22-G		4-G	50-G					329		329
Belgium		0.47-G	0.24-G		0.89-G			+	69.2				1.6		70.8
Denmark		*	+	125	+						6.2				131.2
France			14.4-G	144	*				480		82-L		14.4	82	720.4
Germany		9.6-G	1.6-G	1.5-L	19-G			16.1-G	1250		203.6L	665-G	711.3	205.1	2186.4
Greece			*												
Ireland		0.12-G					0.1-G	0.42-G					0.64		0.84
Italy	80	*	+	66.5-L	24.6-L		7-G		363.6		82-L		87	173.1	623.7
Luxemburg			*					0.5-G	19		0.8		0.5		20.3
Netherlands		0.8-G	1.2-G		0.4-G		4.3-G						6.7		6.7
Portugal			*								2-L			2	2
Spain		*	+		*				82	*	11.4-L			11.4	93.4
United Kingdom		20.5-G	71-G							21-G	82-G		194.5		194.5
Australia	3.5	+	*								0.6		3.5		4.1
Austria	2.8	+	14.7	*	*				120.7	345	16.3-G		19.1		499.5
Canada	9.2	2.09-G	+	+					15.4		20.3-G		31.59		46.99
Finland	7		0.3-G	*	18.4-G				*		4		25.7		29.7
Iceland	0.3	*									0.2		0.3		0.5
Japan	22.5		+		*			*	285	500	122-L		22.5	122	929.5
New Zealand		0.125-G	0.13-G		*				+				0.255		0.255
Norway	6.8	*	1.23-G	19.8	1.3-G				19.8		*		9.13		48.73
Sweden			*		42.5						8.6-L			8.6	51.1
Switzerland	2.8	16.8-G	+	86.6	+						24.4-L		19.6	24.4	130.6
Turkey	0.92		+						90		1.2		0.92		92.12
USA	120	8-G	+	195-G	13.8-G	+	3.3-G	4.9-G	164		163-G		508		672
TOTAL	330.6	153.525	132.8	638.4	142.39		18.7	71.92	2958.7	856	330.6	665	1486.235	623.6	6364.135

SECRET

SECRET

	TRAINING	INVESTMENT	ENVIRONMENT	ENERGY	OTHER COOP.	CREDIT EXPORT	FINANCING PROJECT	ECONOMIC DEV.	AGRICULTURE	TOTAL		
										GRANT TOTAL	LOAN TOTAL	CUMULATIVE TOTAL
EC	8-G		27-G		38-G			870-L	20-G	93	870	963
Belgium	0.24-G	*	0.62-G		+	69.7			0.14-G	1		70.7
Denmark	+	+	+									
France	*	*										
Germany	1.3-G	*	*		1.1-G	420		1000-L		2.4	1000	1422.4
Greece	*											
Ireland	0.1-G				0.1-G					0.2		0.2
Italy	+	+			133		50-L				50	183
Luxemburg	*											
Netherlands	2.3-G		*					*	0.07-G	2.37		2.37
Portugal												
Spain	+		*			82						82
United Kingdom	35.6-G									35.6		35.6
Australia	*								+			
Austria	+	*	*				+		+			
Canada	+	+			11.7-L						11.7	11.7
Finland	0.5-G		*			*		85-L		0.5	85	85.05
Iceland												
Japan	+	*	*		*	325	500					825
New Zealand	*		*			+			0.185-G	0.185		0.185
Norway	*											
Sweden						127.5						127.5
Switzerland	+	2.8-G	+			*				2.8		2.8
Turkey	+				0.23-G	90				0.23		90.23
USA	+	49-G	8.2-G	+		+				57.2		57.2
	43.21	61.8	35.32		134.13	114.2	530	1355	20.395	155.485	2016.7	3054.345

COMMITMENTS FOR POLAND AND HUNGARY

	AGRICULTURE	TRAINING	INVESTMENT	ENVIRONMENT	ENERGY	OTHER COOP	EXPORT CREDIT	MEDICAL AID	TOTAL			
									GRANT TOTAL	LOAN TOTAL	CUMULATIVE TOTAL	
EC												
Belgium		0.47-G				3						3.47
Denmark	0.9-G	6-G	37.5-G	62.6-G						108.9		108.9
France												
Germany		1.4-G				27.5				1.4		28.9
Greece												
Ireland												
Italy		1.33-G	33.25-L							1.33	33.25	34.58
Luxemburg												
Netherlands												
Portugal												
Spain		1-G								1		1
United Kingdom								0.3-G		0.3		0.3
Australia												
Austria	0.7-G	1.4-G								2.1		2.1
Canada		7.7-G	0.7-G							8.4		8.4
Finland												
Iceland												
Japan		22.5-G								22.5		22.5
New Zealand	0.053-G						50			0.053		50.053
Norway												
Sweden												
Switzerland		16.8-G		24.6-G						41.4		41.4
Turkey		0.54-G								0.54		0.54
USA		49.6-G	216.2-G		27-G					292.8		292.8
	153	108.74	37.65	87	27	30.5	50	0.3		179.63	33.25	192.343

P H A R E

INDICATIVE FINANCIAL AND AID COMMITMENTS AND

NEAR COMMITMENTS IN FAVOUR OF

POLAND AND HUNGARY

(over one to three years)

Updated 3 July 1990.

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TABLE 1

P O L A N D

1. Funds allocated to the original priorities of the G-24

	Amount actually committed or envisaged in local currency (millions) unless otherwise stated	ECU equivalent (millions)	Particulars G: Grant L: Loan FC: Firm commitment PC: Possible commitment
<u>A. Food supplies</u>		<u>Total 380.59</u>	All G-FC
Australia	5	3.5	
Austria	40	2.8	
Canada	12	9.2	
EC	125	125	A new tranche is being prepared (300.000 t wheat)
Finland	33	7	
Iceland		0.3	
Italy	120,000	80	
Japan	\$ 25	22.5	
Norway	50	6.6	
Switzerland	5	2.8	
Turkey	\$ 1	0.92	
USA	8	7.37	FY 89
	125	112.6	FY 90

B. Technical assistance to Agriculture

Austria	10	0.7	Both countries "Fondation Co- operation Agricole"
Belgium		0.47	
Germany	5	2.5	G-FC; aid to the Polish Church to promote the private agricultural sector (2 in FY 89 and 3 in FY 90)
	10	5	
	1	0.5	
Netherlands		0.8	G-PC; delivery of second-hand agri- cultural machinery to Poland
New Zealand	0.25	0.125	G-FC; technical assistance to Polish Ministry of Agriculture
	0.1	0.053	G-FC; cooperation actions
Switzerland	30	16.8	Technical assistance development fund
United Kingdom	15	20.5	Assisting NZ companies to develop links to both countries; also for environment
Ireland	92,000	0.12	
USA	10	8	Assistance to private farmers

C. Vocational training (Training and retraining, Management training)

Austria	210	1.4 14.7	Both countries Cultural, agricultural and scientific cooperation (three-year programme)
Belgium		0.47	
Canada	10	7.7	Both countries FY 90 - FC-G (both countries)
Denmark	16	2	
	32	4	FY 91-92 - PC-G (both countries)
Finland	1.5	0.3	Both countries
France	90	14.4	G-FC; research, training and co- operation programme in the food industry
Germany	3.2	1.6	Special training programme in the fields of management, economics, science and law (scholarships included)

Italy	2,000	1.33	Both countries
Japan	\$ 25	22.5	GFC - Both countries (covering vocational training and environment)
Netherlands		1.2	
New Zealand	0.25	0.13	Agricultural education programme
Norway	10	1.23	GFC
Spain		1	Both countries
Switzerland	30	16.8	PC-G. Both countries (includes cultural cooperation)
Turkey	0.6	0.54	Both countries; additional contribution by Turkish Banks association
United Kingdom	50	71	"Know-how fund" (G-FC)
USA	31	28	Cultural/scientific exchanges. Both countries
	24	21.6	Support for democratic institutions. Both countries

D. Investments, joint ventures, industrial development credits

Denmark	300	37.5	Both countries; three-year funding for investment + grants for projects (F-C)
	1,000	125	Investment guarantee arrangement
Finland			Investment guarantee scheme
France	900	144	Investment guarantee scheme
Germany	3	1.5	Bank credits for craftwork production (L-FC)

Italy	50,000	33.25	Both countries public corporation to finance joint ventures and to extend support to small businesses (L-FC) Concessionary terms (1.75%, 20-year loans, with a 5 year grace period)
	100,000	66.5	
Norway	150	19.8	Export credit guarantee for investment and export of capital goods (FC)
USA	240	216.2	"Enterprise fund" to help promote the private sector (G-FC)
	6	5.4	Both countries Trade development Telephone system modernisation
Switzerland	155	86.6	PC-G/L
<u>Environment</u>			
Belgium		0.89	
Denmark	500	62.5	FY 91-95 PC-G (both countries)
Finland	90	18.4	Over three years
Japan			(See under Vocational Training)
New Zealand			(See under Agriculture)
Norway	10	1.3	G-FC
Sweden	300	42.5	Over three years
Switzerland		24.6	P-G. Both countries
USA	30	24.6	G-FC, for Krakow (sulphur dioxide emissions, water quality and air supply, air quality)
Nordic countries	SDR 36	42.8	Both countries Finance corporation for the purpose of Nordic participation

F. Energy

USA	30	27	Both countries
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G. Others

Belgium	130	3	Both countries
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Germany	2.2	1.1	FC for supporting measures in the social-political field
	10	5	FC: promotion of social & economic development (1990); both countries
	45	22.5	PC: further commitments for promoting social & economic development (1991-1993. Both countries

Germany	30	15	FC: reduction of postal fees for parcels sent to Poland
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Ireland		0.42	(0.13 for Trust Fund to the World Bank for Poland)
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Italy	10,000	7	Medical aid (G-FC)
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Japan	(as yet unspecified)		Formulation and implementation of projects in Poland to be supported by the World Bank and financed as grant by Japan Special Fund established with World Bank.
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Luxemburg	20	0.5	Unspecified projects
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Netherlands	10	4.3	Medical supplies
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USA	5.5	4.9	Science and technology exchanges
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	4	3.3	Medical supplies, hospital equipment and medical training
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2. RECENT DEVELOPMENTS OUTSIDE THE SCOPE OF THE ORIGINAL EXERCISE

A. Export Credit Guarantee Ceilings

Austria	1,000 750	69 51.7	City of Vienna Federal Government short term credit scheme (PC).
		120.7	
Belgium	3,000	69.2	PC.
Canada	20	15.4	PC Revolving Fund which would be available for additional commitments as reimbursed.
Finland			Open without ceiling.
France	3,000	480	
Germany	2,500	1,250	FC, 1990-1992.
Italy	\$400	363.6	
Japan	\$350	285	FC - over two years. Subject to clearance of arrears of guaranteed commercial credits and in accordance with the developments of structural adjustment programme agreed with IMF.
Luxemburg	800	19	
New Zealand	100	50	Both countries.
Norway	150	19.8	Guarantee scheme for capital goods and investments (FC).
Spain		82	FC. On a case by case basis. Amount could be increased.
Turkey	\$100	90	FC.
USA	200	164	Trade Credit and Investment Program.

B. Project financing

Austria	5,000	345	East-West Fund to promote investment in Eastern Europe.
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EIB		1,000	Over three years for both countries: principle approved by Council of Ministers; EC budget guarantee.
IBRD(*)	(300)	(276)	Two projects are ready; they should be followed by another \$300M project loan and then perhaps by a \$500M SAL; total commitments could reach \$1bn by the end of 1990 (PC).
Japan		500	(Overseas Investment credits included) Over 3 years - untied loans of EXIM Bank (including co-financing with International development financing institutions - subject to clearance areas due to EXIM Bank and in accordance with the developments of structural adjustment programme agreed with IMF.
Spain	(as yet unspecified)		Case by case commitment.
United Kingdom	15	21	Agricultural projects.
(*) for information only			
<u>G. EEC Action plan</u>			
EEC	300	300	G-FC (both countries) for various fields

D. Contributions to the Polish Stabilisation Fund (PSF)

As the PSF will be managed in dollars at the New York Federal Reserve Bank, the figures given under this heading are all in American currency (000.000).

	<u>in millions of dollars</u>	
Australia	0.6	
Austria	16.3	G-FC (In schilling)
Canada	20.3	G-FC
Denmark	6.2	
Finland	4	FC (In Finnish marks)
France	82	L-FC (In french francs)
Germany	203.6	L-FC - credit line in DM (not deposited at the NYFRB).
Iceland	0.2	FC
Italy	82	L-FC (In lira)
Japan	122	L-FC (yen loan)
Luxemburg	0.8	L-FC
Portugal	2	L-FC (order of magnitude)
Spain	11.4	L-FC (order of magnitude)
Sweden	8,6	L-FC
Switzerland	24.4	L-FC
Turkey	1.2	0.75 local currency
United Kingdom	82	G-FC (In sterling)
United States	163	G-FC
TOTAL	<u>1,018.44</u>	

Norway has expressed an interest in contributing to this Fund: the possible figures have not been specified.

E. Balance of payments support

IMF (*)	700	644	PC-L (for the time-being, a request by Poland)
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F. Debt reduction (other than in the Paris Club framework)

Germany	760	380	Cancellation of arrears on a DM 1bn loan of 1975.
	570	285	Conversion of future payments on DM 1bn loan of 1975 into local currency to be used for German-Polish projects (PC-G).

(*) for information only

TABLE 2

HUNGARY

1. FUNDS ALLOCATED TO THE ORIGINAL PRIORITIES OF THE G-24

	Amount actually committed or envisaged in local currency (millions)	Ecu equivalent (millions)	Particulars L: Loan G: Grant FC: Firm commitment PC: possible commitment
<u>A. Technical assistance to Agriculture</u>			
Austria			See under Poland
Belgium		0.14	
New Zealand	0.25	0.125	Technical Assistance Development Fund
	0.125	0.06	Agricultural sector, Education & Vocational training
<u>B. Vocational training. (training, retraining, management training)</u>			
Austria			See under Poland
Belgium		0.24	Also see under Poland
Canada			See under Poland
Denmark			See under Poland
Finland	2.5	0.5	Management training, Energy saving, Telecommunications food processing See under Poland
Germany		1.3	Special training programme in the fields of management, economics, science, & law (scholarships included).
Italy			See under Poland
Ireland		0.1	Fellowship scheme for management, language & other human resource training.
Japan			See under Poland

Netherlands		2.3	For all fields
Spain			See under Poland
Turkey			See under Poland
U.K.	25	35.6	G-PC ("know-how fund")
Switzerland			See under Poland
U.S.A.			See under Poland

Note : Other countries are already involved in this field with firm commitments for unspecified amounts (Norway, Japan, France, Luxembourg); and yet another group is studying the possibility of entering into commitments (Australia, Greece, New Zealand).

C. Investment (joint ventures)

Denmark			See under Poland
Italy			See under Poland
Switzerland	5	2.8	PC-G Investment promotion activity
U.S.A.	1	0.92	PC (would cover a 3 year period)
(see also under Poland)	60	49	G-PC (entreprise fund to promote the private sector)

Note : Belgium, France and the Netherlands are also invited in this field with firm commitments for unspecified amounts. Germany extends government guarantess for investment in Hungary (DM 43m so far). Canada is looking into the possibility of entering into commitments.

Japan is considering overseas investment credits of EXIM Bank following discussions between IMF and Hungary.

D. Environment

Belgium		0.62	
Denmark			See under Poland
Japan			See under Poland
New Zealand			See under Poland
Nordic countries			See under Poland
Switzerland			See under Poland

U.S.A.	10	8.2	G-FC creation of a Regional Environmental Centre In Budapest
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Note : Finland, Austria, Germany, the Netherlands and Spain are also involved
in this field with firm commitments for unspecified amounts.
Austria has a working programme on the basis of bilateral agreements.

E. Energy

U.S.A.			See under Poland
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F. Others

Belgium			See under Poland
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Canada		11.7	Credit to the Hungarian National bank for the purchase of Canadian goods (FC-L)
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Germany	2.2	1.1	FC: supporting measures in the social & political field + see under Poland.
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Ireland	0.075	0.1	See under Poland Trust Fund to the World Bank for Hungary.
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Italy	200,000	133	
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Japan	(unspecified as yet)		Formulation & implement- ation of projects in Hungary to be supported by the World Bank & will be financed as grant by Japan Special Fund established with the World Bank by Japanese contributions.
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Netherlands			See under Poland
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Turkey	0.25	0.23	(G) Medium term facility
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2. RECENT DEVELOPMENTS OUTSIDE THE SCOPE OF THE ORIGINAL EXERCISE

A. Export credit guarantee

Belgium	3,000	69.7	PC
Finland			Open without ceiling
Germany	840	420	Current exposure; no restrictions on further cover.
Japan	\$ 400	325	FC - over two years
New Zealand			See under Poland
Spain			Open without ceiling
Sweden	900	127.5	FC - Above guarantee commitments already made.
Switzerland			Open without ceiling.
Turkey	\$ 100	90	FC

B. Project Financing

Austria			See under Poland
EIB			L-FC (as much as 1bn Ecus could be extended to both Hungary & Poland with a Community budget guarantee).
Italy	75,000	50	L-FC - concessionary terms (1.75%, 20 years loan, with a 5 years grace period).
Japan		500	(Overseas investment credits included) Over 3 years untied loans of EXIM Bank including co-financing institutions following discussions between IMF & Hungary.

C. Economic Development Financing

EEC	\$1,000	870	PC - Proposal for a loan up to max. 1bn Ecus for structural adjustments.
Finland	400	85	Structural adjustment credit.

Germany	1,000	500
	500	250
	500	250

FC: untied loan in 1987,
guaranteed by the
federal government.
FC: Increase of 1987
federal government -
guaranteed loan (1989)
FC: bank loans,
partially guaranteed by
Länder - governments of
Bavaria, Baden,
Württemberg (1989).

D. EEC Action Plan

See under Poland.



TABLE 3

OTHER FINANCING INDICATED BY DONORS

Australia		3.15	Training programme for Eastern Europe
Austria	5,000	345	East-West Fund to promote investment in Eastern Europe.
Sweden	700	96	For Eastern Europe over a 3 year period.
U.K.		75	Know-How Fund for Eastern Europe over a period of 5 years.