Silent Revolution

The International Monetary Fund 1979–1989

James M. Boughton

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Foreword

The International Monetary Fund has long been in the forefront among major financial institutions in making its history available to the general public. In 1969, we published a three-volume history of our founding at Bretton Woods and our first 20 years of operations. We followed that publication with a history of 1966–71 that focused primarily on the creation of the SDR, and then with a history of 1972–78 that analyzed the switch from fixed to floating exchange rates and other turbulent financial events of the 1970s. We are proud to continue this tradition with a major new history that carries the story of the IMF through to the end of the 1980s.

These 11 years, 1979 to 1989, were even more tumultuous for the world financial system and the IMF than the preceding periods. As the major industrial countries experimented with different policies for restoring economic growth and financial stability, the IMF developed new approaches to surveillance so as to track the process and help guide it in directions beneficial to the world economy. When an international debt crisis erupted in 1982, the IMF worked with both creditors and debtors to develop and implement a strategy for putting debt and economic growth back on sustainable paths. At the same time, many countries in the early stages of independence and economic development called on the IMF for financial assistance and policy advice, and the range of issues and problems to which we had to respond expanded dramatically. Knowledge of these events is important for its own sake and for understanding how and why the IMF responded to even greater challenges in the 1990s and beyond.

To write this history, the IMF named James M. Boughton as the institution's third Historian. Having served in the IMF Research Department in the 1980s and earlier as a Professor of Economics at Indiana University, he has witnessed, participated in, and analyzed many of the events to be chronicled here. As with his two predecessors, he was given full access to the IMF archives and was able to interview many of the principal actors in this global drama. In a spirit of increasing openness and transparency, he was asked, and expected, to present the findings of his research fully and independently. Accordingly, this book represents his personal views, not the institutional views of the IMF, and he assumes full responsibility for its contents.

September 2001

Horst Köhler
Managing Director
International Monetary Fund

Preface

Background

In 1965, the management of the International Monetary Fund decided to commission a history of the institution's first twenty years of operation: to record how the Bretton Woods conference came about and how it succeeded, how the key decisions were taken to make the Fund viable, and how it gradually came to play a significant if still modest role in shaping the postwar international monetary system. J. Keith Horsefield, who was about to retire as the Fund's Chief Editor, accepted the challenge and produced a three-volume set (Horsefield, 1969): his own chronicle of events (sunnily subtitled "Twenty Years of International Monetary Cooperation"), a collection of essays by Fund staff on the main issues, and a compilation of the Fund's official documents. Horsefield's primary sources, aside from his own experience and his close contacts with others on the staff, were the minutes of meetings of the Executive Board, staff papers prepared for the Board, and related documents in the Fund's archives. By design, his History focused largely on the work of the Board, as the Fund's principal decision-making body. He was not permitted to document his sources, because they were not open to public scrutiny, but he was able to quote Executive Directors by name and to open a window on how the interests and influence of member countries were manifested. Publication of his History marked the first major crack in the culture of confidentiality that had pervaded the Fund from the beginning.

Even as Horsefield was writing, the Fund was growing out of its formative stages and was assuming a more central role in the international system. Economic growth in Europe and Japan was weakening the ability of the U.S. dollar to continue to serve as the centerpiece and anchor of the system and was leading to calls for the Fund to develop a new multilateral supplement to official reserve assets. As a result, the Fund's charter—its Articles of Agreement—was amended in 1969 to permit the Fund to create "special drawing rights" (SDRs) and allocate them to member countries. Margaret Garritsen de Vries, who had first joined the Fund staff in 1946, had been the first woman to head a division, and had worked with Horsefield on his second volume, took over as Historian and wrote the story of the development of the SDR and other activities of the late 1960s (de Vries, 1976).

Once again, the history-in-progress was overtaken by events. As de Vries was writing the second History (more darkly subtitled "The System Under Stress"), the Bretton Woods system of fixed but adjustable exchange rates was collapsing under the weight of disparate policies and conditions in an increasingly multipolar world. The SDR was incapable of saving a system that was still based on gold and the U.S. dollar. Despite the best efforts of the world's finance ministers and central bank governors to build a new system of fixed exchange rates, systemic reform failed. The turmoil of the 1970s thus ushered in an age in which private capital markets would take over from official agencies as the prime financiers of international payments positions. De Vries chronicled that story in a History subtitled "Cooperation on Trial" (de Vries, 1985).

As the Fund's role expanded, its history became increasingly intertwined with the history of the world economy. De Vries's primary sources continued to be the minutes and Executive Board documents, but she also had greater recourse than Horsefield did to outside publications and to interviews with officials who had dealt with the Fund. Her two histories were as much the story of the workings of the Group of Ten industrial countries, the more global Committee of Twenty, and the C-20's successor, the Interim Committee, as they were of the Executive Board. Within the Fund, the work of the staff took on increasing importance alongside that of the Board and the Managing Director.

De Vries (1985) told the story of the Fund through 1978, when the Second Amendment to the Articles of Agreement took effect. Floating exchange rates were now the norm for the main reserve currencies, and the Fund had a mandate to exercise "firm surveillance" over the exchange rate policies of its 138 member countries. The sequel to de Vries (1985) would in large measure be a story of how the Fund exercised that mandate, of how it tried to oversee the international monetary system in the 1980s. Once again, however, new and widespread instabilities arose that further broadened the Fund's role: a final virulent burst of inflationary pressures on industrial countries, an international debt crisis centered on Latin America, and a series of payments crises arising from deep-seated structural inadequacies in low-income countries. This fourth History of the IMF therefore has three distinct but interrelated themes: the practice of surveillance in the 1980s (Part I), the strategy for coping with the debt crisis (Part II), and the shift toward lending in support of structural adjustment (Part III). It also includes, in Part IV, a more general history of the institution in the 1980s.

This History, like its predecessors, is an "insider" account, written by a staff member at the Fund. As an economist in the Research Department, I was involved in some of the events described below, and I obviously am too close to my subject to qualify as an independent observer. If I did not accept and share the fundamental objectives of the IMF, I would not have taken on this task. I nonetheless have tried to be objective and balanced, and I have drawn some conclusions that many of my colleagues may not share. Only superficially is this book an "official" history. In the selection and treatment of key events, it reflects my own professional judgments and not those of the institution.

A Note on Language

In addressing this book to readers both inside and outside the IMF (or "the Fund," which is used interchangeably throughout this book), I have tried to strike a balance between adhering to terminology that is familiar and clear to insiders and translating this often arcane language for the rest. The following are common examples of internal argot and technical language that I have retained here.

- The "authorities" of a country, in most references in this work, are the senior officials with whom the Fund staff and management discuss economic policies and conditions and who are responsible for formulating and implementing macroeconomic policies; in that context, the term is shorthand for "monetary authorities." The reader might usefully think of them as "the government," but the term applies primarily to treasury or finance ministry officials and to central bank officials who, in some countries, are independent of the government. Executive Directors at the Fund also use the phrase "my authorities" to refer to the government.
- The "management" of the IMF refers collectively to the Managing Director and the Deputy Managing Director (or, since 1994, to the three Deputies). The expression is very commonly used within the Fund; for example, it is "management" that clears staff documents for circulation to the Executive Board. Use of the term in this History is limited to cases where the Deputy acted on behalf of the Managing Director, where the two were both actively involved, or where the record is not clear as to which individual was involved.
- The Executive Board is the main decision-making body in the Fund, sitting in "continuous session" (normally meeting two or three days each week). The 22 Executive Directors who composed the Board in the 1980s represented "constituencies" of from 1 to 24 countries. Executive Directors are officers of the Fund who either are appointed by their governments for an indefinite period (in the case of the largest countries) or are elected by one or more countries for fixed terms of two years. Directors are referred to in this History by their nationality, which by tradition is always within the constituency. Each Executive Director may be represented at Board meetings by his or her Alternate or by an Advisor or Assistant who has been designated as a Temporary Alternate.[1]
- The Fund's charter, drafted at Bretton Woods, New Hampshire, in July 1944, is its "Articles of Agreement." Through 1989, the Articles were amended twice, as mentioned above.
  - The "First Amendment," which took effect in 1969, introduced the SDR both as the unit of account of the Fund and as an unconditional line of credit for participating countries. Since that time, the Fund's lending com-

[1] Readers seeking a more detailed introduction to the structure and governance of the Fund may wish to begin by reading the second section of Chapter 20, "Governance." For reference, that section also includes a complete list of constituencies and Executive Directors for 1979–89.

mitments are specified in SDRs, and disbursements may be made either in SDRs or in convertible currencies.[2] Initially, the SDR was defined as the equivalent of the gold value of one U.S. dollar. In 1974, it was redefined as a basket of 16 currencies; in 1981, the basket was reduced to 5. (See Chapter 18.) Because the value of the SDR fluctuates daily relative to each currency and is little known outside the realm of international finance, this History generally gives the amounts of Fund credits and loans both in SDRs and in U.S. dollars.[3]

  - The "Second Amendment," which took effect in 1978, ratified what is commonly known as the "floating exchange rate system." Instead of specifying and maintaining a "par value" in terms of gold or the U.S. dollar, as before the amendment, each country specifies its own exchange rate policies, which may range from independent floating to pegging against the dollar or another currency (or group of currencies). The Second Amendment aims to promote a "stable system of exchange rates" (as distinguished in an undefined manner from stable exchange rates) through the exercise of "firm surveillance" by the IMF over each member's exchange rate policies. Article IV, which was completely rewritten for this purpose, is frequently used as a metaphor for surveillance. (See Chapter 2.)
- Each member country is assigned a "quota" that determines both voting rights and borrowing (or "access") limits. (On this and the following points, see Chapter 17.) Originally, access to Fund resources was limited to 25 percent of quota in any 12-month period and 100 percent of quota cumulatively. Those limits were expanded over time and were always subject to exceptions, but the principle of basing each country's limit on its quota was retained. When a country becomes a member or receives a quota increase, it pays in 25 percent (the "reserve tranche"; see below) of its quota or quota increase in internationally traded (convertible) currencies or SDRs. The remainder is credited as a bookkeeping entry to the country's balance in the "General Resources Account" (GRA) at the Fund. Therefore, at the moment a country joins, the Fund's "holdings of the member's currency" equal 75 percent of the member's quota. If a country has fully drawn out its reserve tranche and has not borrowed from the Fund, and if no other members have made net use of that currency in outstanding transactions with the Fund, then the Fund's holdings of the country's currency will equal 100 percent of quota.
- Starting in 1952, the IMF began referring to "tranches" of access to the resources of the Fund. Each country had potential access to its "gold tranche" (the portion of its quota that it had paid in gold) and four "credit tranches," each equivalent to 25 percent of quota. The only tranche mentioned in the Articles was the gold tranche, which was defined and given operational sig-

[2]Note that a statement that the Fund lends a country so many SDRs should be interpreted to imply an amount in currencies and/or SDRs equivalent to the given SDR value.

[3]From 1979 through 1989, the monthly average dollar value of the SDR ranged from a low of \$0.96 in February 1985 to a high of \$1.42 in December 1987. Its average value was \$1.18.

nificance in the First Amendment. The credit tranches were defined and made operational only through Executive Board policy decisions on access to Fund resources. With the Second Amendment, the gold tranche was redefined as the "reserve tranche."

- Each member country has unconditional access to its reserve tranche, easy access to its first credit tranche, and access to higher levels of credit subject to increasingly strict "conditionality" or requirements to adjust economic policies.[4] By the 1970s, when countries' indebtedness to the Fund frequently exceeded 100 percent of quota, the individual tranches beyond the first lost operational significance, and most subsequent references distinguished only between the first credit tranche and the open-ended "upper credit tranches." "Stand-by arrangements" (Fund commitments to lend specified amounts of money to member countries at specified intervals, subject to agreed conditions), drawings under which would raise the Fund's holdings of a member's currency above 125 percent, are referred to as upper-tranche arrangements.
- Indebtedness to the Fund is generally measured by the Fund's holdings of the member's currency in excess of 100 percent of quota. Exceptions arise when a country chooses not to draw its reserve tranche before borrowing or draws on one of the Fund's specialized "facilities"[5] in circumstances when such drawings are permitted to "float" relative to the standard tranches. For example, until 1992, if a country borrowed the equivalent of 25 percent of its quota through the Compensatory Financing Facility (CFF), it could borrow another 25 percent under the general tranche policies and still be considered as having drawn only on its first credit tranche.

I generally have eschewed expressions that are in common usage only at the IMF, whenever perfectly good substitutes are more widely understood. A problem arises with regard to the Fund's financial operations, which are uniquely structured. When a member country borrows from the general accounts of the Fund, the amount borrowed is technically a "purchase" of foreign exchange or SDRs in exchange for the country's own currency; the subsequent repayment of the principal is a "repurchase."[6] In legal terminology, this type of financing is technically distinct from a conventional loan contract (and does not involve a contract between lender and borrower), but the economic effects are indistinguishable from a loan.[7]

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[4]This policy was first enunciated clearly in the *Annual Report 1963* (p. 16): "The Fund's attitude to requests for transactions in the 'first credit tranche' . . . is a liberal one, provided that the member itself is making reasonable efforts to solve its problems. Requests for transactions beyond these limits require substantial justification." The early history of the Fund's tranche policies is reviewed in Chapter 18 of Horsefield (1969), Vol. 2, and current policy is described in Treasurer's Department (1998). Also see Chapter 13.

[5]When a financial institution lends under special conditions, the conventional jargon refers to the process as a lending "window." At the Fund, such windows are instead called "facilities."

[6]An especially elaborate piece of internal jargon is "the provision of conditional liquidity to member countries," which simply means "lending." The Fund also makes conventional loans, most notably through the structural adjustment facilities discussed in Chapter 14.

[7]Gold (1980) discusses the political as well as the legal implications of the distinction as it applies to stand-by arrangements.

Here, I refer to the purchase either as a drawing (on a stand-by arrangement) or as a credit, and to the repurchase as a repayment. However, when a member country draws on its reserve tranche, which represents international reserve assets that the member has deposited with the Fund (and in effect still owns), the drawing is not a credit, and the member has no obligation to repay it.

For the sake of readability, I have generally used the familiar, colloquial names of countries. In a few cases, subsequent shifts in national boundaries may require the reader to be aware of geopolitical divisions that prevailed in the 1980s. References to Germany, for example, are to the Federal Republic of Germany, which was vernacularly known as West Germany during the period of this History. The German Democratic Republic (East Germany), which was not a member of the IMF, merged with the Federal Republic in October 1990. References to Yugoslavia are to the Socialist Federation, which was dissolved as a country in 1992 and replaced by five smaller successor states. Zaïre changed its name in 1997 to the Democratic Republic of the Congo. In several other cases, changes that occurred before 1990 are described in footnotes at relevant points.

Sources

Like my predecessors, I was given unrestricted access to the Fund's archives. In January 1996, the Fund decided to begin opening those archives to the general public. That policy shift, and a generally more open culture at the Fund, have made it appropriate for this History to include citations to the internal documents that have been its primary sources.[8] At the time of this writing (2000), unpublished Board documents are being made available when they are 5 years old, and most other internal documents (including Board minutes) are available after 20 years. Hence virtually all of the unpublished Board documents cited in this book are currently available to researchers upon application to the Fund, and most other cited documents are expected to become available during the coming decade.[9]

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[8]Current information on public access to the archives may be obtained from the Fund's web site, www.imf.org. For researchers interested in the source documentation of Horsefield's History (1969), an internal draft entitled *Annals of the Fund* is available in the Central Files of the Fund. That draft includes footnote references to many of the Executive Board meetings mentioned in the published book.

[9]Citations to official Fund documents are in standard Fund notation: TT/yy/nn, where TT is the type of document, yy is the year of issue, and nn is the number within that year's series of such documents. The principal types of documents cited are EBD (Executive Board Documents, normally papers circulated by the Secretary for the information of Executive Directors), EBS (Executive Board Specials, usually designating staff papers for discussion by the Executive Board), ID (Informal Documents, staff papers for discussion by Executive Directors in informal sessions), and SM (Staff Memorandums, normally background staff papers providing supplementary information in conjunction with EBS papers). Minutes of Executive Board meetings are cited by EBM number except for informal sessions, which are designated by an IS number. Citations to internal memorandums and other unnumbered documents include the location of the document in the Fund archives. Items in the Central Files are listed as "IMF/CF C/country/NNN" or "IMF/CF S/NNN"; items in the Records Depository are generally listed as "IMF/RD (Accession no., Box no., Section no.)."

All quotations are from printed records unless specifically noted otherwise. With the exception of quotations from the minutes of Executive Board meetings, the most common sources are draft speaking notes and final texts of speeches. Oral remarks may have departed from the text, but in most cases no record exists of what was actually said. A more substantive issue arises with regard to the Board minutes. The minutes are prepared by the staff of the Secretary's Department from a stenographer's verbatim transcript and audio tapes.

The minute writer also attends the Board meeting and is expected to use his or her own judgment in editing the discussion for clarity and sense. The transcript is supplemented by prepared statements submitted either before or after the meeting by participants.[10] Those prepared statements might or might not have been delivered orally during the meeting, and the minutes do not distinguish the two cases. Other statements and general discussion are rendered into indirect speech and are edited into a consistent style.

Standard practice is to excise much of the stylistic flavor of the discussion, such as humorous or parenthetical remarks, so that the official record focuses as clearly as possible on the substance of the meeting. In addition, each speaker is given an opportunity to review and edit the text of his or her own remarks prior to finalization. The resulting product is an accurate reflection of what each speaker intended to say, but not necessarily of what was actually said during the meeting.[11]

A particularly important source document is the "Chairman's summing up" of an Executive Board meeting. This document, the official record of the sense of the meeting, reflects the input of the staff, the Board, and the Managing Director (or the Deputy Managing Director, in which case the document will be attributed to the "Acting Chairman"). Normally, in the period covered here, a draft would have been prepared by the staff prior to the meeting, based on anticipations of what Directors were likely to say, and the Managing Director might have offered revisions at that time. As the meeting progressed, either the Managing Director or the staff, or perhaps both, would redraft as necessary, making careful attributions to collectivities such as "a few," "some," "several," or "most" Directors and often making major alterations to the substance of the document to reflect the views being expressed.[12] At

[10]The audio tapes and verbatim transcripts are destroyed after the final minutes are approved.

[11]In quoting from the portions of the minutes that are in indirect speech, I have occasionally taken the liberty of restoring the presumed original form by replacing a past with a present tense. Thus, if the minutes report that a Director "remarked that markets were frequently motivated by unrealistic expectations," the speaker might be quoted here as stating that "markets are frequently motivated. . . ."

[12]Quantification of these "code words" has been avoided, because the references are shaded to reflect the large range of voting power among Directors, to avoid conveying a sense of rigidity in views, and to promote movement toward consensus. In 1983, however, the Managing Director offered the following key: 2–4 Directors are a "few"; 5–6 are "some"; 6–9 are "a number"; 10–15 are "many"; 15 or more are "most"; and 20 or more are "nearly all." (At the time, there were 22 seats at the Board.) "Several" lies vaguely between "some" and "a number." See minutes of EBM/83/11 (January 12, 1983), pp. 3–5. A special problem arises with references to the views of the United States, given that the U.S. voting power is much larger than that of any other. Occasionally, a U.S. view was described as that of "some" Directors, but on other occasions the problem was avoided by putting U.S. views in the passive voice ("the view was held that . . .").

the end of the meeting or—exceptionally—at the beginning of the next meeting, the Chairman would read the draft aloud. Directors then had an opportunity to comment and to suggest revisions. (Occasionally, further revisions would be suggested a day or two later.) A final text was then circulated and was incorporated in the minutes of the meeting. Rarely was any record retained of the various drafts or the comments made upon them. The document therefore must be interpreted as representing the views of Executive Directors, albeit with some reservations. For more background on the summing up, see Chapter 2.

The present History departs from the practice of its predecessors by giving greater emphasis to the role of the staff and by attributing staff contributions by name where appropriate.[13] This convention should not obscure the fact that much of the staff's work is performed in teams and subject to a high degree of institutional discipline. Frequent references are made to the chiefs of staff missions to member countries; it should be understood that their views and arguments as described here were to some extent developed, conditioned, and tempered by their colleagues, both on the mission teams and at headquarters. I have retained the practice of respecting the international (not just multinational) character of the institution by not identifying staff members' nationalities, except in the profiles of senior staff in the final chapter.[14] By stressing staff contributions while limiting references to personalities and backgrounds, I have tried to strike a balance between portraying the Fund as a monolithic institution driven by rational but disembodied analysis and depicting its policies as shifting by personal predilection. Either extreme would mislead, and I hope that the case studies throughout this book will convey a sense of constant tension in the development and application of Fund policies. Mission chiefs and other managers are not interchangeable cogs, but neither are they completely free agents.

In addition to the publications listed at the end of each chapter, I have relied on several general reference works for information on the political and economic developments that formed the backdrop for the activities of the Fund. I would like especially to note my indebtedness to the "Background Notes" on countries produced by the U.S. State Department and disseminated on its World Wide Web site; to *Keesing's Record of World Events* (formerly *Keesing's Contemporary Archives*; London: Longman); and to the Country Profiles published by the Economist Intelligence Unit (London).

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[13]For a statement of previous policy, see de Vries (1985), pp. 1017–18.

[14]The Fund's charter specifies that "the staff of the Fund, in the discharge of their functions, shall owe their duty entirely to the Fund and to no other authority" (Article XII, Section 4(c)). On appointment, each staff member must "solemnly affirm . . . that I will accept no instruction in regard to the performance of my duties from any government or authority external to the Fund" (Rule N–14). To an extraordinary degree, Fund staff have demonstrated an ability to operate as international civil servants without distinction as to nationality.

chapters; and of the many distinguished officials, bankers, and other individuals from around the world who agreed to be interviewed for this project. Those discussions and interviews have been conducted on a background basis. Where necessary for clarity, notes refer to interviews as the source of specific information, though without identifying the individual concerned unless a quotation is given.

The recollections of participants in the events of the 1980s have been extremely valuable, especially by helping me understand and empathize with the perspectives and problems of countries that depend on the Fund for assistance. Without the particular insights of my many interviewees, this book would have suffered much more from being written from inside the Fund. My biggest debt is to the staff of the Fund, many of whom spent a great deal of time with me and with successive drafts of this book. To them as a team, I offer my thanks and my apologies for not listing them all by name. Looking beyond their shoulders, I would like to thank the following for taking the time to talk to me and to share their memories and insights:[15]

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[15]Except as noted (*), all of the individuals listed in the country groups were senior government or central bank officials. Those marked with an asterisk interacted with the Fund while working in the private sector. Executive Directors also are listed under their country.

- from India: Montek Singh Ahluwalia, Gopi Arora, Raja Chelliah, R.N. Malhotra, I.G. Patel, and Arjun Sengupta.
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Abbreviations

APEC	Asia-Pacific Economic Cooperation
APEF	Asia-Pacific Economic Forum
BCEAO	Central Bank of West African States (French acronym)
BEAC	Bank of Central African States
BIS	Bank for International Settlements
BSFF	Buffer Stock Financing Facility
C-20	Committee of Twenty
CCFF	Compensatory and Contingency Financing Facility
CFF	Compensatory Financing Facility
CMEA/COMECON	Council for Mutual Economic Assistance
EAC	East African Community
EBRD	European Bank for Reconstruction and Development
EAR	Policy on Enlarged Access to the Fund's Resources
EC	European Communities
ECB	European Central Bank
ECM	External Contingency Mechanism
ECOSOC	Economic and Social Council (of the United Nations)
ECU	European currency unit
EFF	Extended Fund Facility
EMS	European Monetary System
ENA	Ecole Nationale d'Administration
ERM	exchange rate mechanism
ESAF	Enhanced Structural Adjustment Facility
ETR	Exchange and Trade Relations Department
FAO	Food and Agriculture Organization
G-5	Group of Five industrial countries
G-10	Group of Ten industrial countries
G-24	Group of Twenty-Four developing countries
GAAP	Generally Accepted Accounting Principles
GAB	General Arrangements to Borrow
GATT	General Agreement on Tariffs and Trade
GDP	gross domestic product
GRA	General Resources Account
HIPC	heavily indebted poor countries

IATA	International Air Transport Association
ICM	internal contingency mechanism
ICO	International Coffee Organization
IDA	International Development Association
IDB	Inter-American Development Bank
IDRC	International Development Research Centre
IFC	International Finance Corporation
IFIs	international financial institutions
IIE	Institute for International Economics
IIF	Institute of International Finance
ILO	International Labor Organization
INS	Institute
MERM	Multilateral Exchange Rate Model
MIGA	Multilateral Investment Guarantee Agency
MYRA	multiyear rescheduling agreement
NAB	New Arrangements to Borrow
ODA	official development assistance
OECD	Organization for Economic Cooperation and Development
OPEC	Organization of Petroleum Exporting Countries
PAMSCAD	Program to Mitigate the Social Costs of Adjustment
PFP	Policy Framework Paper
PLO	Palestinian Liberation Organization
PPP	purchasing power parity
PRC	People's Republic of China
PRI	Partido Revolucionario Institucional
PSBR	public sector borrowing requirement
RED	recent economic developments (background paper)
ROC	Republic of China
SAC	Staff Association Committee
SAF	Structural Adjustment Facility
SAL	Structural Adjustment Loan
SAMA	Saudi Arabian Monetary Agency
SCA	Special Contingent Account
SDR	Special Drawing Right
SFF	Supplementary Financing Facility
SRF	Supplemental Reserve Facility
UNDP	United Nations Development Programme
WEO	World Economic Outlook