APPENDIX VI

Press Communiqués of the Interim Committee, the International Monetary and Financial Committee, and the Development Committee

Interim Committee of the Board of Governors of the International Monetary System

PRESS COMMUNIQUÉ

Fifty-Third Meeting, Washington, D.C., September 26, 1999

1. The Interim Committee held its fifty-third meeting in Washington, D.C. on September 26, 1999, under the Chairmanship of Mr. Gordon Brown, Chancellor of the Exchequer of the United Kingdom. The Committee expresses its appreciation to the outgoing Chairman, Mr. Carlo Azeglio Ciampi, formerly Minister of the Treasury of Italy and currently President of Italy, for his invaluable contribution to the Committee's work.

Global Economic and Financial Conditions

2. The Committee welcomes the improvement in global economic and financial conditions since the beginning of this year. It has reviewed the challenges required to ensure that the recovery is sustained.

In many emerging market economies and developing countries, raising growth rates on a lasting basis will require not only sustained growth in industrial countries, but also key structural reforms. These include banking reform, corporate restructuring, tax reform and tax administration, establishment of effective legal systems, protection of property rights, and improved governance.

- Recovery is taking hold in crisis-affected countries in Asia, aided by supportive fiscal policies, accommodative monetary policies, and a return of financial market confidence. Financial sector restructuring is generally moving ahead, but further efforts are needed to complete the task. In addition, corporate restructuring and institutional reforms should be accelerated. Indonesia's recovery has been interrupted by structural and political problems that will need to be resolved speedily in order for economic recovery and reform to resume. China and India have weathered the crisis relatively well and economic performance has been sustained, but significant challenges in some areas remain to be addressed.
- In Russia, the Committee welcomes the efforts of the IMF to work with the Russian authorities to encourage macroeconomic stabilization, the continuation of reforms, and the further integration of Russia into the global economy. While acknowledging the recent initial measures to restructure the banking system, strengthen the integrity of financial policies and institutions, and improve governance and transparency, the Committee stresses the urgent need for further progress. It calls on the IMF to work with the Russian authorities to strengthen reforms in these and other areas that are important for economic growth.
- In Brazil, strict implementation of the Fund-supported program has restored confidence, and the outlook for some other countries in Latin America has also improved. In many other countries in this region, adjustment and reform efforts still require further strengthening.
- In the Middle East and Africa, countries that have benefited from the improvement in commodity prices, particularly for oil, have a renewed opportunity to accelerate progress on fiscal consolidation and diversification of their economies.
- Heavily-indebted sub-Saharan African countries should take full and prompt advantage of the opportunity offered by debt relief under the enhanced HIPC Initiative to intensify and press ahead with reforms, including allocating additional resources for, and improving the efficiency of, spending aimed at poverty reduction. Outward-oriented strategies and peaceful resolution of armed conflicts are critical for sustaining economic development and higher growth.
- The tragic events that took place in Kosovo this year have had severe negative economic effects on other countries in the region. Coherent stabilization and reform policies supported by the international financial institutions are important for further economic development in the region. Therefore the Committee calls upon the IMF to continue its strengthened support in the form of programs and technical assistance to the countries involved.

A sustained pickup in domestic demand in Europe and Japan, together with medium-term growth in the U.S. in line with potential, will help to achieve a more balanced pattern of growth among the major industrial countries.

- The Committee welcomes the continued strong performance of the U.S. economy that has been critical in supporting global activity. Policies should continue to be directed to sustaining growth on a long-term basis by maintaining a strong fiscal position and increasing national saving.

- The Committee welcomes the growth of the Japanese economy in the first two quarters of 1999, which was supported by a rebound in consumer demand. Given that the prospect for continuing recovery in private demand remains uncertain, however, it urges the authorities to maintain a supportive stance of fiscal and monetary policies through a supplementary budget of appropriate size while, in the context of their zero interest rate policy, providing ample liquidity until deflationary concerns are dispelled. It is also critical to continue efforts to strengthen the banking system and foster corporate restructuring in order to achieve sustained growth in Japan, which should facilitate needed medium-term fiscal consolidation.
- The Committee is also encouraged by the pickup in growth in Europe in the context of price stability. While monetary conditions in the euro area are accommodative and should remain supportive, further efforts toward fiscal consolidation and structural reform, especially regarding the tax system and the labor and product markets, would improve prospects for sustained growth and a further reduction in unemployment.

3. The Committee emphasizes the importance of open and competitive markets as a key component of efforts to sustain growth and stability in the global economy. The proposed launch of **new trade negotiations** in Seattle later this year is an important opportunity to make further progress in this direction. Further broad-based liberalization in a strengthened rules-based multilateral trading system will help underpin global growth and stability. To ensure that the benefits of liberalized trade and investment are fully realized and shared, the Committee encourages the Fund to work with the Bank and the WTO to strengthen their programs of work to achieve better coherence in global policy making. It recognizes that coordinated programs of support for developing countries, including targeted technical assistance and policy advice, will support them in meeting WTO commitments and implementing current agreements.

4. The Committee notes that, in fostering economic growth through appropriate macroeconomic policies and structural reforms, the IMF, in close cooperation with the World Bank, and consistent with their mandates, must also take into account the direct social consequences of adjustment and reform efforts as well as the complementarity of macroeconomic and social policies for long-term growth and improved social indicators.

Poverty Reduction Initiatives

5. The Committee endorses the proposed replacement of the Enhanced Structural Adjustment Facility (ESAF) by the new Poverty Reduction and Growth Facility, which aims at making poverty reduction efforts among low-income members a key and more explicit element of a renewed growth-oriented economic strategy. The cornerstones of the new approach, which should continue to be based on sound macroeconomic policies, are as follows:

- A comprehensive Poverty Reduction Strategy Paper (PRSP) will be prepared by each country, with assistance from the World Bank and the IMF, and with strong country ownership based on public partnership, to guide the design of programs; the PRSP will need the approval of both Bank and Fund Boards.
- Social and sectoral programs aimed at poverty reduction will be taken fully into account in the design of economic policies for promoting faster sustainable growth.
- Greater emphasis will be accorded to good governance, in particular in all government activities, through greater transparency, effective monitoring procedures, anti-corruption initiatives, accountability, and the involvement of all sectors of society.
- High priority will be accorded to key reform measures critical to achieving governments' social goals.

6. The Committee takes note of the **crucial role to be played by the World Bank** and other relevant international organizations in helping governments develop and monitor the implementation of their poverty reduction strategies. It endorses the proposal that PRSPs, as they are developed, provide the basis for all IDA and Poverty Reduction and Growth Facility lending operations and closer Bank-IMF collaboration.

7. The Committee welcomes the joint meeting of the Interim and Development Committees, held earlier today, on the **enhanced HIPC Initiative**. The proposals made by the Bank and the IMF to this end, which build upon wide-ranging comments from civil society and the international community, are aimed at providing faster, deeper, and broader debt relief and strengthening the link between debt relief and poverty reduction.

8. The Committee welcomes the agreement on the **financing of the IMF's participation in the HIPC Initiative** and continued concessional lending by the IMF for growth and poverty reduction in its low income member countries. It highly appreciates the financial support provided by a wide cross-section of the IMF's membership through bilateral contributions and endorses the decision adopted by the Executive Board for the Fund's participation. The Committee considers that the off-market transactions of up to 14 million ounces of fine gold by the IMF that are envisaged will be a one-time operation of a highly exceptional nature. This is part of a broader financing package to allow the IMF to contribute to the resolution of the debt problems of the HIPCs at the turn of the millennium and to the continuation of concessional operations to support countries' efforts to achieve sustained growth and poverty reduction. The Committee endorses the Executive Board's recommendation that the Board of Governors adopt a Resolution to this effect.

Architecture

9. The Committee welcomes the progressive translation of broad principles into concrete actions in **developing and monitoring standards** of importance to the international monetary and financial system.

- The Committee encourages the IMF to continue its collaborative efforts with the World Bank and other relevant organizations to complete work on the Financial Stability Forum's compendium of standards.
- The Committee urges all 47 Special Data Dissemination Standard (SDDS) subscribers to continue to enhance their statistical practices, and to report data on international reserves and related liabilities according to the agreed reserves template by March 2000. It encourages further work by the Fund on the SDDS, including on strengthening external debt data and developing macro-prudential indicators. It looks forward to the launch of the opera-

tional phase of the General Data Dissemination System (GDDS) early next year. The Committee also urges the IMF and member countries to press ahead with efforts to improve the timeliness and comprehensiveness of data on capital flows. The IMF should provide technical assistance to enhance the quality and timeliness of data. Country authorities and relevant international organizations should also take urgent action to improve data on social spending and social indicators.

- The Committee adopts the attached *Code of Good Practices on Transparency in Monetary and Financial Policies: Declaration of Principles* as a guide for members to increase transparency in the conduct of these policies. The Committee urges all members to implement the new Code as well as the previously agreed *Code of Good Practices on Fiscal Transparency.*
- The Committee welcomes the assessments of the implementation of the Basel Core Principles that have been made in the course of IMF surveillance and technical assistance, and urges that these be embedded into regular surveillance activities. It notes the work under way by the Basel Committee on Banking Supervision to review the 1988 Capital Accord and urges the Basle Committee to complete that review. It encourages the IMF to continue to support this process.

10. The Committee encourages the IMF, in cooperation with other standard-setting bodies, to continue to experiment with assessments of members' observance of international standards and codes of good practice and invites the Executive Board to consider whether to integrate such assessments into the surveillance process.

11. The Committee reiterates the importance of **greater transparency in policy-making**. With respect to IMF practices and members' policies, it strongly welcomes the steps taken:

- The widespread release of Public Information Notices (PINs), for which there is an agreement on presumption of publication; the public release of many IMF policy papers and the associated summaries of Board discussions; and the release of the external evaluators' reports on IMF surveillance and economic research activities;
- The decisions of 46 countries that have already volunteered to participate in the pilot program for the release of Article IV reports, with 15 reports already available on the IMF Website;
- The agreement to establish a presumption in favor of publication of Letters of Intent, Memoranda of Economic and Financial Policies, and Policy Framework Papers, and the widespread release of documents that has occurred since the policy of greater transparency was adopted; and
- The efforts to ascertain the views of the private sector on the experimental transparency reports.

12. The Committee encourages further actions to make IMF practices and members' policies more transparent without compromising the IMF's role as confidential advisor.

13. Experience in a few cases has highlighted the importance of promoting transparency and accountability especially when IMF resources are being used. In this connection, the Committee notes that the implications of corruption and money laundering raise important issues for the credibility and effectiveness of IMF programs, and calls on the IMF to perform an authoritative review of its procedures and controls to identify ways to strengthen safeguards on the use of its funds and to report at its next meeting. The Committee considers that further **actions for strengthening governance at the national and international levels are crucial**. In the financial area, governments must maintain strong internal financial controls and tighten supervision and regulation of domestic financial institutions and off-shore banking centers, including measures to deter money laundering. The Committee urges the IMF to enhance its support for members' efforts in these areas, building on its guidelines and other international standards for fostering good governance and transparency in all member countries, including through the application of the codes of good practice that the membership has established in the fiscal and monetary areas.

14. The Committee welcomes the progress made in **financial sector reform** and banking system restructuring in the context of IMF surveillance, technical assistance, and programs. It looks forward to the continued collaborative work of the IMF, the World Bank, and other institutions, including on the pilot Financial Sector Assessment Program that should facilitate early detection of financial system weaknesses and support a better coordinated dialogue with national authorities. The Committee encourages countries that have not done so to participate in the pilot program.

15. The Committee welcomes the recent independent, external evaluations of **IMF surveillance and research activities**, and encourages the Executive Board to examine the recommendations of the former further in the context of the next internal review in late 1999. The Committee also reaffirms the importance of independent evaluations of the Fund's operations and policies.

16. The Committee reiterates the importance of ongoing **efforts to involve the private sector in forestalling and resolving financial crises**, and notes the progress achieved in securing the involvement of the private sector in individual cases. In this connection, the Committee considers that the balance of the various considerations reflected in the report by G-7 Finance Ministers to the Köln Economic Summit provides a helpful framework within which the international community can work to address individual cases that may arise. The Committee asks the Executive Board to build on this framework and to report at the Committee's next meeting on the ways in which the broad principles have been implemented.

17. The Committee considers that increased mobility of capital has raised the requirements, in terms of both policy adaptability and institutional preparedness, for maintaining a fixed **exchange rate** regime. That said, members should be able to choose a regime that is appropriate to their particular circumstances and longer-term strategy. The choice of exchange rate regime and the implementation of supporting policies are critical for countries' economic development and financial stability, and in some cases potentially for the world economy. In all cases, IMF programs and surveillance should further focus on consistency of macroeconomic and other policies and institutional arrangements with the chosen exchange rate regime. The IMF should assist members to adapt to a world of global financial flows. The Committee encourages the Executive Board to continue to consider these matters, and to report to the Committee on its work.

18. Persistent and sizeable capital inflows can be highly destabilizing particularly if they are intermediated by poorly regulated and unsupervised financial institutions. In this con-

text, the Committee welcomes the IMF's recent work on the appropriate pace and sequencing of **capital account opening**, which has led to a fuller understanding of the conditions for orderly and sustainable liberalization, and has broadly confirmed earlier conclusions that, over the long term, open capital flows accompanied by appropriate prudential measures will benefit the world economy. The Committee encourages the IMF to build on its examination of individual countries' use and liberalization of controls, paying particular attention to the relationship between capital account liberalization and financial sector stability.

19. The Committee calls on the IMF and World Bank to work together, in cooperation with national debt management experts, to develop a set of best practices in public debt management by the spring to assist countries in their efforts to reduce vulnerability.

20. The Committee encourages all members to continue to work on preventive action and to put in place **millennium contingency plans**, noting that, although business, financial institutions, and government agencies around the world have made considerable progress in preparing computer systems, a risk remains that Y2K problems will be anticipated or will arise, with potential negative consequences for growth, international trade, and international capital flows. To help forestall, and if necessary resolve, possible balance of payments problems related to the Y2K phenomenon, the Committee endorses the Executive Board's decision to introduce a temporary new facility for providing outright short-term access to IMF resources to members facing identifiable Y2K-related balance of payments needs.

21. The Committee endorses the Executive Board's recommendation that the Board of Governors adopt a **Resolution transforming the Interim Committee** into the International Monetary and Financial Committee and strengthening its role as the advisory committee of the Board of Governors.

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22. The next meeting of the Committee will be held in Washington, D.C. on April 16, 2000.

Attachment

International Monetary Fund—Code of Good Practices on Transparency in Monetary and Financial Policies: Declaration of Principles

Introduction

1. In the context of strengthening the architecture of the international monetary and financial system, the Interim Committee in its April and October 1998 Communiqués called on the Fund to develop a code of transparency practices for monetary and financial policies, in cooperation with appropriate institutions. The Fund, working together with the Bank for International Settlements, and in consultation with a representative group of central banks, financial agencies, other relevant international and regional organizations,[1] and selected academic experts, has developed a *Code of Good Practices on Transparency in Monetary and Financial Policies.* The Code parallels the *Code of Good Practices in Fiscal Transparency* developed by the Fund and endorsed by the Interim Committee in April 1998.

2. The *Code of Good Practices on Transparency in Monetary and Financial Policies* identifies desirable transparency practices for central banks in their conduct of monetary policy and for central banks and other financial agencies in their conduct of financial policies. The definitions of "central bank," "financial agencies," "financial policies," and "government" as used in this Code are given in the attached Annex.

3. For purposes of the Code, transparency refers to an environment in which the objectives of policy, its legal, institutional, and economic framework, policy decisions and their rationale, data and information related to monetary and financial policies, and the terms of agencies' accountability, are provided to the public on an understandable, accessible and timely basis. Thus, the transparency practices listed in the Code focus on: (1) clarity of roles, responsibilities and objectives of central banks and financial agencies; (2) the processes for formulating and reporting of monetary policy decisions by the central bank and of financial policies by financial agencies; (3) public availability of information on monetary and financial policies; and (4) accountability and assurances of integrity by the central bank and financial agencies.

4. The case for transparency of monetary and financial policies is based on two main premises. First, the effectiveness of monetary and financial policies can be strengthened if the goals and instruments of policy are known to the public and if the authorities can make a credible commitment to meeting them. In making available more information about monetary and financial policies, good transparency practices promote the potential efficiency of markets. Second, good governance calls for central banks and financial agencies to be accountable, particularly where the monetary and financial authorities are granted a high degree of autonomy. In cases when conflicts might arise between or within government units (e.g., if the central bank or a financial agency acts as both owner and financial supervisor of a financial institution or if the responsibilities for monetary and foreign exchange policy are shared), transparency in the mandate and clear rules and procedures in the operations of the agencies can help in their resolution, strengthen governance, and facilitate policy consistency.

5. In making the objectives of monetary policy public, the central bank enhances the public's understanding of what it is seeking to achieve, and provides a context for articulating its own policy choices, thereby contributing to the effectiveness of monetary policy. Further, by providing the private sector with a clear description of the considerations guiding monetary policy decisions, transparency about the policy process makes the monetary policy transmission mechanism generally more effective, in part by ensuring that market expectations can be formed more efficiently. By providing the public with adequate information about its activities, the central bank can establish a mechanism for strengthening its credibility by matching its actions to its public statements.

[1]In addition to the Bank for International Settlements, the following international and regional organizations and international financial sector groupings were consulted: Basel Committee on Bank Supervision (BCBS), Center for Latin American Monetary Studies (CEMLA), Committee on Payment and Settlement Systems (CPSS), European Central Bank, International Association of Insurance Supervisors (IAIS), International Finance Corporation, International Organization of Securities Commissions (IOSCO), Organization for Economic Cooperation and Development (OECD), and the World Bank.

6. Transparency by financial agencies, particularly in clarifying their objectives, should also contribute to policy effectiveness by enabling financial market participants to assess better the context of financial policies, thereby reducing uncertainty in the decision making of market participants. Moreover, by enabling market participants and the general public to understand and evaluate financial policies, transparency is likely to be conducive to good policy making. This can help to promote financial as well as systemic stability. Transparent descriptions of the policy formulation process provide the public with an understanding of the rules of the game. The release of adequate information to the public on the activities of financial agencies provides an additional mechanism for enhancing the credibility of their actions. There may also be circumstances when public accountability of decisions by financial agencies can reduce the potential for moral hazard.

7. The benefits for countries adopting good transparency practices in monetary and financial policies have to be weighed against the potential costs. In situations where increased transparency in monetary and financial policies could endanger the effectiveness of policies, or be potentially harmful to market stability or the legitimate interests of supervised and other entities, it may be appropriate to limit the extent of such transparency. Limiting transparency in selected areas needs to be seen, however, in the context of a generally transparent environment.

8. In the case of monetary policy, the rationale for limiting some types of disclosure arises because it could adversely affect the decision-making process and the effectiveness of policies. Similarly, exchange rate policy considerations, notably, but not exclusively, in countries with fixed exchange rate regimes, may provide justification for limiting certain disclosure practices. For example, extensive disclosure requirements about internal policy discussion on money and exchange market operations might disrupt markets, constrain the free flow of discussion by policymakers, or prevent the adoption of contingency plans. Thus, it might be inappropriate for central banks to disclose internal deliberations and documentation, and there are circumstances in which it would not be appropriate for central banks to disclose their near-term monetary and exchange rate policy implementation tactics and provide detailed information on foreign exchange operations. Similarly, there may be good reasons for the central bank (and financial agencies) not to make public their contingency plans, including possible emergency lending.

9. Additional concerns could be posed by some aspects of the transparency of financial policies. Moral hazard, market discipline, and financial market stability considerations may justify limiting both the content and timing of the disclosure of some corrective actions and emergency lending decisions, and information pertaining to market and firm-specific conditions. In order to maintain access to sensitive information from market participants, there is also a need to safeguard the confidentiality and privacy of information on individual firms (commonly referred to as "commercial confidentiality"). Similarly, it may be inappropriate for financial authorities to make public their supervisory deliberations and enforcement actions related to individual financial institutions, markets, and individuals.

10. Transparency practices differ not only in substance, but also in form. With regard to informing the public about monetary and financial institutions and their policies, an important issue concerns the modalities that these public disclosures should take. In particular with regard to monetary policy, should transparency practices have a legislative basis in a central bank law, or be based in other legislation or regulation, or be adopted through other means? The Code takes a pragmatic approach to this issue and recognizes that a variety of arrangements can lead to good transparency practices. On matters pertaining to the roles, responsibilities, and objectives of central banks (and for principal financial regulatory agencies), it recommends that key features be specified in the authorizing legislation (e.g., a central bank law). Specifying some of these practices in legislation gives them particular prominence and avoids ad hoc and frequent changes to these important aspects of the operations of central banks and relevant financial agencies. Information about other transparency aspects, such as how policy is formulated and implemented and the provision of information, can be presented in a more flexible manner. However, it is important that such information be readily accessible, so that the public can with reasonable effort obtain and assimilate the information.

11. In the context of good governance and accountability, as well as the promotion of efficient markets, reference to the public in this code should ideally encompass all interested individuals and institutions. In some cases, particularly for financial policies, it may be expedient for the purposes of administering or implementing certain regulations and policies to define the concept of the public more narrowly to refer only to those individuals and institutions that are most directly affected by the regulations and policies in question.

12. The focus of the Code is on transparency. While good transparency practices for the formulation and reporting of monetary and financial policies help to contribute to the adoption of sound policies, the Code is not designed to offer judgments on the appropriateness or desirability of specific monetary or financial policies or frameworks that countries should adopt. Transparency is not an end in itself, nor is transparency a substitute for pursuing sound policies; rather, transparency and sound policies are better seen as complements. In the realm of financial policies, there are complements to this code that go beyond transparency to promote good policies, notably the *Core Principles for Effective Banking Supervision* formulated by the Basel Committee for Banking Supervision, the *Objectives and Principles of Securities Regulation* formulated by the International Organization of Securities Commissions (IOSCO), and standards being developed by the Committee on Payment and Settlement Systems (CPSS), the International Association of Insurance Supervisors (IAIS), and the International Accounting Standards Committee (IASC). As these and other financial sector groupings develop and make significant adjustments in their principles and standards as they relate to transparency practices for financial agencies (e.g., in data dissemination requirements for financial agencies), this Code may have to be adjusted accordingly.

13. The Code is directed at the transparency requirements of central banks and financial agencies, not at the transparency procedures relating to firms and individual institutions. However, the benefits of transparency for monetary and financial policies may be fostered by appropriate policies to promote transparency for markets in general, for the institutions that are being supervised, and for self regulatory organizations.

14. Monetary and financial policies are interrelated and often mutually reinforcing, with the health of the financial system affecting the conduct of monetary policy and vice versa. However, the institutional arrangements for these two types of policies differ considerably, particularly with regard to their roles, responsibilities, and objectives and their policy formulation and implementation processes. To take account of this, the Code is separated into two parts: good transparency practices for monetary policy by central banks; and good transparency practices for financial policies by financial agencies. The basic elements of transparency for both policies are, however, similar. It should be recognized that not all transparency practices are equally applicable to all financial agencies, and the transparency objectives among different financial sectors vary. For some, the emphasis is on market efficiency considerations, for others the focus is on market and systemic stability, while for others the principal consideration is client-asset protection.

15. The operation of a country's payment system affects the conduct of monetary policies and the functioning of the financial system, and the design of payment systems has implications for systemic stability. The institutional structures of the payment system, however, are often significantly more complex than for monetary and other financial policies, and differ considerably across countries. In many instances, the operation of a country's payment system is split between the public and private sectors, including self-regulatory bodies. Nevertheless, most of the transparency practices listed in the Code for financial agencies are applicable for the roles and functions of central banks or other relevant public agencies exercising responsibility for overseeing the nation's payment systems. The coverage of transparency practices for financial policies in the Code includes those for the operation of systemically important components of the nation's payment system, and, where appropriate, makes allowance for the special nature of the payment system's operations (e.g., 5.3).

16. The Code is of sufficient breadth to span and be applied to a wide range of monetary and financial frameworks, and thus to the full range of the Fund membership. Elements of the Code are drawn from a review of good transparency practices used in a number of countries and discussed in the professional literature. The Code thus represents a distillation of concepts and practices that are already in use and for which there is a record of experience. The manner in which transparency is applied and achieved, however, may differ, reflecting different institutional arrangements with respect to monetary and financial policies and legal traditions. The good transparency practices contained in the Code will, therefore, have to be implemented flexibly and over time to take account of a country's particular circumstances. A number of Fund members currently lack sufficient resources and the institutional capacity to implement all of the good transparency practices listed in the Code. These practices are included in the Code in the anticipation that countries would aspire over time to introduce such good practices.

Good Transparency Practices for Monetary Policy by Central Banks

I. Clarity of Roles, Responsibilities and Objectives of Central Banks for Monetary Policy

1.1 The ultimate objective(s) and institutional framework of monetary policy should be clearly defined in relevant legislation or regulation, including, where appropriate, a central bank law.

1.1.1 The ultimate objective(s) of monetary policy should be specified in legislation and publicly disclosed and explained.

1.1.2 The responsibilities of the central bank should be specified in legislation.

1.1.3 The legislation establishing the central bank should specify that the central bank has the authority to utilize monetary policy instruments to attain the policy objective(s).

1.1.4 Institutional responsibility for foreign exchange policy should be publicly disclosed.

1.1.5 The broad modalities of accountability for the conduct of monetary policy and for any other responsibilities assigned to the central bank should be specified in legislation.

1.1.6 If, in exceptional circumstances, the government has the authority to override central bank policy decisions, the conditions under which this authority may be invoked and the manner in which it is publicly disclosed should be specified in legislation.

1.1.7 The procedures for appointment, terms of office, and any general criteria for removal of the heads and members of the governing body of the central bank should be specified in legislation.

1.2 The institutional relationship between monetary and fiscal operations should be clearly defined.[2]

1.2.1 If credits, advances, or overdrafts to the government by the central bank are permitted, the conditions when they are permitted, and any limits thereof, should be publicly disclosed.

1.2.2 The amounts and terms of credits, advances, or overdrafts to the government by the central bank and those of deposits of the government with the central bank should be publicly disclosed.

1.2.3 The procedures for direct central bank participation in the primary markets for government securities, where permitted, and in the secondary markets, should be publicly disclosed.

1.2.4 Central bank involvement in the rest of the economy (e.g., through equity ownership, membership on governing boards, procurement, or provision of services for fee) should be conducted in an open and public manner on the basis of clear principles and procedures.

1.2.5 The manner in which central bank profits are allocated and how capital is maintained should be publicly disclosed.

1.3 Agency roles performed by the central bank on behalf of the government should be clearly defined.

1.3.1 Responsibilities, if any, of the central bank in (i) the management of domestic and external public debt and foreign exchange reserves, (ii) as banker to the government, (iii) as fiscal agent of the government, and (iv) as advisor on economic and financial policies and in the

[2]The practices in this area should be consistent with the principles of the International Monetary Fund's *Code of Good Practices on Fiscal Transparency.*

field of international cooperation, should be publicly disclosed.

1.3.2 The allocation of responsibilities among the central bank, the ministry of finance, or a separate public agency,[3] for the primary debt issues, secondary market arrangements, depository facilities, and clearing and settlement arrangements for trade in government securities, should be publicly disclosed.

II. Open Process for Formulating and Reporting Monetary Policy Decisions

2.1 The framework, instruments, and any targets that are used to pursue the objectives of monetary policy should be publicly disclosed and explained.

2.1.1 The procedures and practices governing monetary policy instruments and operations should be publicly disclosed and explained.

2.1.2 The rules and procedures for the central bank's relationships and transactions with counterparties in its monetary operations and in the markets where it operates should be publicly disclosed.

2.2 Where a permanent monetary policy making body meets to assess underlying economic developments, monitor progress toward achieving its monetary policy objective(s), and formulate policy for the period ahead, information on the composition, structure, and functions of that body should be publicly disclosed.

2.2.1 If the policy making body has regularly scheduled meetings to assess underlying economic developments, monitor progress toward achieving its monetary policy objective(s), and formulate policy for the period ahead, the advance meeting schedule should be publicly disclosed.

2.3 Changes in the setting of monetary policy instruments (other than fine-tuning measures) should be publicly announced and explained in a timely manner.

2.3.1 The central bank should publicly disclose, with a preannounced maximum delay, the main considerations underlying its monetary policy decisions.

2.4 The central bank should issue periodic public statements on progress toward achieving its monetary policy objective(s) as well as prospects for achieving them. The arrangements could differ depending on the monetary policy framework, including the exchange rate regime.

2.4.1 The central bank should periodically present its monetary policy objectives to the public, specifying, inter alia, their rationale, quantitative targets and instruments where applicable, and the key underlying assumptions.

2.4.2 The central bank should present to the public on a specified schedule a report on the evolving macroeconomic situation, and their implications for its monetary policy objective(s).

[3]The principles for transparency procedures listed in this Code, where applicable and adjusted as necessary, apply where a separate public agency has been designated to manage the country's public debt.

2.5 For proposed substantive technical changes to the structure of monetary regulations, there should be a presumption in favor of public consultations, within an appropriate period.

2.6 The regulations on data reporting by financial institutions to the central bank for monetary policy purposes should be publicly disclosed.

III. Public Availability of Information on Monetary Policy

3.1 Presentations and releases of central bank data should meet the standards related to coverage, periodicity, timeliness of data and access by the public that are consistent with the International Monetary Fund's data dissemination standards.

3.2 The central bank should publicly disclose its balance sheet on a preannounced schedule and, after a predetermined interval, publicly disclose selected information on its aggregate market transactions.

3.2.1 Summary central bank balance sheets should be publicly disclosed on a frequent and preannounced schedule. Detailed central bank balance sheets prepared according to appropriate and publicly documented accounting standards should be publicly disclosed at least annually by the central bank.

3.2.2 Information on the central bank's monetary operations, including aggregate amounts and terms of refinance or other facilities (subject to the maintenance of commercial confidentiality) should be publicly disclosed on a preannounced schedule.

3.2.3 Consistent with confidentiality and privacy of information on individual firms, aggregate information on emergency financial support by the central bank should be publicly disclosed through an appropriate central bank statement when such disclosure will not be disruptive to financial stability.

3.2.4 Information about the country's foreign exchange reserve assets, liabilities and commitments by the monetary authorities should be publicly disclosed on a preannounced schedule, consistent with the International Monetary Fund's Data Dissemination Standards.

3.3 The central bank should establish and maintain public information services.

3.3.1 The central bank should have a publications program, including an Annual Report.

3.3.2 Senior central bank officials should be ready to explain their institution's objective(s) and performance to the public, and have a presumption in favor of releasing the text of their statements to the public.

3.4 Texts of regulations issued by the central bank should be readily available to the public.

IV. Accountability and Assurances of Integrity by the Central Bank

4.1 Officials of the central bank should be available to appear before a designated public authority to report on the conduct of monetary policy, explain the policy objective(s) of their institution, describe their performance in achieving their objective(s), and, as appropriate, exchange views on the state of the economy and the financial system.

4.2 The central bank should publicly disclose audited financial statements of its operations on a preannounced schedule.

4.2.1 The financial statements should be audited by an independent auditor. Information on accounting policies and any qualification to the statements should be an integral part of the publicly disclosed financial statements.

4.2.2 Internal governance procedures necessary to ensure the integrity of operations, including internal audit arrangements, should be publicly disclosed.

4.3 Information on the expenses and revenues in operating the central bank should be publicly disclosed annually.

4.4 Standards for the conduct of personal financial affairs of officials and staff of the central bank and rules to prevent exploitation of conflicts of interest, including any general fiduciary obligation, should be publicly disclosed.

4.4.1 Information about legal protections for officials and staff of the central bank in the conduct of their official duties should be publicly disclosed.

Good Transparency Practices for Financial Policies by Financial Agencies

V. Clarity of Roles, Responsibilities and Objectives of Financial Agencies Responsible For Financial Policies[4]

5.1 The broad objective(s) and institutional framework of financial agencies should be clearly defined, preferably in relevant legislation or regulation.

5.1.1 The broad objective(s) of financial agencies should be publicly disclosed and explained.

5.1.2 The responsibilities of the financial agencies and the authority to conduct financial policies should be publicly disclosed.

5.1.3 Where applicable, the broad modalities of accountability for financial agencies should be publicly disclosed.

5.1.4 Where applicable, the procedures for appointment, terms of office, and any general criteria for removal of the heads and members of the governing bodies of financial agencies should be publicly disclosed.

5.2 The relationship between financial agencies should be publicly disclosed.

5.3 The role of oversight agencies with regard to payment systems should be publicly disclosed.

5.3.1 The agencies overseeing the payment system should promote the timely public disclosure of general policy principles (including risk management policies) that affect the robustness of systemically important payment systems.

5.4 Where financial agencies have oversight responsibilities for self-regulatory organizations (e.g., payment systems), the relationship between them should be publicly disclosed.

5.5 Where self-regulatory organizations are authorized to perform part of the regulatory and supervisory process, they should be guided by the same good transparency practices specified for financial agencies.

[4]Refer to the Annex for definitions of financial agencies and financial policies.

VI. Open Process for Formulating and Reporting of Financial Policies

6.1 The conduct of policies by financial agencies should be transparent, compatible with confidentiality considerations and the need to preserve the effectiveness of actions by regulatory and oversight agencies.

6.1.1 The regulatory framework and operating procedures governing the conduct of financial policies should be publicly disclosed and explained.

6.1.2 The regulations for financial reporting by financial institutions to financial agencies should be publicly disclosed.

6.1.3 The regulations for the operation of organized financial markets (including those for issuers of traded financial instruments) should be publicly disclosed.

6.1.4 Where financial agencies charge fees to financial institutions, the structure of such fees should be publicly disclosed.

6.1.5 Where applicable, formal procedures for information sharing and consultation between financial agencies (including central banks), domestic and international, should be publicly disclosed.

6.2 Significant changes in financial policies should be publicly announced and explained in a timely manner.

6.3 Financial agencies should issue periodic public reports on how their overall policy objectives are being pursued.

6.4 For proposed substantive technical changes to the structure of financial regulations, there should be a presumption in favor of public consultations, within an appropriate period.

VII. Public Availability of Information on Financial Policies

7.1 Financial agencies should issue a periodic public report on the major developments of the sector(s) of the financial system for which they carry designated responsibility.

7.2 Financial agencies should seek to ensure that, consistent with confidentiality requirements, there is public reporting of aggregate data related to their jurisdictional responsibilities on a timely and regular basis.

7.3 Where applicable, financial agencies should publicly disclose their balance sheets on a preannounced schedule and, after a predetermined interval, publicly disclose information on aggregate market transactions.

7.3.1 Consistent with confidentiality and privacy of information on individual firms, aggregate information on emergency financial support by financial agencies should be publicly disclosed through an appropriate statement when such disclosure will not be disruptive to financial stability.

7.4 Financial agencies should establish and maintain public information services.

7.4.1 Financial agencies should have a publications program, including a periodic public report on their principal activities issued at least annually.

7.4.2 Senior financial agency officials should be ready to explain their institution's objective(s) and performance to the public, and have a presumption in favor of releasing the text of their statements to the public.

7.5 Texts of regulations and any other generally applicable directives and guidelines issued by financial agencies should be readily available to the public.

7.6 Where there are deposit insurance guarantees, policy-holder guarantees, and any other client asset protection schemes, information on the nature and form of such protections, on the operating procedures, on how the guarantee is financed, and on the performance of the arrangement, should be publicly disclosed.

7.7 Where financial agencies oversee consumer protection arrangements (such as dispute settlement processes), information on such arrangements should be publicly disclosed.

VIII. Accountability and Assurances of Integrity by Financial Agencies

8.1 Officials of financial agencies should be available to appear before a designated public authority to report on the conduct of financial policies, explain the policy objective(s) of their institution, describe their performance in pursuing their objective(s), and, as appropriate, exchange views on the state of the financial system.

8.2 Where applicable, financial agencies should publicly disclose audited financial statements of their operations on a preannounced schedule.

8.2.1 Financial statements, if any, should be audited by an independent auditor. Information on accounting policies and any qualification to the statements should be an integral part of the publicly disclosed financial statements.

8.2.2 Internal governance procedures necessary to ensure the integrity of operations, including internal audit arrangements, should be publicly disclosed.

8.3 Where applicable, information on the operating expenses and revenues of financial agencies should be publicly disclosed annually.

8.4 Standards for the conduct of personal financial affairs of officials and staff of financial agencies and rules to prevent exploitation of conflicts of interest, including any general fiduciary obligation, should be publicly disclosed.

8.4.1 Information about legal protections for officials and staff of financial agencies in the conduct of their official duties should be publicly disclosed.

Annex: Definitions of Certain Terms

To facilitate presentation, certain general terms are used to capture different institutional arrangements in a summary fashion. The following descriptive definitions are used in the Code.

Central Bank

The institutional arrangements for assigning responsibility for the conduct of a country's monetary policy differ among the Fund's membership. For most Fund members, this responsibility is assigned to the central bank or to a system of constituent national central banks in a multinational central bank arrangement. There are a number of countries, however, where this role is designated to a "monetary authority" or to a "currency board." To facilitate presentation, the term "central bank" in the Code refers to the institution responsible for conducting monetary policy, which may or may not be a central bank.

Financial Agencies

A wide range of institutional arrangements prevail among Fund members with regard to which unit of government carries exclusive or primary responsibility for the regulation, supervision, and oversight of the financial and payment systems. In a few countries, an agency has been established with responsibility for regulating and supervising an array of financial institutions (banking, insurance, and securities firms) and markets (securities, derivatives, and commodity futures). For most countries, the oversight responsibility for the financial sector is shared among several agencies. Thus, responsibility for the conduct of bank regulation and supervision or for bank deposit insurance policies in some countries is assigned to the central bank, or to an independent bank supervisory or deposit insurance agency, or split among several units of government. Similarly, responsibility for the conduct of policies related to the oversight of certain categories of financial institutions is assigned to the central bank or to a specialized agency. In some cases (e.g., payment systems) a public agency oversees the activities of private sector self-regulatory bodies. To facilitate presentation, the phrase "financial agencies" is used to refer to the institutional arrangements for the regulation, supervision, and oversight of the financial and payment systems, including markets and institutions, with the view to promoting financial stability, market efficiency, and client-asset and consumer protection. (Where the central bank carries responsibility for financial policies, some of the good transparency practices listed for financial agencies in Sections V–VIII of the Code are already specified in the transparency practices listed for central banks in Sections I–IV of the Code.)

Financial Policies

The term "financial policies" in the Code refers to policies related to the regulation, supervision, and oversight of the financial and payment systems, including markets and institutions, with the view to promoting financial stability, market efficiency, and client-asset and consumer protection.

Government

Unless a particular unit of government is specifically identified in the Code, reference to "government" in the Code refers either to the executive branch of government or to a particular ministry or public agency, depending on the issue at hand or the established tradition of government in particular countries.

Annex: Interim Committee Attendance September 26, 1999

Chairman
Gordon Brown

Managing Director
Michel Camdessus

Members or Alternates
Ibrahim A. Al-Assaf, Minister of Finance and National Economy, Saudi Arabia

Giuliano Amato, Minister of the Treasury, Budget, and Economic Planning, Italy
Eddie George, Governor, Bank of England (Alternate for Gordon Brown, Chancellor of the Exchequer, United Kingdom)
Antonio Casas González, President, Banco Central de Venezuela
Peter Costello, Treasurer, Australia
Dai Xianglong, Governor, People's Bank of China
Emile Doumba, Minister of Finance, Economy, Budget and Privatization, Gabon
Hans Eichel, Minister of Finance, Germany
Roque B. Fernández, Minister of Economy and Public Works and Services, Argentina
Viktor Gerashchenko, Chairman, Central Bank of the Russian Federation
Marianne Jelved, Minister of Economic Affairs, Denmark
Abdelouahab Keramane, Governor, Banque d'Algérie
Sultan Bin Nasser Al-Suwaidi, Governor, United Arab Emirates Central Bank (Alternate for Mohammed K. Khirbash, Minister of State for Finance and Industry, United Arab Emirates)
Pedro Sampaio Malan, Minister of Finance, Brazil
Trevor A. Manuel, Minister of Finance, South Africa
Paul Martin, Minister of Finance, Canada
Kiichi Miyazawa, Minister of Finance, Japan
Didier Reynders, Minister of Finance, Belgium
Syahril Sabirin, Governor, Bank Indonesia
Yashwant Sinha, Minister of Finance, India
Dominique Strauss-Kahn, Minister of Economy, Finance and Industry, France
Lawrence H. Summers, Secretary of the Treasury, United States
Kaspar Villiger, Minister of Finance, Switzerland
Gerrit Zalm, Minister of Finance, Netherlands

Observers

Yilmaz Akyuz, Chief, Macro-Economics and Development Policies Branch, UNCTAD
Andrew D. Crockett, Chairman, Financial Stability Forum
Willem F. Duisenberg, President, ECB
Andre Icard, Assistant General Manager, BIS
Donald J. Johnston, Secretary-General, OECD
Ian Kinniburgh, Director, Development Policy Analysis Division, UN
Michael Moore, Director-General, WTO
Pedro Solbes Mira, Commissioner in charge of Economic and Monetary Affairs, European Commission
Juan Somavia, Director-General, ILO
Tarrin Nimmanahaeminda, Chairman, Joint Development Committee
James D. Wolfensohn, President, World Bank

International Monetary and Financial Committee of the Board of Governors of the International Monetary Fund

PRESS COMMUNIQUÉ

Inaugural Meeting, Washington, D.C., April 16, 2000

1. The International Monetary and Financial Committee held its inaugural meeting in Washington, D.C. on April 16, 2000, under the Chairmanship of Mr. Gordon Brown, Chancellor of the Exchequer of the United Kingdom.

Strengthening the IMF's Role in the Global Economy

2. The Committee's deliberations have taken place today against the background of a growing public debate about the directions in which the IMF and the international financial system should evolve to adapt to a rapidly changing economic environment. The debate also reflects a concern that the benefits the world economy is deriving from freer trade and more integrated and deeper international capital markets are not reaching everyone, especially in the developing countries. The Committee reaffirms its strong support for the Fund's unique role as the cornerstone of the international monetary and financial system and its ability, by virtue of its universal character, to help all of its members. With the support of all its members, the IMF has undergone continuous change to equip itself better to assist members to build the strong macroeconomic and institutional underpinnings required for international financial stability and the broader sharing of the benefits and opportunities of an open world economy. But more needs to be done, and the Committee therefore pledges to continue to work toward making the IMF more effective, transparent, and accountable.

World Economic Outlook

3. The Committee welcomes the rapid recovery of the world economy in 1999 and the prospect of even stronger growth in 2000. Global economic and financial conditions have improved markedly during the past year, with growth picking up in most regions of the world. Moreover, the acceleration of global growth has occurred without a significant increase in underlying inflation. This improvement has, in most instances, also reflected the pursuit of sound macroeconomic policies and continuing structural reforms in many countries, both advanced and developing. In particular, the Committee notes that:

- the expansion in the United States continues at a remarkable pace. Monetary and fiscal policies will need to remain prudent, and fiscal surplus policies should not be relaxed. National saving also needs to increase further;
- growth has also strengthened in western Europe and it is important that this is sustained. Monetary policy should remain supportive of growth through its focus on maintaining low inflation. Countries should also continue to pursue prudent fiscal policies. Stronger growth provides an opportunity to press ahead with fiscal reforms necessary to ensure the long-term sustainability of public finances, and to continue with further reforms of labor, capital, and product markets to ensure that the pace of growth is sustained; and
- there are some positive signs in Japan. However, a durable economic recovery has yet to be secured and deflationary concerns still remain. It is important that macroeconomic

policies continue to be supportive until recovery in private demand is firmly established; structural reforms, especially through sustained financial and corporate sector restructuring, will be crucial in boosting confidence and paving the way for a return to sustained growth.

4. While welcoming the increases in oil production that will help stabilize oil prices and support continuing non-inflationary growth in global output, the Committee notes that the current outlook is still vulnerable in several respects. In particular, substantial differences in economic performance continue to contribute to external imbalances. Against this background, the Committee stresses the importance of the policy priorities outlined above, which would help to promote a smooth transition toward a more sustainable and balanced pattern of economic growth.

5. The Committee notes that the strong performance in North America and the increase in growth in western Europe have provided a more supportive environment for growth elsewhere in the world:

- in Asia, China and India have continued to grow rapidly; and economic recovery in the crisis-affected countries has gained significant momentum. In most countries, macroeconomic policies should still be directed toward providing support for recovery. However, in the countries where recovery is most advanced, policies should turn to strengthening the conditions for sustainable growth. The Committee urges all countries to maintain the momentum behind their structural reform efforts;
- in Latin America, the downturn in 1999 was generally milder than initially foreseen, and signs of a broad-based recovery are already evident in the context of further declines in inflation. However, further fiscal consolidation remains a priority, especially in those cases where external financing requirements remain large;
- Russia's economic performance has improved, with economic growth attributable in part to higher oil prices and the 1998 devaluation, as well as macroeconomic policies. Growth in Russia will be sustained only if major strides are made to strengthen institutions, especially the rule of law, and to create an attractive environment for domestic and foreign investors, thus tackling the issue of capital flight. Economic conditions are also strengthening in other transition economies; and
- the recent recovery in oil prices and in some other commodity markets are providing support to many countries' own efforts in the Middle East and Africa. These countries have an opportunity to accelerate economic reforms and diversification. Other countries have performed less well for a variety of reasons, including inappropriate policies, unfavorable weather conditions, or continued conflict. The Committee encourages these countries to strengthen their adjustment efforts with the help of the international community.

6. The Committee reiterates the critical importance of open and competitive markets as a key component of efforts to sustain growth and stability in the global economy and to reduce poverty. Improving access to industrial country markets for products of developing countries will be crucial to support their reform efforts. The Committee welcomes the initiation of WTO negotiations in agriculture and services, and supports the early launch of a new round of multilateral trade negotiations, which would bring benefits to all countries, including the poorest. The Committee calls on the IMF to continue to work with the World Bank, the WTO, and other interested parties to improve the effectiveness of trade-related technical assistance and to build institutional capacity. It encourages the Fund to give appropriate emphasis to trade policy reforms in its policy advice to all its members, including under Fund-supported programs, and in country poverty reduction strategies.

Review of Fund Facilities

7. The Committee agrees that the Fund's financial operations should continue to adapt to the changing nature of the global economy, including the rapid growth and integration of international capital markets. Against this background, the Committee welcomes the progress that has been made in reviewing the Fund's non-concessional facilities. It endorses the Board's decision to simplify the array of IMF facilities by eliminating four facilities—the Currency Stabilization Fund, support for commercial bank Debt and Debt Service Reduction, the Buffer Stock Financing Facility, and the contingency element of the Compensatory and Contingency Financing Facility—and by streamlining the Compensatory Financing Facility.

8. The Committee has set out a number of principles that should underpin this review, including the need to preserve the Fund's ability to provide and catalyze financial support to all member countries according to individual country circumstances, and with due consideration of social implications. The Fund's facilities should encourage countries to adopt strong ex ante measures to prevent crises, including, where appropriate, observance of internationally agreed codes and standards, and the maintenance of good relations with private creditors. The Fund must retain the ability to help countries respond quickly and effectively to short-run balance of payments problems. In defined circumstances where balance of payments difficulties are expected to be of a long-term nature, the Fund will also need to be able to support reforms that deal with structural problems, while encouraging countries to move toward sustainable access to, and reliance on, private capital. The Fund must also be able to respond rapidly and on an appropriate scale to crises of capital market confidence, and it should do so on terms that mitigate moral hazard and encourage rapid repayment. In this context, the IMF should take appropriate steps to involve the private sector in forestalling and resolving crises.

9. With these principles in mind, the Committee asks the Executive Board to continue its review of these issues and, in particular, to consider the policies on the maturity, pricing structure, and other aspects of existing facilities, with a view to ensuring that they provide the right incentives, in particular by enhancing the effectiveness of the CCL, without compromising the initial eligibility criteria, and by avoiding unduly prolonged use of resources provided under the SBA and EFF. The Committee asks the Executive Board to secure rapid progress and to report at the Committee's next meeting.

Safeguards and Misreporting

10. The Committee affirms that, while episodes of misreporting of information to the Fund or allegations of misuse of Fund resources have been few, such incidents are nonetheless extremely serious and undermine the trust that binds the

Fund and its members, as well as public confidence in the Fund. The Committee therefore welcomes the Board's adoption of a strengthened framework of measures to safeguard the use of Fund resources, pursuant to the Interim Committee's call in September 1999, and to deter misreporting and misuse of Fund resources. The Committee stresses that the forceful application of the strengthened framework is critical to enhancing the integrity of the Fund's financial operations.

11. The Committee especially welcomes the Board's decision to adopt the new framework for the conduct of safeguards assessments. It also welcomes the requirement that all countries making use of Fund resources will publish annual central bank financial statements that are independently audited in accordance with internationally accepted standards. The Committee also welcomes the decisions to broaden the application of tools for addressing misreporting when it comes to light, including by applying the Guidelines on Misreporting to prior actions and other essential information, lengthening the two-year limitation period, and making public the relevant information in cases of misreporting, in line with the Board's decision. It agrees that the effectiveness of this policy be reviewed after 12 to 18 months.

Private Sector Involvement

12. The Committee underscores the importance of prevention as the first line of defense against crises. Countries participating in international capital markets and their private creditors should seek, in normal times, to establish a strong, continuous dialogue. Collective action clauses could have an important role to play in facilitating orderly crisis resolution.

13. The IMF has an important role to play with regard to crisis resolution. The Committee agrees that the approach adopted by the international community should provide for flexibility to address diverse cases within a framework of principles and tools, and be based on the IMF's assessment of a country's underlying payment capacity and prospects of regaining market access.

14. In some cases, the combination of catalytic official financing and policy adjustment should allow the country to regain full market access quickly. In some cases, emphasis should be placed on encouraging voluntary approaches, as needed, to overcome creditor coordination problems. In other cases, the early restoration of full market access on terms consistent with medium-term external sustainability may be judged to be unrealistic, and a broader spectrum of actions by private creditors, including comprehensive debt restructuring, may be warranted to provide for an adequately financed program and a viable medium-term payments profile.

15. In those cases where debt restructuring or debt reduction may be necessary, the Committee agrees that IMF-supported programs should put strong emphasis on medium-term sustainability and should strike an appropriate balance between the contributions of the private external creditors and the official external creditors, in light of financing provided by international financial institutions. The Committee notes the need to aim for fairness in the treatment of different classes of private creditors, and that private sector involvement should proceed on the basis that no class of creditors should be considered inherently privileged. The IMF should review the country's efforts to secure needed contributions from private creditors in light of these considerations, as well as medium-term sustainability. The responsibility for negotiation with creditors is placed squarely with debtor countries. The international financial community should not micromanage the details of any debt restructuring or debt reduction negotiation.

16. The Committee agrees that the IMF should consider whether private sector involvement is appropriate in programs supported by the Fund. In this regard, the Committee also agrees on the need to provide greater clarity to countries about the terms and conditions of their programs. When all relevant decisions have been taken, the Fund should set out publicly how and what policy approaches have been adopted.

Review of Surveillance; Links between Surveillance and Standards and Codes

17. The Committee welcomes the recent internal review of Fund surveillance, which built upon the June 1999 external evaluation. Progress is being made in adapting surveillance to changing global realities and to strengthening it in key areas, including financial sector issues, and external debt and capital account developments. The Committee also welcomes the sharper focus on exchange rate policies, and their consistency with underlying macroeconomic and other policies, and institutional arrangements. Issues outside the traditional core areas of surveillance should generally be considered when they are likely to have a significant impact on macroeconomic and financial stability. The Committee urges that the Fund improve further its multilateral surveillance by taking account of international implications of national policies. The Committee notes the importance of the provision of comprehensive, timely, high quality, and accurate information to the Fund in line with the SDDS and GDDS, and calls upon the Fund to help and encourage members in adopting and meeting these standards.

18. The Committee agrees that the Fund's focus on financial vulnerabilities must be strengthened further, and supports vulnerability analyses in IMF surveillance. To this end, the Committee: (i) encourages the further development and integration of indicators of country financial vulnerability in the IMF's ongoing surveillance and operational work; (ii) calls on the IMF, in collaboration with the World Bank, to complete promptly guidelines on sovereign debt management; and (iii) asks the Board to work further on how to incorporate into surveillance and technical assistance the work under way on the policy on official reserves.

19. The Committee welcomes the work of the Fund and the Bank in preparing Reports on the Observance of Standards and Codes (ROSCs) and in implementing the pilot Financial Sector Assessment Program (FSAP) that could serve as the primary basis for enhancing the Fund's monitoring of the financial sector in the context of Article IV surveillance through Financial System Stability Assessments (FSSAs). It endorses the decision to continue the FSAP and expand the coverage to 24 countries on a voluntary basis for the coming year. The Committee looks forward to a report on the progress with these programs at its next meeting.

20. The Committee recognizes the importance of adherence to international standards and codes of good practice in improving the policy environment and in reducing countries' macroeconomic and financial vulnerability. It reaffirms that the adherence to such codes is voluntary. The Committee

agrees that the Article IV surveillance process provides the appropriate framework within which to organize and discuss with national authorities the implications of assessments of adherence to standards and codes, and calls upon the Executive Board to agree on the modalities. The Committee also recognizes the possible need for technical assistance to help meet relevant standards. Fund surveillance will be the principal mechanism through which the results of many initiatives under way in the IMF and elsewhere to strengthen the international monetary system will come together, including in the areas of standards and codes, financial system assessments, data provision, and transparency. This will pose new challenges for the Fund, especially on how to draw on the work and special expertise of other institutions in its surveillance. In this regard, the Committee welcomes the work that has been done by the Fund—in collaboration with the World Bank and other relevant bodies—to encourage the adoption of standards and codes. It looks forward to the results of the pilot exercise on the preparation of ROSCs, and encourages the publication of ROSCs on a voluntary basis. The Committee encourages the Executive Board to continue its work on how to incorporate into surveillance the results of these various initiatives, and looks forward to a review of progress at its next meeting.

21. The Committee welcomes the progress made in the Fund and other fora in developing and strengthening standards and codes for data dissemination; for transparency in fiscal, monetary, and financial policies; for banking supervision; and for securities and insurance regulation. It urges the Fund to continue with this work, including through outreach activities, and with the provision of technical assistance.

22. The Committee takes note of the reports of the Financial Stability Forum (FSF) Working Groups on highly leveraged institutions, offshore financial centers, and capital flows, and the report on standards and codes. It welcomes the work done by the FSF, and requests the Executive Board to undertake an assessment of the recommendations relevant to the Fund.

Transparency and Accountability

23. The Committee reiterates the importance it attaches to greater transparency in policy making in improving the functioning of national economies as well as the international financial system. It also underscores the importance of enhanced transparency and accountability of the international financial institutions themselves. In this regard, the Committee welcomes continuing progress in a number of areas:

- the widespread release—currently in 80 percent of cases—of Public Information Notices following Article IV consultations and of letters of intent and other program documents underpinning Fund financial programs; and the issuance of Chairman's statements following Executive Board discussions of use of Fund resources;
- the voluntary participation of 60 countries (compared with the initial target of 20) in the pilot project for the release of Article IV staff reports;
- the expanded publication of information on the Fund's liquidity position, members' accounts with the Fund, and the Fund's quarterly financial transactions plan;
- the systematic publication of policy documents in a wide range of areas to encourage public comment and discussion;
- the publication, under the pilot study for the preparation of ROSCs, of modules for 11 countries, and the modules for an additional 20 countries now under preparation; and
- the publication of the Executive Board's Work Program.

24. The Committee encourages further actions to make the policies of the Fund, and members' policies, more transparent without compromising the Fund's role as confidential advisor.

25. The Committee welcomes the decision by the Fund to establish an independent evaluation office, which will complement the Fund's ongoing internal audit and self-evaluation activities. It urges the Executive Board to agree on the terms of reference, structure, staffing, and operating procedures, and to report back to the Committee at its next meeting. The Committee looks forward to regular reports on the activities of the office to future IMFC meetings.

The HIPC Initiative and Poverty Reduction and Growth Strategies

26. The Committee notes the recent progress in implementing the enhanced HIPC Initiative, which is aimed at providing faster, deeper, and broader debt relief and strengthening the link between debt relief and poverty reduction. It urges all those with a stake in the HIPC Initiative to work for faster and effective implementation, and to give the HIPC process the highest priority so that as many countries as possible can reach the decision point by the end of the year. The Committee welcomes the establishment of a Bank/Fund Joint Implementation Committee to facilitate implementation of the HIPC Initiative and the poverty reduction strategy process. In this connection, it welcomes the decision to provide regular reports on progress in country cases to the two Executive Boards.

27. The Committee welcomes the progress made in developing country-owned poverty reduction strategies as the framework for Fund and World Bank concessional lending and for linking debt relief under the enhanced HIPC Initiative to concrete poverty reduction programs and growth strategies, so as to ensure that the resources freed are directed to key poverty reduction measures. The Committee urges all countries involved to move ahead as quickly as possible with the preparation of Poverty Reduction Strategy Papers (PRSPs) in a participatory manner, integrating priority measures for poverty reduction and structural reforms within a growth-oriented macroeconomic framework.

28. The Committee reiterates that macroeconomic stability, transparent management of public resources, and good governance are essential for achieving sustainable growth and poverty reduction. The Fund has a critical role to play in helping countries adopt and implement appropriate macroeconomic policies. The Committee welcomes the clear delineation of the cooperative but distinct roles of the Fund and Bank, and notes that the Fund will rely on the Bank to lead in helping countries to develop policies to combat poverty and improve social conditions.

29. The Committee reaffirms the importance of the principle of full participation in the HIPC Initiative by all creditors. In this respect, it calls on all bilateral creditors to play their part, while recognizing the need for flexibility in exceptional cases. It stresses that debt relief can be effective only if it complements and reinforces sound policies implemented by HIPC countries and leads to an increase in resource flows. It

welcomes the decisions adopted by the Executive Board, and the actions taken by many members, to ensure the financing for the Fund's participation in the HIPC Initiative and for the Poverty Reduction and Growth Facility (PRGF). It encourages all members and multilateral institutions to complete this process as soon as possible.

Tribute to Michel Camdessus

30. The members of the Committee unanimously pay tribute to Mr. Michel Camdessus for the vision, skill, and energy with which he led the International Monetary Fund as Managing Director through 13 years of unprecedented challenges. Over this period, international monetary and financial cooperation was tested by the growing openness of the world economy; the rapid spread of market economy principles throughout much of the world; financial crises of unexpected virulence and scope; and the growing danger of marginalization of the poorest economies. Under his leadership, the IMF moved on many fronts—strengthening surveillance; launching greater openness and transparency; and introducing innovative financial facilities to help resolve the debt crisis of the 1980s and the financial crises of the 1990s, and, through the establishment of the Enhanced Structural Adjustment Facility (now the Poverty Reduction and Growth Facility), to support and sustain the integration of the Fund's low-income members into the world economy. The members of the Committee wish to record their deep appreciation of Mr. Camdessus' many contributions, which were always marked by his personal enthusiasm and optimism, and his characteristic blend of commitment to financial discipline with devotion to alleviating the hardships of the most vulnerable.

31. The Committee warmly welcomes the appointment of Mr. Horst Köhler as the new Managing Director, and expresses its deep gratitude to Mr. Stanley Fischer for his stewardship of the Fund in the interim.

32. The next meeting of the IMFC will be held in Prague on September 24, 2000.

Annex: International Monetary and Financial Committee Attendance April 16, 2000

Chairman

Gordon Brown

Acting Managing Director

Stanley Fischer

Members or Alternates

Hamad Al-Sayari, Governor, Saudi Arabian Monetary Agency (Alternate for Ibrahim A. Al-Assaf, Minister of Finance and National Economy, Saudi Arabia)

Giuliano Amato, Minister of the Treasury, Budget and Economic Planning, Italy

Eddie George, Governor, Bank of England (Alternate for Gordon Brown, Chancellor of the Exchequer, United Kingdom)

Rod Kemp, Assistant Treasurer, Australia (Alternate for Peter Costello, Treasurer, Australia)

Xiao Gang, Deputy Governor, People's Bank of China (Alternate for Dai Xianglong, Governor, People's Bank of China)

Cristóbal Montoro, Secretary of State for Economy, Spain (Alternate for Rodrigo de Rato Figaredo, Second-Vice President and Minister of Economy and Finance, Spain)

N'Golo Coulibaly, Minister of Economy and Finance, Côte d'Ivoire (Alternate for Emile Doumba, Minister of Finance, Economy, Budget and Privatization, Gabon)

Hans Eichel, Federal Minister of Finance, Germany

Laurent Fabius, Minister of Economy, Finance and Industry, France

Viktor Gerashchenko, Chairman, Central Bank of the Russian Federation

Abdelouahab Keramane, Governor, Banque d'Algérie

Mohammed K. Khirbash, Minister of State for Finance and Industry, United Arab Emirates

José Luis Machinea, Minister of Economy, Argentina

Pedro Sampaio Malan, Minister of Finance, Brazil

Trevor A. Manuel, Minister of Finance, South Africa

Gordon Thiessen, Governor, Bank of Canada (Alternate for Paul Martin, Minister of Finance, Canada)

Masaru Hayami, Governor, Bank of Japan (Alternate for Kiichi Miyazawa, Minister of Finance, Japan)

Sauli Niinistö, Minister of Finance, Finland

Didier Reynders, Minister of Finance, Belgium

Yashwant Sinha, Minister of Finance, India

Lawrence H. Summers, Secretary of the Treasury, United States

Kaspar Villiger, Minister of Finance, Switzerland

A.H.E.M. Wellink, President, De Nederlandsche Bank (Alternate for Gerrit Zalm, Minister of Finance, Netherlands)

Mrs. Zeti Akhtar Aziz, Deputy Governor, Bank Negara Malaysia

Observers

Yilmaz Akyuz, Chief, Macro-Economics and Development Policies, UNCTAD

Andrew D. Crockett, Chairman, FSF

Willem F. Duisenberg, President, ECB

André Icard, Assistant General Manager, BIS

Donald J. Johnston, Secretary-General, OECD

Ian Kinniburgh, Director, Development Policy Analysis Division, UN

Eddy Lee, Director, International Policy Group, ILO

Michael Moore, Director-General, WTO

Pedro Solbes Mira, Commissioner in charge of Economic and Monetary Affairs, European Commission

James D. Wolfensohn, President, World Bank

Joint Ministerial Committee of the Boards of Governors of the Bank and the Fund on the Transfer of Real Resources to Developing Countries (Development Committee)

PRESS COMMUNIQUÉS

Sixtieth Meeting, Washington, D.C., September 27, 1999

1. The sixtieth meeting of the Development Committee was held in Washington, D.C., on September 27, 1999 under the chairmanship of Mr. Tarrin Nimmanahaeminda, Minister of Finance of Thailand.

2. **Heavily Indebted Poor Countries Debt Initiative (HIPC) and Enhanced Poverty Focus of IDA and ESAF Supported Programs.** Ministers expressed their appreciation to the Bank and the Fund for the transparent and participatory manner in which they conducted the 1999 HIPC Initiative review. They welcomed the important role played by civil society in the development of proposals designed to make the debt relief under the HIPC Initiative deeper, broader and faster.

3. Ministers endorsed—subject to the availability of funding—the enhancements to the HIPC Initiative framework for countries pursuing sound policies and committed to reform. In this context, they expressed support for: (i) a lowering of the debt sustainability thresholds to provide a greater safety cushion and increased prospects for a permanent exit from unsustainable debt; (ii) the provision of faster debt relief through interim assistance; (iii) the introduction of floating completion points that would shift the focus of assessment toward positive achievements and outcomes rather than the length of track record; and (iv) the resulting increase in the number of countries expected to be eligible for debt relief.

4. Ministers also endorsed the proposed framework for strengthening the link between debt relief and poverty reduction, while recognizing that debt relief alone would be insufficient to achieve this goal. In this context, they welcomed the proposed Poverty Reduction Strategy Papers, to be prepared by national authorities in close collaboration with Bank and Fund staff. They stressed that the Poverty Paper should be in place by the decision point; they recognized, however, that on a transitional basis the decision point could be reached without agreement on a Poverty Paper, but in all cases demonstrable progress in implementing a poverty reduction strategy would be required by the completion point.

5. Ministers also welcomed and endorsed the proposals developed by the Bank and Fund to extend the same approach to enhance the poverty focus of all IDA and ESAF supported programs, and to strengthen collaboration between the two institutions. The Committee emphasized that the strategies set out in the new Poverty Papers should be country-driven, be developed transparently with broad participation of elected institutions, stakeholders including civil society, key donors and regional development banks, and have a clear link with the agreed international development goals—principles that are embedded in the Comprehensive Development Framework. They stressed in particular the need to develop macroeconomic, structural and social policies that will contribute to long-term poverty reduction, and the need to develop measurable intermediate and outcome indicators to monitor progress. Ministers stressed the crucial role good governance plays in HIPC implementation in establishing a framework that discourages corruption and provides more effective monitoring and quality control over fiscal expenditures. Ministers called on the Bank and Fund, in accordance with their respective mandates and expertise, to give all possible assistance to countries in bringing together the necessary social, structural and macroeconomic policies required in developing poverty reduction strategies, recognizing the countries' capacity constraints. The Poverty Papers would provide the basis for all IDA and Fund lending to low-income countries. Ministers also encouraged regional development banks and donors to use the Poverty Papers to guide their support.

6. Ministers welcomed the proposed reform of the ESAF aimed at giving greater prominence to the goal of supporting countries' poverty reduction efforts and the proposed renaming of the facility as the Poverty Reduction and Growth Facility. Recognizing that the new approach will involve substantial changes in Bank and Fund operations to combat poverty, and the need to tailor the approach to individual country circumstances and to learn quickly from experience in early cases, the Committee strongly welcomed the commitments of the President and Managing Director to its effective implementation. Ministers looked forward to receiving reports on progress achieved.

7. Ministers reaffirmed the importance of implementing the enhanced HIPC Initiative framework in accordance with the principles that have guided the Initiative since its inception, including (i) additionality of debt relief (ii) the maintenance of the financial integrity of multilateral financial institutions, and (iii) the importance of burden sharing on a fair and equitable basis, including of the costs to multilateral institutions. They agreed financing of debt relief should not compromise the financing made available through concessional windows such as IDA. Ministers expressed appreciation for the many contributions to the HIPC Initiative made thus far, and for the efforts made by multilateral development institutions to provide funding for the Initiative from their own resources. Ministers recognized that most of these institutions will need bilateral support on an urgent basis in order to meet the additional costs resulting from the proposed enhanced framework and to enable them to implement the Initiative rapidly. The Committee welcomes the agreement on the financing of the IMF's participation in the HIPC Initiative and continued concessional lending by the IMF for growth and poverty reduction in low income member countries.

8. Ministers also welcomed agreement on the elements of a financing plan for multilateral development banks that respect the above principles. This will permit the Enhanced HIPC Framework to be launched and the delivery of debt relief to begin for those countries requiring retroactive relief and those expected to reach their decision points over the near term. They asked the World Bank to work actively and closely with the whole group of donors and other MDBs to ensure that financing is mobilized to fully fund HIPC debt relief over the longer term.

9. Ministers also welcomed the agreement by the Paris Club to increase its debt relief under the enhanced framework by providing increased debt reduction in NPV terms up to 90 percent or more, if needed, on commercial loans as well as additional relief on ODA claims—up to full cancellation—on a bilateral basis.

10. Ministers welcomed the continuing progress in the implementation of the Initiative, noting that to-date 14 countries have been considered under the Initiative—with four brought to their completion points. The Committee urged the speedy implementation of the enhanced Initiative so that as many countries as possible qualify for assistance under the Initiative by end 2000.

11. **IBRD Capital Adequacy.** Ministers reviewed a report from the World Bank that reflected ongoing discussions by the Bank's Executive Board and management on options to maintain and support the IBRD's financial capacity. The Committee agreed with the report's finding that the Bank's finances remain sound. Ministers also recognized that the Bank's financial capacity may limit its ability to respond to future demands, especially when there was a deterioration in the global financial environment. Ministers requested management and the Executive Board to continue their examination of the level of financial capacity needed to preserve the IBRD's financial integrity while permitting it to help meet, within its mandate, the development needs of borrowing member countries. Ministers requested that the Bank report regularly to the Committee on these issues.

12. **Developing and Transition Countries and the International Trade Agenda.** The Committee noted that effective development and trade policy have become increasingly intertwined. They emphasized the importance of trade to development, poverty alleviation and sustained global economic recovery. Ministers also emphasized that the next round of trade negotiations needed to deliver early and substantial benefits for developing and transition countries, in particular for the least developed countries. This would require improved market access and further reducing barriers to trade. They stressed that if developing and transition countries are to use the international trading system effectively to promote growth and reduce poverty they will need to become active partners in the next round of trade negotiations. Ministers welcomed the commitment of the new Director-General of the World Trade Organization (WTO), Mr. Mike Moore, to achieve this goal and urged the World Bank, the Fund, WTO, UNCTAD and other agencies to help developing and transition countries build their capacity to participate in further rounds of negotiations. The Committee called on the World Bank, IMF and WTO to cooperate with other parties in developing effective programs of capacity building for trade, including through the Integrated Framework for Trade Related Technical Assistance for the Least Developed Countries. The Bank, in particular, could provide financial and technical support to improve trade-related infrastructure and institutions, helping to build capacity in domestic institutions involved in trade policy and negotiations, and undertaking research on trade barriers to developing countries' exports.

13. **World Bank Support for Strengthening International Financial Architecture.** Ministers welcomed the role the World Bank Group is playing to help strengthen the global financial architecture to reduce the risk and severity of financial crises, and to reduce the vulnerability of developing countries to crises when they occur. The Committee stressed that at the country level the Bank's primary focus, given the objective of preventing crises, should be on assisting developing countries to strengthen their domestic financial markets and their integration with the global financial system. This should be done through helping countries overcome structural and social sources of vulnerability and build the needed policy and institutional capacity. Given the breadth and complexity of the agenda, Ministers encouraged the Bank and the Fund to focus on their areas of comparative strength while developing partnerships with other international institutions. Ministers welcomed progress in the joint Bank/Fund program of financial sector assessments and the Bank's program of Social and Structural Reviews. They also welcomed the proposed enhanced collaboration with the IMF in assisting interested countries to assess their progress in implementing a range of international norms and good practices, with due consideration to differing country conditions. The Committee encouraged the Bank to continue to bring developing country experience and perspectives to the international debate. In this context, they noted the establishment of a global forum on corporate governance, launched in collaboration with the OECD, and the Bank's supportive role for work on insolvency, accounting and auditing.

14. Ministers welcomed the Bank's help to developing countries on social issues, as well as its report on managing the social dimensions of crises and good practices in social policies. They encouraged the Bank to continue to develop this work and draw on it in supporting countries' poverty reduction efforts. The Bank should accumulate and disseminate knowledge of good practices to help guide countries seeking to create institutions and implement policies that will forestall and mitigate the social costs of economic shocks and protect the most vulnerable.

15. Ministers welcomed the steps being taken to strengthen the work of the Development and Interim Committees, both to better reflect the enhanced level of cooperation between the Bank and the Fund and to reduce duplication in the committees' agendas. They encouraged the Bank and Fund to continue to review experience in this area.

16. **Next Meeting.** The Committee's next meeting is scheduled for April 17, 2000 in Washington, D.C.

Sixty-First Meeting, Washington, D.C., April 17, 2000

1. The sixty-first meeting of the Development Committee was held in Washington, D.C., on April 17, 2000 under the chairmanship of Mr. Tarrin Nimmanahaeminda, Minister of Finance of Thailand. The Committee's deliberations took place against the background of growing public debate about the appropriate roles of international institutions at a time when governments and people throughout the world confront the opportunities and rapid changes brought about by globalization. In their discussions of how to strengthen efforts to reduce poverty, to intensify the attack on HIV/AIDS, and to expand the benefits of trade to all countries, Ministers emphasized the importance they attach to preserving and further strengthening the family of multilateral institutions as a powerful force for global progress, equity and stability.

2. **Intensifying Action Against HIV/AIDS**. Ministers emphasized that the HIV/AIDS epidemic, which has already

infected about 50 million people, is not only a very serious public health concern and the cause of great human suffering, but a severe danger to development progress itself. Ministers recognized that HIV/AIDS weakens economic growth, governance, human capital, labor productivity, and the investment climate, thereby undermining the foundations of development and poverty reduction. Ministers noted that the epidemic now poses not only an acute danger to development in Sub-Saharan Africa, but is a rapidly growing threat in Asia and the Caribbean, and a probable threat in many Eastern European countries and elsewhere as well. As HIV spreads quickly, even countries with currently low infection rates cannot afford to delay strengthening anti-HIV/AIDS programs.

3. In view of this alarming situation, the Committee called for rapid intensification of international action on the global HIV/AIDS crisis. Given the urgency of prevention and the vast needs for care and treatment, the Committee stressed the importance of effective partnerships to encourage each actor in the international system to focus on its comparative strength. Ministers urged governments, international agencies, civil society, the media and the private sector, including the pharmaceutical industry, to step up their efforts, building on experience gained in on-going activities. They urged developing and transition countries to increase their political and economic commitment to combating HIV/AIDS, to address the epidemic on a multisectoral basis, to scale up programs to nationwide—and in some cases regional—scope, to strengthen the primary health care systems needed for effective delivery of services, and to provide more resources directly to local communities. The Committee encouraged industrialized countries and international organizations to mainstream HIV/AIDS in their development programs and to devote increased financial and institutional resources on a scale commensurate with the scope of the crisis. Ministers recognized that support for capacity building is particularly important in addressing this long-lasting development problem.

4. Ministers welcomed the World Bank's expanded efforts against HIV/AIDS, in particular its active participation in the UNAIDS partnership, its new HIV/AIDS strategy for Africa, and its work with the Global Alliance for Vaccines and Immunizations (GAVI). They urged the Bank to intensify its HIV/AIDS work on a global basis, focusing on its areas of expertise, and called on the Bank and the Fund to take full account of HIV/AIDS in their support for poverty reduction strategies and the HIPC Initiative.

5. **Trade, Development and Poverty Reduction**: Ministers emphasized the critical importance of trade for development and poverty reduction. They noted that accelerated and sustainable growth is a necessary condition for reducing poverty, and that more open economies tend to grow faster than closed ones; evidence suggests that substantial benefits could be gained from further liberalization of trade regimes in both developed and developing (including transition) countries. Ministers recognized that developed countries have much to do to improve market access for developing countries' exports (e.g. agriculture, textiles). Developing countries need to implement appropriately sequenced outward-oriented reforms that will permit trade expansion to promote development and poverty reduction. Ministers noted that the majority of the poorest countries lag behind in their integration into the world trading system. Additional domestic and international reforms are needed, including special consideration of enhanced market access for these countries (e.g. by extending comprehensive and predictable duty- and quota-free market access). Ministers also noted the potential of regional integration to help developing countries increase their share in global markets. Ministers strongly endorsed a timely initiation of WTO multilateral trade negotiations that address, *inter alia*, issues of most concern to developing countries.

6. Ministers emphasized that countries should ensure that their efforts to expand trade are integrated into a comprehensive framework for development that includes the necessary complementary reforms and investment in institutions, infrastructure and social programs. Ministers endorsed the commitment of the World Bank and the IMF to use their programs to support these efforts, which are increasingly reflected in countries' poverty reduction strategies. Ministers reiterated their call on the Bank, the Fund and WTO to cooperate with other parties in developing effective programs of capacity building for trade, including through an improved Integrated Framework for Trade Related Assistance for the Least Developed Countries. The Committee urged the Bank to mainstream trade in its country assistance programs by providing greater financial and technical support to improve trade-related infrastructure and institutions, including building domestic capacity for trade policy and negotiations, and by undertaking a strengthened research program on, *inter alia*, trade barriers to developing country exports, the issues developing countries face in implementing the Uruguay Round Agreement and the complex links between trade and poverty.

7. **Heavily Indebted Poor Countries Debt Initiative (HIPC)**: Ministers noted the progress made in implementing the enhanced HIPC framework endorsed by the Committee at its last meeting. Five countries—Bolivia, Mauritania, Mozambique, Tanzania and Uganda—have thus far reached their decision points under this new framework, bringing total committed debt relief under the HIPC Initiative to more than $14 billion; moreover, up to fifteen additional country cases could be considered by the Bank and Fund Executive Boards this year. Ministers encouraged the governments of HIPC-eligible countries to continue to work closely with the Bank and Fund and other partners in pursuing sound policies and delivering effective reform programs so that the delivery of HIPC debt relief, and the related poverty reduction strategies, can move forward as swiftly as possible. The Committee welcomed the establishment by the Bank and the Fund of a joint implementation committee (JIC) to facilitate effective implementation of the enhanced HIPC Initiative and the new poverty reduction strategy approach.

8. Ministers appreciated that participation in the enhanced framework had now been approved by the governing bodies of a majority of multilateral institutions, although they recognized that successful implementation of the Initiative will depend upon the timely availability of adequate financing to meet their full debt relief costs. While these institutions were encouraged to utilize their own resources for this purpose to the greatest extent possible, Ministers recognized that many multilateral institutions needed additional bilateral support on an urgent basis. Ministers welcomed donor pledges and commitments of resources, including those announced since September, and urged that these pledges be turned into actual commitments as soon as possible. They also recognized that

even with these pledges, the Initiative remains under-funded. Donors that had not yet done so were urged to make generous contributions to the HIPC Trust Fund. Ministers reiterated the need to ensure that debt relief does not compromise the financing from concessional facilities such as IDA. Ministers also reiterated the importance of the principle that all bilateral creditors should participate fully in the provision of relief under the enhanced Initiative, while recognizing the need for flexibility in exceptional cases.

9. **Poverty Reduction Strategies**: Ministers welcomed progress in implementation of the Poverty Reduction Strategy approach. The Committee had endorsed this approach at its last meeting as a means to strengthen the link between debt relief, and external assistance more generally, and poverty reduction, and to enhance the poverty focus of all Bank and Fund concessional lending. Ministers noted that many governments in low-income countries had begun to develop, through transparent and participatory processes, country-owned, comprehensive strategies that addressed key issues in tackling poverty, such as equitable growth, governance and corruption, and institution and capacity building. Ministers welcomed the steps taken by governments to develop and implement interim strategies that permit HIPC debt relief and concessional lending to be provided while governments prepare more comprehensive poverty reduction strategies.

10. Recognizing that this approach involves new ways of assisting low-income countries, Ministers urged the Fund and Bank to allocate adequate resources to support the PRSP process. The institutions were urged to continue to work collaboratively with member countries and other development partners to develop full poverty reduction strategies, integrated with macroeconomic and fiscal policies. These strategies should incorporate lessons learned as implementation proceeds, including concentration on a limited number of clear, realistic and measurable performance targets and including those related to the International Development Goals. As poverty reduction strategies need to be mainstreamed, Ministers emphasized they should be fully integrated into countries' budget cycles. They also emphasized the importance of increased efforts, including both technical assistance and funding, to improve statistics and other data and the analytical skills at the country level needed to make the approach a success. Moreover, they encouraged bilateral and multilateral agencies to support governments in the preparation of their strategies. These agencies were also encouraged to participate in the discussion of the design of these strategies with the objective of increasingly aligning their assistance programs to these strategies as they are put in place, thereby strengthening donor coordination and reducing excessive burdens on developing country governments.

11. **Report of the Commonwealth Secretariat/World Bank Joint Task Force on Small States:** Ministers welcomed the report to the Development Committee and its analysis of the special characteristics of small states that make them particularly vulnerable, while noting that a number of larger states shared some or all of the same characteristics. They noted the report's conclusions that tackling small states' development challenges will take a combination of correct domestic policy action, continued external assistance, and where achievable, improvements in the external environment. They also noted the report's recommendation that the circumstances of small states should be taken into account in the policies and programs of the multilateral trade, finance and development organizations. The Committee supported World Bank and IMF proposals for their future work programs on the issues of small states, as set out in the report, and agreed that these steps could make a valuable contribution in helping small states face their development challenges.

12. **International Financial Architecture—Role of the World Bank**: Ministers welcomed the Bank's continuing contribution to global efforts to reduce the risk, and mitigate the impact, of future financial crises, noting that actions and policies that reduce vulnerability to crises also support successful development. The Committee welcomed the close collaboration that had developed between the Bank and the Fund on the program of financial sector assessments, the reports on the observance of standards and codes, and the work on debt management. Ministers encouraged the Bank to make systematic use of these assessments in designing, delivering and mobilizing support for capacity building.

13. **IBRD Financial Capacity**: Ministers reviewed an updated report on this subject from the World Bank and confirmed that the Bank's finances remain sound. At the same time, Ministers recognized that the Bank's financial capacity may at some point limit its ability to respond to future demands. Ministers requested management and the Executive Board to keep this subject under review and continue to report regularly to the Committee.

14. **Next Meeting**: The Committee's next meeting is scheduled for September 25, 2000 in Prague, Czech Republic.

APPENDIX VII

Executive Directors and Voting Power on April 30, 2000

Director *Alternate*	Casting Votes of	Votes by Country	Total Votes[1]	Percent of Fund Total[2]
Appointed				
Karin Lissakers	United States	371,743	371,743	17.35
(Vacant)				
Yukio Yoshimura	Japan	133,378	133,378	6.22
Haruyuki Toyama				
Bernd Esdar	Germany	130,332	130,332	6.08
Wolf-Dieter Donecker				
Jean-Claude Milleron	France	107,635	107,635	5.02
Gilles Bauche				
Stephen Pickford	United Kingdom	107,635	107,635	5.02
Stephen Collins				
Elected				
Willy Kiekens (Belgium)	Austria	18,973		
Johann Prader (Austria)	Belarus	4,114		
	Belgium	46,302		
	Czech Republic	8,443		
	Hungary	10,634		
	Kazakhstan	3,907		
	Luxembourg	3,041		
	Slovak Republic	3,825		
	Slovenia	2,567		
	Turkey	9,890	111,696	5.21
J. de Beaufort Wijnholds (Netherlands)	Armenia	1,170		
Yuriy G. Yakusha (Ukraine)	Bosnia and Herzegovina	1,941		
	Bulgaria	6,652		
	Croatia	3,901		
	Cyprus	1,646		
	Georgia	1,753		
	Israel	9,532		
	Macedonia, FYR	939		
	Moldova	1,482		
	Netherlands	51,874		
	Romania	10,552		
	Ukraine	13,970	105,412	4.92
Agustín Carstens (Mexico)	Costa Rica	1,891		
Hernán Oyarzábal (Venezuela)	El Salvador	1,963		
	Guatemala	2,352		
	Honduras	1,545		
	Mexico	26,108		
	Nicaragua	1,550		
	Spain	30,739		
	Venezuela	26,841	92,989	4.34

Director *Alternate*	Casting Votes of	Votes by Country	Total Votes[1]	Percent of IMF Total[2]
Elected ***(continued)***				
Riccardo Faini (Italy)	Albania	737		
Harilaos Vittas (Greece)	Greece	8,480		
	Italy	70,805		
	Malta	1,270		
	Portugal	8,924		
	San Marino	420	90,636	4.23
Thomas A. Bernes (Canada)	Antigua and Barbuda	385		
Peter Charleton (Ireland)	Bahamas, The	1,553		
	Barbados	925		
	Belize	438		
	Canada	63,942		
	Dominica	332		
	Grenada	367		
	Ireland	8,634		
	Jamaica	2,985		
	St. Kitts and Nevis	339		
	St. Lucia	403		
	St. Vincent and the Grenadines	333	80,636	3.76
Olli-Pekka Lehmussaari (Finland)	Denmark	16,678		
Åke Törnqvist (Sweden)	Estonia	902		
	Finland	12,888		
	Iceland	1,426		
	Latvia	1,518		
	Lithuania	1,692		
	Norway	16,967		
	Sweden	24,205	76,276	3.56
Gregory F. Taylor (Australia)	Australia	32,614		
Jong Nam Oh (Korea)	Kiribati	306		
	Korea	16,586		
	Marshall Islands	275		
	Micronesia, Federated States of	301		
	Mongolia	761		
	New Zealand	9,196		
	Palau	281		
	Papua New Guinea	1,566		
	Philippines	9,049		
	Samoa	366		
	Seychelles	338		
	Solomon Islands	354		
	Vanuatu	420	72,413	3.38
Sulaiman M. Al-Turki (Saudi Arabia)	Saudi Arabia	70,105	70,105	3.27
Ahmed Saleh Alosaimi (Saudi Arabia)				
Kleo-Thong Hetrakul (Thailand)	Brunei Darussalam	1,750		
Cyrillus Harinowo (Indonesia)	Cambodia	1,125		
	Fiji	953		
	Indonesia	21,043		
	Lao People's Democratic Republic	641		
	Malaysia	15,116		
	Myanmar	2,834		
	Nepal	963		
	Singapore	8,875		
	Thailand	11,069		
	Tonga	319		
	Vietnam	3,541	68,229	3.18
José Pedro de Morais, Jr. (Angola)	Angola	3,113		
Cyrus Rustomjee (South Africa)	Botswana	880		
	Burundi	1,020		
	Eritrea	409		

Director *Alternate*	Casting Votes of	Votes by Country	Total Votes[1]	Percent of IMF Total[2]
Elected ***(continued)***				
	Ethiopia	1,587		
	Gambia, The	561		
	Kenya	2,964		
	Lesotho	599		
	Liberia	963		
	Malawi	944		
	Mozambique	1,386		
	Namibia	1,615		
	Nigeria	17,782		
	Sierra Leone	1,287		
	South Africa	18,935		
	Swaziland	757		
	Tanzania	2,239		
	Uganda	2,055		
	Zambia	5,141		
	Zimbabwe	3,784	68,021	3.17
A. Shakour Shaalan (Egypt)	Bahrain	1,600		
Abdelrazaq Faris Al-Faris	Egypt	9,687		
(United Arab Emirates)	Iraq	5,290		
	Jordan	1,955		
	Kuwait	14,061		
	Lebanon	2,280		
	Libya	11,487		
	Maldives	332		
	Oman	2,190		
	Qatar	2,888		
	Syrian Arab Republic	3,186		
	United Arab Emirates	6,367		
	Yemen, Republic of	2,685	64,008	2.99
Aleksei V. Mozhin (Russia)	Russia	59,704	59,704	2.79
Andrei Lushin (Russia)				
Roberto F. Cippa (Switzerland)	Azerbaijan	1,859		
Wieslaw Szczuka (Poland)	Kyrgyz Republic	1,138		
	Poland	13,940		
	Switzerland	34,835		
	Tajikistan	1,120		
	Turkmenistan	1,002		
	Uzbekistan	3,006	56,900	2.66
Murilo Portugal (Brazil)	Brazil	30,611		
Roberto Junguito (Colombia)	Colombia	7,990		
	Dominican Republic	2,439		
	Ecuador	3,273		
	Guyana	1,159		
	Haiti	857		
	Panama	2,316		
	Suriname	1,171		
	Trinidad and Tobago	3,606	53,422	2.49
Vijay L. Kelkar (India)	Bangladesh	5,583		
A. G. Karunasena (Sri Lanka)	Bhutan	313		
	India	41,832		
	Sri Lanka	4,384	52,112	2.43
Abbas Mirakhor	Algeria	12,797		
(Islamic Republic of Iran)	Ghana	3,940		
Mohammed Daïri (Morocco)	Iran, Islamic Republic of	15,222		
	Morocco	6,132		
	Pakistan	10,587		
	Tunisia	3,115	51,793	2.42

Director *Alternate*	Casting Votes of	Votes by Country	Total Votes[1]	Percent of IMF Total[2]
Elected ***(concluded)***				
WEI Benhua (China)	China	47,122	47,122	2.20
JIN Qi (China)				
Ana María Jul (Chile)	Argentina	21,421		
A. Guillermo Zoccali (Argentina)	Bolivia	1,965		
	Chile	8,811		
	Paraguay	1,249		
	Peru	6,634		
	Uruguay	3,315	43,395	2.03
Alexandre Barro Chambrier (Gabon)	Benin	869		
Damian Ondo Mañe (Equatorial Guinea)	Burkina Faso	852		
	Cameroon	2,107		
	Cape Verde	346		
	Central African Republic	807		
	Chad	810		
	Comoros	339		
	Congo, Republic of	1,096		
	Côte d'Ivoire	3,502		
	Djibouti	409		
	Equatorial Guinea	576		
	Gabon	1,793		
	Guinea	1,321		
	Guinea-Bissau	392		
	Madagascar	1,472		
	Mali	1,183		
	Mauritania	894		
	Mauritius	1,266		
	Niger	908		
	Rwanda	1,051		
	São Tomé and Príncipe	324		
	Senegal	1,868		
	Togo	984	25,169	1.17
			2,140,761[3,4]	99.90[5]

[1] Voting power varies on certain matters pertaining to the General Department with use of the IMF's resources in that Department.

[2] Percentages of total votes (2,142,907) in the General Department and the Special Drawing Rights Department.

[3] This total does not include the votes of the Islamic State of Afghanistan and Somalia, which did not participate in the 1998 Regular Election of Executive Directors. The total votes of these members is 2,146—0.10 percent of those in the General Department and Special Drawing Rights Department.

[4] This total does not include the votes of the Democratic Republic of the Congo and Sudan, which were suspended effective June 2, 1994 and August 9, 1993, respectively, pursuant to Article XXVI, Section 2 *(b)* of the Articles of Agreement.

[5] This figure may differ from the sum of the percentages shown for individual Directors because of rounding.

APPENDIX VIII

Changes in Membership of the Executive Board

Changes in membership of the Executive Board between May 1, 1999 and April 30, 2000 were as follows:

Ramon Fernandez (France) relinquished his duties as Alternate Executive Director to Jean-Claude Milleron (France), effective June 18, 1999.

Gilles Bauche (France) was appointed as Alternate Executive Director to Jean-Claude Milleron (France), effective June 19, 1999.

Javier Guzmán-Calafell (Mexico) relinquished his duties as Executive Director for Costa Rica, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Spain, and Venezuela, effective July 11, 1999.

Agustín Carstens (Mexico) was elected Executive Director by Costa Rica, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Spain, and Venezuela, effective July 12, 1999.

M. R. Sivaraman (India) relinquished his duties as Executive Director for Bangladesh, Bhutan, India, and Sri Lanka, effective July 31, 1999.

Vijay L. Kelkar (India) was elected Executive Director by Bangladesh, Bhutan, India, and Sri Lanka, effective August 1, 1999.

Okyu Kwon (Korea) relinquished his duties as Alternate Executive Director to Gregory F. Taylor (Australia), effective September 1, 1999.

Jong Nam Oh (Korea) was appointed as Alternate Executive Director to Gregory F. Taylor (Australia), effective September 2, 1999.

Barry S. Newman (United States) relinquished his duties as Alternate Executive Director to Karin Lissakers (United States), effective September 30, 1999.

Olver Luis Bernal (Colombia) relinquished his duties as Alternate Executive Director to Murilo Portugal (Brazil), effective September 30, 1999.

Roberto Junguito (Colombia) was appointed as Alternate Executive Director to Murilo Portugal (Brazil), effective October 1, 1999.

Abdulrahman A. Al-Tuwaijri (Saudi Arabia) relinquished his duties as Executive Director for Saudi Arabia, effective October 31, 1999.

Sulaiman M. Al-Turki (Saudi Arabia), formerly Alternate Executive Director to Abdulrahman A. Al-Tuwaijri (Saudi Arabia), was elected Executive Director by Saudi Arabia effective November 1, 1999.

Ahmed Saleh Alosaimi (Saudi Arabia) was appointed as Alternate Executive Director to Sulaiman M. Al-Turki (Saudi Arabia), effective November 1, 1999.

Kai Aaen Hansen (Denmark) relinquished his duties as Executive Director for Denmark, Estonia, Finland, Iceland, Latvia, Lithuania, Norway, and Sweden, effective December 31, 1999.

Masahiko Takeda (Japan) relinquished his duties as Alternate Executive Director to Yukio Yoshimura (Japan), effective December 31, 1999.

Olli-Pekka Lehmussaari (Finland), formerly Alternate Executive Director to Kai Aaen Hansen (Denmark), was elected Executive Director by Denmark, Estonia, Finland, Iceland, Latvia, Lithuania, Norway, and Sweden, effective January 1, 2000.

Haruyuki Toyama (Japan) was appointed as Alternate Executive Director to Yukio Yoshimura (Japan), effective January 1, 2000.

Åke Törnqvist (Sweden) was appointed as Alternate Executive Director to Olli-Pekka Lehmussaari (Finland), effective January 1, 2000.

Zhang Fengming (China) relinquished his duties as Alternate Executive Director to Wei Benhua (China), effective January 31, 2000.

Jin Qi (China) was appointed as Alternate Executive Director to Wei Benhua (China), effective February 1, 2000.

Nicolás Eyzaguirre (Chile) relinquished his duties as Executive Director for Argentina, Bolivia, Chile, Paraguay, Peru, and Uruguay, effective March 3, 2000.

Ana María Jul (Chile) was elected Executive Director by Argentina, Bolivia, Chile, Paraguay, Peru, and Uruguay, effective March 4, 2000.

John Spraos (Greece) relinquished his duties as Alternate Executive Director to Riccardo Faini (Italy), effective March 5, 2000.

Harilaos Vittas (Greece) was appointed as Alternate Executive Director to Riccardo Faini (Italy), effective March 6, 2000.

APPENDIX IX

Financial Statements

April 30, 2000

PRICEWATERHOUSECOOPERS

PricewaterhouseCoopers LLP
Suite 900
1900 K Street
Washington DC 20006
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Auditor's Report

To the Board of Governors
of the International Monetary Fund

In our opinion, the accompanying balance sheets and related statements of income, changes in resources and cash flows give a true and fair view of the financial condition of the General Department and the SDR Department of the International Monetary Fund (the "IMF") as of April 30, 2000 and 1999, and their respective results of operations and cash flows for the years then ended in conformity with International Accounting Standards, as described in Note 2. These financial statements are the responsibility of the IMF's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with International Standards on Auditing, which require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.

As discussed in Note 2 to the financial statements, effective May 1, 1999, the IMF adopted International Accounting Standard 19, "Retirement Benefit Costs" prospectively impacting the accounting for pension and other retirement benefits.

The supplementary information on pages 194 to 199, 204 and 205 is presented for purposes of additional analysis and is not a required part of the financial statements. The supplementary information has been subjected to the auditing procedures applied in the audits of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

PricewaterhouseCoopers LLP

May 31, 2000

General Department

Balance Sheets
as at April 30, 2000 and 1999

(In thousands of SDRs)

	2000	1999
Assets		
Credit outstanding	43,912,822	60,594,648
Usable currencies	105,500,280	80,137,081
Other currencies	55,875,571	64,234,530
Total currencies (Notes 3 and 4)	205,288,673	204,966,259
SDR holdings	2,723,892	3,571,967
Gold holdings (Note 5)	5,851,771	3,624,797
Receivables (Note 6)	688,119	723,222
Other assets (Notes 7 and 14)	564,438	283,918
Assets of the Special Disbursement Account		
Investments of the Special Disbursement Account (Note 8)	2,256,089	—
Structural Adjustment Facility loans (Note 3)	511,638	677,606
Total Assets	217,884,620	213,847,769

	2000	1999
Liabilities and Resources		
Liabilities:		
Remuneration payable	464,152	474,270
Other liabilities	177,288	153,320
Special Contingent Accounts (Note 10)	1,119,019	1,990,563
Total liabilities	1,760,459	2,618,153
Members' Resources:		
Quotas, represented by:		
Reserve tranche positions (Notes 2 and 4)	48,871,519	63,609,749
Subscription payments: Usable	105,500,280	80,137,081
Other	55,879,601	64,236,070
Total quotas	210,251,400	207,982,900
Reserves of the General Resources Account	3,105,034	2,569,110
Accumulated resources of the Special Disbursement Account	2,767,727	677,606
Total Liabilities and Resources	217,884,620	213,847,769

The accompanying notes are an integral part of these financial statements.

/s/ Eduard Brau
Treasurer

/s/ Horst Köhler
Managing Director

General Department

Income Statements
for the Years Ended April 30, 2000 and 1999

(In thousands of SDRs)

	2000	1999
Operational Income		
Interest and charges (Note 6)	2,498,904	2,656,872
Interest on SDR holdings	123,288	69,524
Other charges and income	49,119	130,648
	2,671,311	2,857,044
Operational Expenses		
Remuneration and financing costs (Note 9)	1,826,817	1,922,703
Allocation to the first Special Contingent Account	128,456	106,676
	1,955,273	2,029,379
Administrative Expenses (Note 13)	448,376	392,070
Net Income of the General Resources Account before Cumulative Effect of Change in Accounting Method	267,662	435,595
Cumulative effect of change in accounting method (Notes 2 and 14)	268,262	—
Net Income of the General Resources Account	535,924	435,595
Income of the Special Disbursement Account		
Income earned on investments	30,088	—
Interest on loans	2,164	3,186
Placement of profits from gold sales (Note 5)	2,226,000	—
Net Income of the Special Disbursement Account	2,258,252	3,186

The accompanying notes are an integral part of these financial statements.

General Department

Statements of Changes in Resources for the Years Ended April 30, 2000 and 1999

(In thousands of SDRs)

	Quotas	Reserves: Special Reserve	Reserves: General Reserve	Total Reserves	Special Disbursement Account Accumulated Resources
Balance at April 30, 1998	145,321,050	1,702,570	430,945	2,133,515	923,107
Increase in quotas	62,661,850	—	—	—	—
Net income of the General Resources Account transferred to reserves	—	106,676	328,919	435,595	—
Net income of the Special Disbursement Account	—	—	—	—	3,186
Transfers from the Trust Fund	—	—	—	—	439
Transfers from the Supplementary Financing Facility Subsidy Account	—	—	—	—	239
Transfers to the PRGF Trust	—	—	—	—	(208,224)
Transfers to the PRGF-HIPC Trust	—	—	—	—	(41,141)
Balance at April 30, 1999	207,982,900	1,809,246	759,864	2,569,110	677,606
Increase in quotas	2,268,500	—	—	—	—
Net income of General Resources Account transferred to reserves	—	369,136	166,788	535,924	—
Net income of the Special Disbursement Account	—	—	—	—	2,258,252
Transfers from the Trust Fund	—	—	—	—	441
Transfers to the PRGF Trust	—	—	—	—	(99,305)
Transfers to the PRGF-HIPC Trust	—	—	—	—	(69,267)
Balance at April 30, 2000	210,251,400	2,178,382	926,652	3,105,034	2,767,727

The accompanying notes are an integral part of these financial statements.

General Department

Statements of Cash Flows
for the Years Ended April 30, 2000 and 1999

(In thousands of SDRs)

	2000	1999
Usable currencies and SDRs from operating activities		
Net income of the General Resources Account	535,924	435,595
Net income of the Special Disbursement Account	2,258,252	3,186
Adjustments to reconcile net income to usable resources generated by operations		
Placement of profits from gold sales	(2,226,000)	—
Changes in receivables and other assets	(245,417)	(74,534)
Changes in remuneration payable and other liabilities	13,850	5,844
Allocation to the first Special Contingent Account	128,456	106,676
Net usable currencies and SDRs provided by operating activities	**465,065**	**476,767**
Usable currencies and SDRs from investment activities		
Acquisitions of investments by the Special Disbursement Account	(2,256,089)	—
Sales of gold	2,679,049	—
Net usable currencies and SDRs provided by investment activities	**422,960**	**—**
Usable currencies and SDRs generated/(absorbed) in providing credit to members		
Purchases in currencies and SDRs including reserve tranche purchases	(6,377,039)	(24,071,126)
Repurchases in currencies and SDRs	20,312,905	10,464,601
Repayments of Structural Adjustment Facility loans	165,968	245,501
Net usable currencies and SDRs generated/(absorbed) in providing credit to members	**14,101,834**	**(13,361,024)**
Usable currencies and SDRs from financing activities		
Subscription payments in SDRs and usable currencies	1,966,700	48,281,050
Changes in composition of usable currencies	8,726,696	1,282,620
Borrowings (Note 11)	—	4,319,760
Repayment of borrowings (Note 11)	—	(4,319,760)
Net transfers to the PRGF Trust, PRGF-HIPC Trust, and other accounts	(168,131)	(248,687)
Refunds of the second Special Contingent Account balances	(1,000,000)	—
Net usable currencies and SDRs provided by financing activities	**9,525,265**	**49,314,983**
Net increase in usable currencies and SDRs	24,515,124	36,430,726
Usable currencies and SDRs, beginning of period	83,709,048	47,278,322
Usable currencies and SDRs, end of period	**108,224,172**	**83,709,048**

The accompanying notes are an integral part of these financial statements.

General Department
Notes to the Financial Statements as at April 30, 2000 and 1999

1. Purpose and Organization

The IMF is an international organization of 182 member countries. It was established to promote international monetary cooperation, exchange stability, and orderly exchange arrangements; to foster economic growth and high levels of employment; and to provide temporary financial assistance to countries under adequate safeguards to help ease balance of payments adjustment. The IMF conducts its operations and transactions through the General Department and the Special Drawing Rights Department (the SDR Department). The General Department consists of the General Resources Account (GRA), the Special Disbursement Account (SDA), and the Investment Account. The latter had not been activated as of April 30, 2000. The IMF also administers trusts and accounts established to perform financial and technical services and financial operations consistent with the purposes of the IMF. The resources of these trusts and accounts are contributed by members and the IMF. The financial statements of the SDR Department and these trusts and accounts are presented separately.

General Resources Account

The GRA holds the general resources of the IMF. Its resources reflect the receipt of quota subscriptions, use of IMF credit, collection of charges on use of credit, payment of remuneration on creditor positions, borrowings, and payment of interest on borrowings.

Special Disbursement Account

The assets of the SDA are held separately from other accounts of the General Department. Resources of the SDA include transfers received from the Trust Fund and profits from the sales of the IMF's gold. Income from the investment of gold profits is to be transferred to the Poverty Reduction and Growth Facility-Heavily Indebted Poor Countries Trust (PRGF-HIPC Trust, formerly Enhanced Structural Adjustment Facility-Heavily Indebted Poor Countries or ESAF-HIPC Trust), in accordance with decisions of the IMF. The account also holds loans under the Structural Adjustment Facility (SAF). The SAF was established in March 1986 to provide balance of payments assistance on concessional terms to qualifying low-income developing country members.

Assets that exceed the financing needs of the account, excluding investments arising from the sales of gold, are transferred to the Reserve Account of the Poverty Reduction and Growth Facility Trust (PRGF Trust, formerly Enhanced Structural Adjustment Facility, or ESAF Trust), which is administered separately by the IMF as trustee.

2. Summary of Significant Accounting Practices

Basis of Presentation

The financial statements of the IMF are prepared in accordance with International Accounting Standards (IAS), which are issued by the International Accounting Standards Committee. Certain specific accounting principles and disclosure practices are explained further below in line with IAS requirements.

Revenue Recognition

The financial statements are prepared on the accrual basis; accordingly income is recognized as it is earned, and expenses are recorded as they are incurred.

Unit of Account

The financial statements are expressed in terms of SDRs. The value of the SDR is based on the proportional amounts of the currencies of the five members having the largest exports of goods and services during the five-year period ending one year before the date of the review of these proportional amounts. The value of the SDR is determined by the IMF each day by summing the values in U.S. dollars, based on market exchange rates, of the basket of these currencies. The IMF reviews the SDR valuation basket every five years. The currencies in the basket as of April 30, 2000 and 1999 and their amounts were as follows:

Currency	Amount
Euro (Germany)	0.228
Euro (France)	0.1239
Japanese yen	27.2
Pound sterling	0.105
U.S. dollar	0.5821

As of April 30, 2000, one SDR was equal to 1.31921 U.S. dollars (1.35123 U.S. dollars as of April 30, 1999).

Credit Outstanding

Financial resources are made available to members under a number of policies and facilities that differ in the type of balance of payments need they seek to address, the length of the repurchase period, the charges levied on the use of credit, and the degree of conditionality attached to them.

The IMF makes its resources available in accordance with established policies by selling to members, in exchange for their own currencies, SDRs or currencies of other members. When members make purchases, they incur obligations to repurchase the IMF's holdings of their currencies within specified periods by payments in SDRs or other currencies, as determined by the IMF. The IMF's policies on the use of its general resources are intended to ensure that their use is temporary and will be reversed within the agreed upon repurchase periods.

A member is entitled to repurchase, at any time, the IMF's holdings of its currency on which charges are levied and is expected to make repurchases as and when its balance of payments and reserve position improve.

Overdue Obligations and Special Contingent Accounts

Debtor and creditor members share equally the financial consequences of overdue obligations under a mechanism referred to as burden sharing. An amount equal to unpaid and deferred charges, excluding special charges, is generated by adjustments to the rates of charge and remuneration. In view of the protracted overdue repurchase obligations, the IMF also accumulates precautionary balances in the first Special Contingent Account (SCA-1). The rates of charge and remuneration are adjusted further to finance accumulation of balances in the SCA-1 (see Note 10). Members that have borne the financial consequences of overdue charges will receive refunds only to the extent that overdue charges are settled, and these amounts are therefore not recorded as liabilities.

Currencies

Currencies consist of members' currencies and securities held by the IMF. Each member has the option to substitute non-negotiable and non-interest-bearing securities for the amount of its currency that exceeds 1/4 of 1 percent of the member's quota. These securities are encashable by the IMF on demand.

Each member is required to pay to the IMF its initial quota and subsequent quota increases partly in its own currency, with the remainder to be paid in usable currencies and SDRs. One exception was the quota increase of 1978, which was paid entirely in the members' own currencies.

Usable Currencies

Usable currencies consist of currencies of members considered by the IMF to have strong balance of payment and reserve positions. Such currencies are included in the IMF's financial transactions plan to finance purchases and other transfers of the IMF. Participation in the financial transactions plan is reviewed on a quarterly basis.

Valuation of Currencies

Currencies and securities are valued in terms of the SDR on the basis of the SDR/currency exchange rate determined for each currency. Securities are not marketable, but can be converted into cash on demand. Each member is obligated to maintain, in terms of the SDR, the value of the balances of its currency held by the IMF in the GRA. This requirement is referred to as the maintenance-of-value obligation. Whenever the IMF revalues its holdings of a member's currency, a receivable or a payable is established for the amount required to maintain the SDR value of the IMF's holdings of that currency. The currency balances in the balance sheet reflect these receivables and payables.

SDR Holdings

Although SDRs are not allocated to the IMF, the IMF may acquire, hold, and dispose of SDRs through the GRA. The IMF receives SDRs from members in the settlement of their financial obligations to the IMF and uses SDRs in transactions and operations with members. The IMF earns interest on its SDR holdings at the same rate as all other holders of SDRs. The SDR interest rate is determined by reference to a combined market interest rate, which is a weighted average of yields or rates on short-term instruments in the capital markets of France, Germany, Japan, the United Kingdom, and the United States.

Gold Holdings

The Articles of Agreement limit the use of gold in the IMF's operations and transactions. Any use provided for in the Articles requires a decision supported by an 85 percent majority of the total voting power of the Executive Board. In accordance with the provisions of the Articles, whenever the IMF sells gold held on the date of the Second Amendment of the IMF's Articles of Agreement, the portion of the proceeds equivalent at the time of sale to one SDR per 0.888671 gram of fine gold, which is equal to SDR 35 per fine troy ounce, must be placed in the GRA. Any excess over this value will be held in the SDA or transferred to the Investment Account. The IMF may also sell gold held on the date of the Second Amendment to those that were members on August 31, 1975 in exchange for their own currencies, at a price equivalent at the time of sale to one SDR per 0.888671 gram of fine gold.

The IMF values its gold holdings at historical cost on the specific identification method (see Note 5).

Deferred Income

It is the policy of the IMF to exclude from current income charges due by members that are six months or more overdue in meeting payments to the IMF, unless these members are current in the payment of charges. The IMF generates compensating income for the amount of charges being deferred through the burden-sharing mechanism.

SAF Loans in the Special Disbursement Account

SAF Loans in the SDA are valued at historical cost. Allowances for loan losses would be established if and when the IMF expects to incur a loss; no losses have been incurred in the past, and it is the current expectation that no losses will be incurred in the future.

Investments in the Special Disbursement Account

The resources of the SDA are invested pending their use. Investments are made in debt securities, medium-term investments, and fixed-term deposits, either directly or by participation in an investment pool. Investments are marked to market value on the last business day of the accounting period. The valuations of purchases and sales are made on the trade date basis. Investment income comprises interest earned on investments, realized and unrealized gains and losses on investments, and currency valuation differences arising from exchange rate movements against the SDR.

Interest rate risk is managed by limiting the investment portfolio to a weighted average effective duration that does not exceed three years. Currency risk is minimized by investing in securities denominated in SDRs or in the constituent currencies of the SDR basket. Risk is further minimized by ensuring that the currency composition of the investment portfolio matches, as closely as possible, the currency composition of the SDR basket.

Fixed Assets

Land, buildings, and equipment with a cost in excess of $100,000 are capitalized at cost and depreciated using the straight-line method over the estimated useful lives of the assets, which range from 3 years for equipment to 30 years for buildings.

Quotas

Each member is assigned a quota that forms the basis of its financial and organizational relationship with the IMF. A member's quota is related to, but not strictly determined by, economic factors such as national income, the value of external trade and payments, and the level of official reserves. Quotas determine members' subscriptions to the IMF, their relative voting power, access to financing, and their share in SDR allocations.

Reserve Tranche Position

A member has a reserve tranche in the IMF when the IMF's holdings of its currency, excluding holdings that reflect the member's use of IMF credit, are less than the member's quota. A member's reserve tranche is considered a part of the member's external reserves, and it may draw on the reserve tranche at any time when it represents that it has a need. Reserve tranche purchases are not considered a use of IMF credit and are not subject to repurchase obligations or charges.

Reserves

The IMF determines annually what part of its net income will be retained and placed to the General Reserve or the Special Reserve, and what part, if any, will be distributed. The Articles of Agreement permit the IMF to use the Special Reserve for any purpose for which it may use the General Reserve, except distribution. After meeting the expenses of conducting the PRGF Trust, net operational income generated from the use of resources under the Supplemental Reserve Facility (SRF) has been transferred to the General Reserve.

Charges

The IMF levies periodic charges on the use of IMF credit. The rate of charge is set as a proportion of the SDR interest rate. For financial year 2000 the proportion translated into an average rate of charge of 4.18 percent (for financial year 1999, the average rate was 4.09 percent). This rate is further increased to offset the effect on the IMF's income of the deferral of unpaid charges and to finance the additions to the SCA-1; in financial years 2000 and 1999, such adjustments amounted to 16 and 13 basis points, respectively. A surcharge progressing from 300 to 500 basis points above the rate of charge applies to use of credit under the SRF and Contingent Credit Lines (CCL). Special charges are levied on holdings that are not repurchased when due and on overdue charges. Special charges do not apply to charges that are six months or more overdue to the IMF. A service charge is levied by the IMF on all purchases, except reserve tranche purchases. A refundable stand-by fee is charged on Stand-By and Extended Arrangements.

Remuneration

The IMF pays remuneration on a member's remunerated reserve tranche position. A remunerated reserve tranche position is the amount by which the member's norm exceeds the IMF's holdings of its currency, excluding holdings derived from the use of IMF credit. The norm, which varies for each member, was on average 96.2 percent of quota at April 30, 2000 (96.1 percent of quota at April 30, 1999). The rate of remuneration is equal to the SDR interest rate and is adjusted, subject to a specific floor, to offset the effect of the deferral of charges and to finance additions to the SCA-1.

Pension and Other Post-Retirement Obligations

The IMF operates two defined-benefit pension plans and provides post-retirement medical and life insurance benefits to retired staff. In financial year 2000, the IMF adopted International Accounting Standard 19 on employee benefits. The cumulative effect of the accounting change resulted in a transitional gain of SDR 268 million that has been recognized as part of net income for the year ended April 30, 2000 and included in other assets. It is impractical to present comparable pro-forma information for the preceding year.

The pension plans are funded by payments from staff and the IMF, taking into account the recommendations of independent actuaries. Assets of the plans are held in separate trustee-managed funds and are measured at fair value as of the balance sheet date. Pension obligations are measured using the Projected Unit Credit Method, which measures the present value of the estimated future cash outflows, using interest rates of government securities that have maturities approximating the terms of the pension liabilities.

The assets of post-retirement medical and life insurance benefit plans are held in an investment account administered by the IMF. This account is funded by contributions from the IMF. The expected costs of the post-retirement medical and life insurance benefits are accrued over the period of employment using the Projected Unit Credit Method. Valuations of these obligations are carried out by independent actuaries.

Comparatives

When necessary, comparative figures have been reclassified to conform with changes in the presentation of the current year.

3. Credit Outstanding

Changes in the outstanding use of IMF credit under the various facilities of the GRA during the years ended April 30, 2000 and 1999, were as follows:

	April 30, 1998	Purchases	Repurchases	April 30, 1999	Purchases	Repurchases	April 30, 2000
	In millions of SDRs						
Regular facilities	24,427	3,505	3,431	24,501	4,480	8,046	20,935
Extended Fund Facility	11,339	5,272	811	15,800	1,594	1,033	16,361
Supplemental Reserve Facility	7,100	10,037	4,482	12,655	—	12,655	—
Systemic Transformation Facility	3,869	—	505	3,364	—	646	2,718
Enlarged Access	2,066	—	782	1,284	—	554	730
Compensatory and Contingency Financing Facility	685	2,600	440	2,845	237	50	3,032
Supplementary Financing Facility	159	—	13	146	—	9	137
Total credit outstanding	49,645	21,414	10,464	60,595	6,311	22,993	43,913

On December 14, 1992, the Federal Republic of Yugoslavia (Serbia/Montenegro) agreed, as a successor state, to share in the assets and liabilities of the former Socialist Federal Republic of Yugoslavia, but it has yet to succeed to IMF membership. IMF credit outstanding with respect to the Federal Republic of Yugoslavia (Serbia/Montenegro) amounted to SDR 56 million at April 30, 2000 and 1999. This amount is included in receivables in the balance sheet.

As of April 30, 2000 and 1999, SDA loans and interest receivable computed at 0.5 percent per annum, consisted of the following:

	2000	1999
	In millions of SDRs	
Structural Adjustment Facility loans	511	677
Interest accrued	8	7
Less: Interest deferred	(7)	(6)
	512	678

Scheduled repurchase obligations in the GRA and repayments of SAF loans in the SDA are summarized below:

Financial Year Ending April 30	General Resources Account	Special Disbursement Account
	In millions of SDRs	
2001	6,754	80
2002	8,985	91
2003	9,857	61
2004	6,623	51
2005 and beyond	10,788	77
Overdue	906	152
Total	43,913	512

As of April 30, 2000 and 1999, use of credit in the GRA by the largest users was as follows:

	2000		1999	
	In millions of SDRs and percent of total GRA credit			
Largest user of credit	10,159	23.1%	12,923	21.3%
Three largest users of credit	22,348	50.8%	29,727	49.0%
Five largest users of credit	28,127	64.0%	41,857	69.0%

Overdue Obligations

At April 30, 2000 and 1999, six members and the Federal Republic of Yugoslavia (Serbia/Montenegro) were six months or more overdue in settling their financial obligations to the IMF. Four of these members were overdue to the General Department.

GRA repurchases, SAF loan repayments, GRA charges, and SAF interest that are six or more months overdue to the General Department were as follows:

	Repurchases and SAF Loans		Charges and SAF Interest	
	2000	1999	2000	1999
	In millions of SDRs			
Total overdue	1,114	1,135	988	956
Overdue for six months or more	1,114	1,126	967	934
Overdue for three years or more	1,063	1,061	852	814

The type and duration of these arrears as of April 30, 2000 were as follows:

	Repurchases and SAF Loans	Charges and SAF Interest	Total Obligation	Longest Overdue Obligation
	In millions of SDRs			
Congo, Democratic Republic of	300.0	67.0	367.0	May 1991
Liberia	201.5	221.6	423.1	April 1985
Somalia	105.5	82.4	187.9	July 1987
Sudan	450.9	597.9	1,048.8	July 1985
Yugoslavia, Federal Republic of (Serbia/Montenegro)	55.6	19.5	75.1	September 1992
Total	1,113.5	988.4	2,101.9	

4. *Currencies*

Changes in the IMF's holdings of members' currencies for the years ended April 30, 2000 and 1999 were as follows:

	April 30, 1998	Net Change	April 30, 1999	Net Change	April 30, 2000
	In millions of SDRs				
Members' quotas	145,321	62,662	207,983	2,268	210,251
Quota subscription receivable	(2)	2	—	—	—
Members' outstanding use of IMF credit in the GRA	49,645	10,950	60,595	(16,682)	43,913
Members' reserve tranche positions in the GRA	(50,324)	(13,286)	(63,610)	14,738	(48,872)
Administrative currency balances	(2)	—	(2)	(1)	(3)
Currencies	144,638	60,328	204,966	323	205,289

Receivables and payables arising from valuation adjustments at April 30, 2000, when all holdings of currencies of members were last revalued, amounted to SDR 13,617 million and SDR 3,757 million, respectively (SDR 29,185 million and SDR 2,308 million, respectively, at April 30, 1999). Settlements of these receivables or payables are required to be made promptly after the end of the financial year.

5. *Gold Holdings*

On December 8, 1999, the Executive Board approved off-market transactions in gold entailing sales and repurchases of up to 14 million fine ounces of gold, at market prices, to co-operating members with repurchase obligations to the IMF.

During the financial year, the IMF sold 12,944,253 fine ounces of gold to members with repurchase obligations falling due to the IMF. The same amount of gold, valued at market price, was accepted in settlement of repurchase obligations. Proceeds in excess of the carrying value of gold, equivalent to SDR 2,226 million, were placed in the SDA and subsequently invested. Nine-fourteenths of the income from investments will be transferred on an "as needed" basis to a separate subaccount of the PRGF-HIPC Trust to finance the HIPC initiative. The remaining five-fourteenths of the investment income will remain in the SDA until a further decision on its use is adopted.

At April 30, 2000 and 1999, the IMF held 3,217,341 kilograms of gold, equal to 103,439,916 fine ounces of gold, at designated depositories. As of April 30, 2000, the value of the IMF's holdings of gold calculated at the market price was SDR 21.6 billion (SDR 21.9 billion at April 30, 1999).

6. Periodic Charges

As of April 30, 2000, the total holdings on which the IMF levies charges amounted to SDR 43,968 million (SDR 60,651 million as of April 30, 1999). Charges and other receivables due to the IMF as of April 30, 2000 were as follows:

	2000	1999
	In millions of SDRs	
Periodic charges due	1,599	1,585
Less: deferred income	(994)	(960)
	605	625
Other receivables	83	98
Receivables	688	723

Periodic charges for the years ended April 30, 2000 and 1999 consisted of the following:

	2000	1999
	In millions of SDRs	
Periodic charges	2,451	2,625
Add: adjustments for deferred charges and SCA-1, net of refunds	82	74
Less: income deferred, net of settlements	(34)	(42)
Total periodic charges	2,499	2,657

7. Fixed Assets

Other assets include capital assets, which at April 30, 2000 and 1999 amounted to SDR 224 million and SDR 223 million, respectively, and consisted of:

	2000	1999
	In millions of SDRs	
Land and buildings	301.9	293.2
Equipment	39.7	32.3
Total fixed assets	341.6	325.5
Less: accumulated depreciation	(117.8)	(102.4)
Net fixed assets	223.8	223.1

8. Investments of the Special Disbursement Account

The maturity profile of the investments is summarized below:

Maturity as at April 30, 2000	
	In millions of SDRs
Less than 1 year	166
1–3 years	1,910
3–5 years	171
Over 5 years	9
Total	2,256

The investments consisted of the following:

	In millions of SDRs
Medium-term instruments	1,508
Debt securities	592
Fixed deposits	156
Total	2,256

9. Remuneration and Financing Costs

At April 30, 2000, total creditor positions on which the IMF paid remuneration amounted to SDR 42,339 million (SDR 57,076 million at April 30, 1999). Remuneration and financing costs consisted of the following:

	2000	1999
	In millions of SDRs	
Remuneration	1,848	1,919
Less: adjustments for deferred charges and SCA-1, net of refunds	(80)	(75)
	1,768	1,844
Financing costs related to borrowing under the New Arrangements to Borrow (see Note 11)	59	79
	1,827	1,923

10. Deferred Income and Special Contingent Accounts

Deferred income at April 30, 2000 amounted to SDR 994 million (SDR 960 million at April 30, 1999).

The SCA-1 is financed by quarterly adjustments to the rate of charge and the rate of remuneration. Balances in the SCA-1 are to be distributed to the members that shared the cost of its financing when there are no outstanding overdue charges and repurchases or at such earlier time as the IMF may decide. At April 30, 2000, the balances held in the SCA-1 amounted to SDR 1,119 million (SDR 991 million at April 30, 1999).

The second Special Contingent Account (SCA-2) was established on July 1, 1990 to accumulate SDR 1.0 billion through further adjustments to the rate of charge and the rate of remuneration. The SCA-2 was terminated during the year, and the balances distributed in accordance with instructions received from members who contributed to its financing.

The cumulative charges, net of settlements, which have been deferred since May 1, 1986 and have resulted in adjustments to charges and remuneration, amounted to SDR 805 million at April 30, 2000 (SDR 771 million at April 30, 1999). The cumulative refunds for the same period, resulting from the settlements of deferred charges for which burden-sharing adjustments have been made, amounted to SDR 971 million (SDR 963 million at April 30, 1999).

11. Borrowings

Under the General Arrangements to Borrow (GAB), the IMF may borrow up to SDR 18.5 billion when supplementary resources are needed, in particular, to forestall or to cope with an impairment of the international monetary system. The GAB became effective on October 24, 1962, and has been extended through December 25, 2003. Interest on borrowings under the GAB is calculated at a rate equal to the SDR interest rate.

Under the New Arrangements to Borrow (NAB), the IMF may borrow up to SDR 34 billion of supplementary resources. The NAB is the facility of first and principal recourse, but it does not replace the GAB, which will remain in force. Outstanding drawings and commitments under these two borrowing arrangements are limited to a combined total of SDR 34 billion. The NAB became effective for a five-year period on November 17, 1998 and was activated on December 2, 1998. Interest on borrowings under the NAB is payable to the participants at the SDR interest rate or any such higher rate as may be agreed between the IMF and participants representing 80 percent of the total credit arrangements. Interest in connection with the December 2, 1998 activation was set at the SDR interest rate plus 100 basis points for the first year, increased by 16.7 basis points for each six-month period thereafter up to a maximum increase of 66.7 basis points. As a condition for that activation of the NAB, the IMF was required to transfer to the PRGF-HIPC Trust an amount equal to 100 basis points on outstanding SRF purchases under the arrangement that was originally financed by the NAB for the first year, augmented by 16.7 basis points for each six-month period thereafter up to a maximum increase of 66.7 basis points.

12. Arrangements and Commitments in the General Department

An arrangement is a decision of the IMF that gives a member the assurance that the institution stands ready to provide SDRs or other usable currencies during a specified period and up to a specified amount, in accordance with the terms of the decision. At April 30, 2000, the undrawn balances under the 27 arrangements that were in effect in the GRA amounted to SDR 25,567 million (SDR 15,929 million under 21 arrangements at April 30, 1999).

The IMF has committed to lease commercial office space through 2005. Expenditures totaling SDR 80 million will be incurred over this five-year period.

13. Administrative Expenses

The administrative expenses for the years ended April 30, 2000 and 1999 were as follows:

	2000	1999
	In millions of SDRs	
Personnel	300.0	259.4
Travel	62.3	54.6
Other	89.4	81.6
Less: reimbursements for the administration of the SDR Department	(3.3)	(3.5)
Total administrative expenses, net of reimbursements	448.4	392.1

The majority of these expenses are incurred in U.S. dollars; exchange gains and losses incurred in the normal course of business are reflected in administrative expenses.

The GRA is reimbursed for the cost of administering the SDR Department.

The GRA is to be reimbursed annually for expenses incurred in administering the SDA and the PRGF Trust. Following the establishment of the SRF and CCL and the consequent increase in net income, the Executive Board decided to forgo reimbursement of the expenses incurred in administering the PRGF Trust for financial years 1999 and 2000 and to transfer the amounts that would otherwise have been reimbursed to the GRA, from the PRGF Trust Reserve Account, through the SDA, to the PRGF-HIPC Trust. These transfers amounted to SDR 46.1 million for financial year 2000 (SDR 41.1 million for financial year 1999) and have been included under transfers to the PRGF-HIPC Trust in the statement of changes in resources.

14. Pension and Other Post-Retirement Benefits

The IMF has established a defined-benefit Staff Retirement Plan (SRP) that covers substantially all eligible staff and a Supplemental Retirement Benefit Plan (SRBP) for selected participants of the SRP. Participants contribute a fixed percentage of their pensionable remuneration. The IMF contributes the remainder of the cost of funding the plans and pays certain administrative costs of the plans. In addition, the IMF provides other employment and post-retirement benefits, including medical and life insurance benefits. The IMF established a separate account, the Retired Staff Benefits Investment Account (RSBIA) where resources are held and invested to fund part of the cost of these other post-retirement benefits. The assets and liabilities of the SRP, SRBP, and RSBIA are valued by independent actuaries every year using the Projected Unit Credit Method. The latest actuarial valuations were carried out as at April 30, 2000.

Transitional gain was calculated in accordance with IAS 19, as of May 1, 1999, and included in net income as required under IAS 8.

The amounts recognized in the income statement are as follows:

	SRP	SRBP	RSBIA	Other	Total
	In millions of SDRs				
Service cost	52	15	5	0	72
Interest cost	114	27	12	16	169
Expected return on plan assets	(208)	—	(12)	—	(220)
Net periodic (income)/cost	(42)	42	5	16	21
Effect of adopting IAS 19 (gain)/loss	(806)	373	22	143	(268)
Total (benefit)/cost	(848)	415	27	159	(247)

The amounts recognized in the balance sheet are as follows:

	SRP	SRBP	RSBIA	Other	Total
	In millions of SDRs				
Reconciliation of benefit obligation					
Defined benefit obligation at May 1, 1999	1,631	373	173	224	2,401
Total cost	166	42	18	16	242
Actuarial (gain)/loss	(348)	49	(1)	1	(299)
Benefits paid	(55)	—	(5)	—	(60)
Defined benefit obligation at April 30, 2000	1,394	464	185	241	2,284

	SRP	SRBP	RSBIA	Other	Total
	In millions of SDRs				
Reconciliation of the fair value of assets					
Fair value of assets at May 1, 1999	2,461	—	148	—	2,609
Actual return on assets	681	—	24	—	705
Contributions	38	—	7	—	45
Benefits paid	(55)	—	—	—	(55)
Fair value of assets at April 30, 2000	3,125	—	179	—	3,304

	SRP	SRBP	RSBIA	Other	Total
	In millions of SDRs				
Funded status of these benefits					
Assets in excess/(below) of projected benefit obligation	1,731	(464)	(6)	(241)	1,020
Unrecognized actuarial gains/(losses)	(818)	38	(13)	(4)	(797)
Excess/(deficiency) of assets over liabilities	913	(426)	(19)	(245)	223

Net actuarial gains in excess of 10 percent of the fair value of plan assets is amortized over the average remaining service period of participants. The weighted-average actuarial assumptions used in determining pension cost and benefit obligations for accounting purposes are as follows:

	SRP	SRBP	RSBIA	Other
	In percent			
April 30, 2000				
Discount rate	8.0	8.0	8.0	8.0
Expected return on plan assets	9.25	9.25	9.25	—
Rate of compensation increase	6.6–11.0	6.6–11.0	6.6–11.0	6.6–11.0
Health care growth rates at				
end of financial year	—	—	8.00	—
to year 2008 and thereafter	—	—	5.50	—
May 1, 1999				
Discount rate	7.25	7.25	7.25	7.25
Expected return on plan assets	8.50	8.50	8.50	—
Rate of compensation increase	6.6–11.0	6.6–11.0	6.6–11.0	6.6–11.0
Health care growth rates at				
end of financial year	—	—	7.00	—
to year 2008 and thereafter	—	—	6.00	—

Schedule 1

General Department

Quotas, IMF's Holdings of Currencies, Reserve Tranche Positions, and Members' Use of Resources as at April 30, 2000

(In thousands of SDRs)

	General Resources Account				Use of Resources				
		IMF's holdings of currencies[1]		Reserve	GRA[2]			PRGF	
			Percent	tranche	Amount	Percent	SDA[3]	Trust[4]	Total[5]
Member	Quota	Total	of quota	position	(A)		+ (B)	+ (C)	= (D)
Afghanistan, Islamic State of	120,400	115,488	95.9	4,928	—	—	—	—	—
Albania	48,700	54,175	111.2	3,355	8,825	0.02	—	57,045	65,870
Algeria	1,254,700	2,542,336	202.6	85,082	1,372,713	3.12	—	—	1,372,713
Angola	286,300	286,445	100.1	—	—	—	—	—	—
Antigua and Barbuda	13,500	13,499	100.0	1	—	—	—	—	—
Argentina	2,117,100	5,008,293	236.6	—	2,891,164	6.58	—	—	2,891,164
Armenia, Republic of	92,000	124,489	135.3	—	32,484	0.07	—	109,350	141,834
Australia	3,236,400	2,239,435	69.2	997,033	—	—	—	—	—
Austria	1,872,300	1,203,373	64.3	668,906	—	—	—	—	—
Azerbaijan	160,900	361,374	224.6	10	200,474	0.46	—	81,900	282,374
Bahamas, The	130,300	124,065	95.2	6,239	—	—	—	—	—
Bahrain	135,000	72,095	53.4	62,914	—	—	—	—	—
Bangladesh	533,300	631,244	118.4	186	98,125	0.22	—	116,250	214,375
Barbados	67,500	62,827	93.1	4,675	—	—	—	—	—
Belarus, Republic of	386,400	498,208	128.9	20	111,808	0.25	—	—	111,808
Belgium	4,605,200	3,133,849	68.1	1,471,360	—	—	—	—	—
Belize	18,800	14,562	77.5	4,239	—	—	—	—	—
Benin	61,900	59,721	96.5	2,188	—	—	7,367	56,358	63,725
Bhutan	6,300	5,280	83.8	1,020	—	—	—	—	—
Bolivia	171,500	162,638	94.8	8,875	—	—	907	184,371	185,278
Bosnia and Herzegovina	169,100	244,737	144.7	—	75,633	0.17	—	—	75,633
Botswana	63,000	43,893	69.7	19,109	—	—	—	—	—
Brazil	3,036,100	4,393,591	144.7	—	1,356,750	3.09	—	—	1,356,750
Brunei Darussalam	150,000	114,727	76.5	35,285	—	—	—	—	—
Bulgaria	640,200	1,536,994	240.1	32,700	929,483	2.11	—	—	929,483
Burkina Faso	60,200	52,991	88.0	7,221	—	—	13,904	70,742	84,646
Burundi	77,000	71,142	92.4	5,860	—	—	—	8,818	8,818
Cambodia	87,500	91,146	104.2	—	3,646	0.01	—	48,957	52,603
Cameroon	185,700	197,170	106.2	511	11,975	0.03	—	126,090	138,065
Canada	6,369,200	4,386,244	68.9	1,982,972	—	—	—	—	—
Cape Verde	9,600	9,598	100.0	2	—	—	—	—	—
Central African Republic	55,700	55,606	99.8	96	—	—	608	16,480	17,088
Chad	56,000	55,719	99.5	282	—	—	612	54,760	55,372
Chile	856,100	570,232	66.6	285,868	—	—	—	—	—
China	4,687,200	3,231,021	68.9	1,456,189	—	—	—	—	—
Colombia	774,000	488,204	63.1	285,803	—	—	—	—	—
Comoros	8,900	8,362	94.0	540	—	—	1,350	—	1,350
Congo, Democratic Republic of	291,000	448,109	154.0	—	157,109	0.36	142,909	—	300,018
Congo, Republic of	84,600	91,322	107.9	536	7,240	0.02	—	13,896	21,136
Costa Rica	164,100	144,113	87.8	20,000	—	—	—	—	—
Côte d'Ivoire	325,200	324,957	99.9	245	—	—	—	445,434	445,434
Croatia, Republic of	365,100	497,273	136.2	159	132,330	0.30	—	—	132,330
Cyprus	139,600	104,247	74.7	35,355	—	—	—	—	—
Czech Republic	819,300	819,298	100.0	3	—	—	—	—	—
Denmark	1,642,800	1,123,802	68.4	518,999	—	—	—	—	—

Schedule 1 *(continued)*

	General Resources Account				Use of Resources				
		IMF's holdings of currencies[1]			GRA[2]			PRGF	
Member	Quota	Total	Percent of quota	Reserve tranche position	Amount (A)	Percent	+ SDA[3] (B)	+ Trust[4] (C)	= Total[5] (D)
Djibouti	15,900	20,635	129.8	1,100	5,835	0.01	—	2,726	8,561
Dominica	8,200	8,192	99.9	9	—	—	—	—	—
Dominican Republic	218,900	258,599	118.1	3	39,700	0.09	—	—	39,700
Ecuador	302,300	370,150	122.4	17,153	85,000	0.19	—	—	85,000
Egypt	943,700	823,645	87.3	120,075	—	—	—	—	—
El Salvador	171,300	171,303	100.0	—	—	—	—	—	—
Equatorial Guinea	32,600	32,609	100.0	—	—	—	4,363	1,099	5,462
Eritrea	15,900	15,900	100.0	5	—	—	—	—	—
Estonia, Republic of	65,200	81,664	125.3	6	16,469	0.04	—	—	16,469
Ethiopia	133,700	126,611	94.7	7,099	—	—	36,726	29,490	66,216
Fiji	70,300	55,362	78.8	14,940	—	—	—	—	—
Finland	1,263,800	823,791	65.2	440,034	—	—	—	—	—
France	10,738,500	7,343,574	68.4	3,395,066	—	—	—	—	—
Gabon	154,300	214,859	139.2	117	60,670	0.14	—	—	60,670
Gambia, The	31,100	29,618	95.2	1,485	—	—	—	8,172	8,172
Georgia	150,300	203,719	135.5	10	53,419	0.12	—	172,050	225,469
Germany	13,008,200	8,895,615	68.4	4,112,591	—	—	—	—	—
Ghana	369,000	327,874	88.9	41,130	—	—	2,045	216,945	218,990
Greece	823,000	532,519	64.7	290,482	—	—	—	—	—
Grenada	11,700	11,701	100.0	—	—	—	—	—	—
Guatemala	210,200	210,206	100.0	—	—	—	—	—	—
Guinea	107,100	107,026	99.9	75	—	—	—	91,837	91,837
Guinea-Bissau	14,200	17,750	125.0	—[6]	3,550	0.01	—	10,500	14,050
Guyana	90,900	90,902	100.0	—	—	—	14,514	81,249	95,763
Haiti	60,700	75,976	125.2	49	15,325	0.03	—	15,175	30,500
Honduras	129,500	168,374	130.0	8,627	47,500	0.11	—	104,476	151,976
Hungary	1,038,400	861,617	83.0	176,784	—	—	—	—	—
Iceland	117,600	99,025	84.2	18,580	—	—	—	—	—
India	4,158,200	3,688,899	88.7	488,572	19,250	0.04	—	—	19,250
Indonesia	2,079,300	9,660,647	464.6	145,474	7,726,820	17.57	—	—	7,726,820
Iran, Islamic Republic of	1,497,200	1,497,204	100.0	—	—	—	—	—	—
Iraq	504,000	504,013	100.0	—	—	—	—	—	—
Ireland	838,400	574,506	68.5	263,914	—	—	—	—	—
Israel	928,200	862,695	92.9	65,511	—	—	—	—	—
Italy	7,055,500	4,883,564	69.2	2,171,939	—	—	—	—	—
Jamaica	273,500	331,467	121.2	—	57,917	0.13	—	—	57,917
Japan	13,312,800	9,233,194	69.4	4,079,838	—	—	—	—	—
Jordan	170,500	527,786	309.6	52	357,335	0.81	—	—	357,335
Kazakhstan, Republic of	365,700	661,533	180.9	5	295,833	0.67	—	—	295,833
Kenya	271,400	258,963	95.4	12,438	—	—	4,260	88,012	92,272
Kiribati	5,600	5,601	100.0	—	—	—	—	—	—
Korea	1,633,600	5,887,492	360.4	208,611	4,462,500	10.15	—	—	4,462,500
Kuwait	1,381,100	1,003,804	72.7	377,297	—	—	—	—	—
Kyrgyz Republic	88,800	107,613	121.2	5	18,813	0.04	—	122,354	141,167
Lao People's Democratic Republic	39,100	39,100	100.0	—	—	—	4,688	32,257	36,945
Latvia, Republic of	126,800	159,206	125.6	5	32,406	0.07	—	—	32,406
Lebanon	203,000	184,168	90.7	18,833	—	—	—	—	—
Lesotho	34,900	31,372	89.9	3,533	—	—	302	10,570	10,872
Liberia	71,300	272,738	382.5	28	201,457	0.46	—	—	224,670
Libya	1,123,700	728,206	64.8	395,505	—	—	—	—	—

Schedule 1 *(continued)*

Member	Quota	IMF's holdings of currencies[1] Total	IMF's holdings of currencies[1] Percent of quota	Reserve tranche position	GRA[2] Amount (A)	GRA[2] Percent	+ SDA[3] (B)	+ PRGF Trust[4] (C)	= Total[5] (D)
Lithuania, Republic of	144,200	303,318	210.3	16	159,131	0.36	—	—	159,131
Luxembourg	279,100	223,646	80.1	55,468	—	—	—	—	—
Macedonia, former Yugoslav Republic of	68,900	111,278	161.5	—	42,376	0.10	—	27,281	69,657
Madagascar	122,200	122,174	100.0	27	—	—	1,992	42,533	44,525
Malawi	69,400	67,166	96.8	2,236	—	—	1,116	58,772	59,888
Malaysia	1,486,600	878,450	59.1	608,156	—	—	—	—	—
Maldives	8,200	6,646	81.0	1,554	—	—	—	—	—
Mali	93,300	84,521	90.6	8,782	—	—	6,096	129,352	135,448
Malta	102,000	61,749	60.5	40,260	—	—	—	—	—
Marshall Islands	2,500	2,500	100.0	1	—	—	—	—	—
Mauritania	64,400	64,406	100.0	—	—	—	2,046	72,199	74,245
Mauritius	101,600	87,138	85.8	14,474	—	—	—	—	—
Mexico	2,585,800	5,473,443	211.7	272	2,887,913	6.57	—	—	2,887,913
Micronesia, Federated States of	5,100	5,100	100.0	1	—	—	—	—	—
Moldova, Republic of	123,200	243,719	197.8	5	120,519	0.27	—	—	120,519
Mongolia	51,100	51,087	100.0	20	—	—	—	42,480	42,480
Morocco	588,200	517,761	88.0	70,441	—	—	—	—	—
Mozambique	113,600	113,600	100.0	7	—	—	—	177,645	177,645
Myanmar	258,400	258,402	100.0	—	—	—	—	—	—
Namibia	136,500	136,466	100.0	37	—	—	—	—	—
Nepal	71,300	65,566	92.0	5,735	—	—	—	11,190	11,190
Netherlands	5,162,400	3,553,687	68.8	1,608,716	—	—	—	—	—
New Zealand	894,600	586,045	65.5	308,569	—	—	—	—	—
Nicaragua	130,000	130,010	100.0	—	—	—	—	113,153	113,153
Niger	65,800	57,240	87.0	8,561	—	—	—	48,974	48,974
Nigeria	1,753,200	1,753,114	100.0	143	—	—	—	—	—
Norway	1,671,700	1,061,001	63.5	610,727	—	—	—	—	—
Oman	194,000	144,277	74.4	49,796	—	—	—	—	—
Pakistan	1,033,700	1,763,628	170.6	97	730,022	1.66	43,704	410,240	1,183,966
Palau	3,100	3,100	100.0	1	—	—	—	—	—
Panama	206,600	292,902	141.8	11,860	98,150	0.22	—	—	98,150
Papua New Guinea	131,600	149,826	113.8	53	18,273	0.04	—	—	18,273
Paraguay	99,900	78,428	78.5	21,475	—	—	—	—	—
Peru	638,400	1,120,276	175.5	—	481,843	1.10	—	—	481,843
Philippines	879,900	2,120,545	241.0	87,104	1,327,735	3.02	—	—	1,327,735
Poland, Republic of	1,369,000	1,196,744	87.4	172,256	—	—	—	—	—
Portugal	867,400	584,447	67.4	282,961	—	—	—	—	—
Qatar	263,800	219,073	83.0	44,727	—	—	—	—	—
Romania	1,030,200	1,359,338	131.9	—	329,133	0.75	—	—	329,133
Russian Federation	5,945,400	16,103,335	270.9	926	10,158,792	23.10	—	—	10,158,792
Rwanda	80,100	97,225	121.4	—	17,106	0.04	1,752	33,320	52,178
St. Kitts and Nevis	8,900	10,457	117.5	72	1,625	—	—	—	1,625
St. Lucia	15,300	15,300	100.0	1	—	—	—	—	—
St. Vincent and the Grenadines	8,300	7,800	94.0	500	—	—	—	—	—
Samoa	11,600	10,924	94.2	683	—	—	—	—	—
San Marino, Republic of	17,000	12,900	75.9	4,101	—	—	—	—	—
São Tomé and Príncipe	7,400	7,403	100.0	—	—	—	—	—	—
Saudi Arabia	6,985,500	5,998,021	85.9	987,483	—	—	—	—	—
Senegal	161,800	160,420	99.1	1,380	—	—	1,936	192,445	194,381
Seychelles	8,800	8,800	100.0	—	—	—	—	—	—

Schedule 1 *(concluded)*

Member	General Resources Account: Quota	IMF's holdings of currencies[1]: Total	IMF's holdings of currencies[1]: Percent of quota	Reserve tranche position	Use of Resources: GRA[2] Amount (A)	GRA[2] Percent	+ SDA[3] (B)	+ PRGF Trust[4] (C)	= Total[5] (D)
Sierra Leone	103,700	130,820	126.2	24	27,135	0.06	21,616	84,148	132,899
Singapore	862,500	583,353	67.6	279,153	—	—	—	—	—
Slovak Republic	357,500	443,305	124.0	—	85,800	0.20	—	—	85,800
Slovenia, Republic of	231,700	154,767	66.8	76,934	—	—	—	—	—
Solomon Islands	10,400	9,867	94.9	543	—	—	—	—	—
Somalia	44,200	140,907	318.8	—	96,701	0.22	8,840	—	112,004
South Africa	1,868,500	1,868,400	100.0	107	—	—	—	—	—
Spain	3,048,900	2,022,198	66.3	1,026,721	—	—	—	—	—
Sri Lanka	413,400	365,690	88.5	47,710	—	—	4,462	156,800	161,262
Sudan	169,700	620,595	365.7	11	450,875	1.04	—	—	510,103
Suriname	92,100	85,976	93.4	6,125	—	—	—	—	—
Swaziland	50,700	44,154	87.1	6,552	—	—	—	—	—
Sweden	2,395,500	1,615,755	67.4	779,748	—	—	—	—	—
Switzerland	3,458,500	2,395,764	69.3	1,062,772	—	—	—	—	—
Syrian Arab Republic	293,600	293,603	100.0	5	—	—	—	—	—
Tajikistan, Republic of	87,000	111,375	128.0	2	24,375	0.06	—	60,280	84,655
Tanzania	198,900	188,932	95.0	9,975	—	—	—	243,320	243,320
Thailand	1,081,900	3,581,897	331.1	20	2,500,000	5.69	—	—	2,500,000
Togo	73,400	73,146	99.7	254	—	—	1,152	58,206	59,358
Tonga	6,900	5,202	75.4	1,700	—	—	—	—	—
Trinidad and Tobago	335,600	335,586	100.0	16	—	—	—	—	—
Tunisia	286,500	319,244	111.4	20,167	52,906	0.12	—	—	52,906
Turkey	964,000	1,462,573	151.7	112,775	611,345	1.39	—	—	611,345
Turkmenistan, Republic of	75,200	75,200	100.0	5	—	—	—	—	—
Uganda	180,500	180,507	100.0	—	—	—	—	257,433	257,433
Ukraine	1,372,000	3,193,689	232.8	4	1,821,689	4.14	—	—	1,821,689
United Arab Emirates	611,700	424,417	69.4	187,284	—	—	—	—	—
United Kingdom	10,738,500	7,417,045	69.1	3,321,437	—	—	—	—	—
United States	37,149,300	25,467,050	68.6	11,675,649	—	—	—	—	—
Uruguay	306,500	385,032	125.6	35,675	114,200	0.26	—	—	114,200
Uzbekistan, Republic of	275,600	410,097	148.8	5	134,497	0.31	—	—	134,497
Vanuatu	17,000	14,506	85.3	2,496	—	—	—	—	—
Venezuela, República Bolivariana de	2,659,100	2,775,581	104.4	321,900	438,379	1.00	—	—	438,379
Vietnam	329,100	345,207	104.9	5	16,107	0.04	—	241,600	257,707
Yemen, Republic of	243,500	380,615	156.3	13	137,125	0.31	—	150,000	287,125
Yugoslavia, Federal Republic of (Serbia/Montenegro)	—	—	—	—	55,639[2]	0.13	—	—	55,639
Zambia	489,100	489,101	100.0	18	—	—	181,750	671,682	853,432
Zimbabwe	353,400	492,633	139.4	283	139,515	0.31	—	108,750	248,265
Total	210,251,400	205,288,673		48,871,519	43,968,461[2]	100.00	511,017	5,769,166	50,337,551

[1]Includes nonnegotiable, non-interest-bearing notes that members are entitled to issue in substitution for currencies, and outstanding currency valuation adjustments.

[2]Includes the share of the Federal Republic of Yugoslavia (Serbia/Montenegro) in the liabilities of the former Socialist Federal Republic of Yugoslavia, although this state has not succeeded to Fund membership. Total credits due from members excluding the amount due from the Federal Republic of Yugoslavia (Serbia/Montenegro) amounted to SDR 43,913 million.

[3]The Special Disbursement Account (SDA) of the General Department provides financing under Structural Adjustment Facility (SAF) and Poverty Reduction and Growth Facility (PRGF) arrangements.

[4]For information purposes only. The PRGF Trust provides financing under PRGF arrangements and is not a part of the General Department.

[5]Includes outstanding Trust Fund loans to Liberia (SDR 23.2 million), Somalia (SDR 6.5 million), and Sudan (SDR 59.2 million).

[6]Less than SDR 500.

Schedule 2

General Department

Financial Resources and Liquidity Position in the General Resources Account as at April 30, 2000 and 1999

(In thousands of SDRs)

	2000	1999
Resources		
Currencies	205,288,673	204,966,259
SDR holdings	2,723,892	3,571,967
Gold holdings	5,851,771	3,624,797
Sundry assets, net of sundry liabilities[1]	611,117	379,550
Total resources	214,475,453	212,542,573
Less: **Nonusable Resources**[2]	106,251,281	128,833,525
Equals: **Usable Resources**[3]	108,224,172	83,709,048
Resources Committed and Working Balances		
Undrawn balances under arrangements[4]	18,387,266	13,059,802
Minimum working balances[4]	15,075,130	13,922,160
Resources committed and working balances	33,462,396	26,981,962
Net Uncommitted Usable Resources[5]	74,761,776	56,727,086
Liquid Liabilities		
Reserve tranche positions[6]	48,871,519	63,609,749
Liquidity Ratio[7]	153.0%	89.2%
Memorandum Item		
Resources available under borrowing arrangements	34,000,000	34,000,000

[1]Sundry assets, net of sundry liabilities reflect current assets (charges, interest, and other receivables) and other assets (which include capital assets such as land, buildings, and equipment), net of sundry liabilities (remuneration payable and other liabilities).

[2]Resources regarded as nonusable in the financing of the IMF's ongoing operations and transactions are (1) gold holdings, (2) currencies of members that are using IMF credit, (3) currencies of other members with relatively weak external positions, and (4) sundry assets, net of sundry liabilities.

[3]Usable resources consist of (1) holdings of currencies of members considered by the Executive Board as having balance of payments and reserve positions sufficiently strong for their currencies to be used in transfers, (2) SDR holdings, and (3) any unused amounts under credit lines that have been activated.

[4]Amounts committed under arrangements, which reflect undrawn balances committed under operative Stand-By and Extended Arrangements, other than precautionary arrangements, are deducted from the total of usable resources, as are one-half of the amounts committed under precautionary arrangements. The Executive Board has decided that minimum working balances be set at 10 percent of the quotas of members deemed sufficiently strong for their currencies to be used in operations and transactions.

[5]Net uncommitted usable resources are defined as usable resources less resources committed under arrangements and minimum working balances, as described above. The amount represents the resources available to meet requests for use of IMF credit under new credit arrangements and for members' use of their reserve positions in the IMF.

[6]Liquid liabilities consist of (1) members' reserve tranche positions, and (2) the amount of any outstanding borrowing by the IMF under the GAB or NAB. Both reserve tranche positions and outstanding lending under the GAB and NAB (together called members' reserve positions in the IMF) are part of members' international reserves. The IMF cannot challenge a request by a member to draw on its reserve position when developments in its balance of payments or reserve position make this necessary, and the IMF must therefore at all times be in a position to meet such requests.

[7]The liquidity ratio is a measure of the IMF's liquidity position, represented by the ratio of its net uncommitted usable resources to its liquid liabilities. While this ratio is neither a fixed nor a minimum ratio, historically it has not fallen below 25–30 percent of liquid liabilities for any length of time, thereby ensuring the IMF's capacity to meet members' requests.

Schedule 3

General Department

Status of Arrangements
as at April 30, 2000

(In thousands of SDRs)

Member	Date of Arrangement	Expiration	Total Amount Agreed	Undrawn Balance
General Resources Account				
Stand-By Arrangements				
Argentina	March 10, 2000	March 9, 2003	5,398,610	5,398,610
Bosnia and Herzegovina	May 29, 1998	March 31, 2001	94,420	30,150
Brazil	December 2, 1998	December 1, 2001	10,419,840	2,550,690
Ecuador	April 19, 2000	April 18, 2001	226,730	141,730
Estonia, Republic of	March 1, 2000	August 31, 2001	29,340	29,340
Korea	December 4, 1997	December 3, 2000	15,500,000	1,087,500
Latvia, Republic of	December 10, 1999	April 9, 2001	33,000	33,000
Lithuania, Republic of	March 8, 2000	June 7, 2001	61,800	61,800
Mexico	July 7, 1999	November 30, 2000	3,103,000	1,163,500
Papua New Guinea	March 29, 2000	May 28, 2001	85,540	75,540
Philippines	April 1, 1998	June 30, 2000	1,020,790	475,130
Romania	August 5, 1999	May 31, 2000	400,000	347,000
Russian Federation	July 28, 1999	December 27, 2000	3,300,000	2,828,571
Thailand	August 20, 1997	June 19, 2000	2,900,000	400,000
Turkey	December 22, 1999	December 21, 2002	2,892,000	2,670,280
Zimbabwe	August 2, 1999	October 1, 2000	141,360	116,620
Total Stand-By Arrangements			45,606,430	17,409,461
Extended Arrangements				
Bulgaria	September 25, 1998	September 24, 2001	627,620	261,520
Colombia	December 20, 1999	December 19, 2002	1,957,000	1,957,000
Indonesia	February 4, 2000	December 31, 2002	3,638,000	3,378,000
Jordan	April 15, 1999	April 14, 2002	127,880	106,560
Kazakhstan, Republic of	December 13, 1999	December 12, 2002	329,100	329,100
Moldova, Republic of	May 20, 1996	May 19, 2000	135,000	47,500
Pakistan	October 20, 1997	October 19, 2000	454,920	341,180
Panama	December 10, 1997	December 9, 2000	120,000	80,000
Peru	June 24, 1999	May 31, 2002	383,000	383,000
Ukraine	September 4, 1998	September 3, 2001	1,919,950	1,207,800
Yemen, Republic of	October 29, 1997	March 1, 2001	105,900	65,900
Total Extended Arrangements			9,798,370	8,157,560
Total General Resources Account			55,404,800	25,567,021

SDR Department

Balance Sheets
as at April 30, 2000 and 1999

(In thousands of SDRs)

	2000	1999		2000	1999
Assets			**Liabilities**		
Charges receivable	221,228	179,057	Interest payable	221,752	179,531
Overdue assessments and charges (Note 3)	105,602	92,596			
Participants with holdings below allocations (Note 2)			Participants with holdings above allocations (Note 2)		
Allocations	12,626,280	11,800,706	SDR holdings	14,859,327	15,205,647
Less: SDR holdings	3,282,008	2,185,544	*Less:* allocations	8,807,050	9,632,624
Allocations in excess of holdings	9,344,272	9,615,162	Holdings in excess of allocations	6,052,277	5,573,023
			Holdings by the General Resources Account	2,723,892	3,571,967
			Holdings of SDRs by prescribed holders	673,181	562,294
Total Assets	9,671,102	9,886,815	Total Liabilities	9,671,102	9,886,815

The accompanying notes are an integral part of these financial statements.

/s/ Eduard Brau
Treasurer

/s/ Horst Köhler
Managing Director

SDR Department

Income Statements
for the Years Ended April 30, 2000 and 1999

(In thousands of SDRs)

	2000	1999
Revenue		
Net charges from participants with holdings below allocations	362,278	298,720
Assessment on SDR allocations	3,301	3,500
	365,579	302,220
Expenses		
Interest on SDR holdings		
Net interest to participants with holdings above allocations	217,743	211,475
General Resources Account	123,288	69,524
Prescribed holders	21,247	17,721
	362,278	298,720
Administrative expenses	3,301	3,500
	365,579	302,220
Net Income	—	—

The accompanying notes are an integral part of these financial statements.

SDR Department

Statements of Cash Flows
for the Years Ended April 30, 2000 and 1999

(In thousands of SDRs)

	2000	1999
Cash flows from operating activities		
Receipts of SDRs		
Transfers among Participants and Prescribed holders	7,830,549	19,439,490
Transfers from Participants to the General Resources Account	7,094,151	16,249,094
Transfers from the General Resources Account to Participants and Prescribed holders	7,942,226	13,441,551
Total Receipts of SDRs	22,866,926	49,130,135
Uses of SDRs		
Transfers among Participants and Prescribed holders	7,616,081	19,150,248
Transfers from Participants to the General Resources Account	6,956,385	16,214,097
Transfers from the General Resources Account to Participants and Prescribed holders	7,942,226	13,441,551
Charges paid in the SDR Department	339,278	310,783
Other	12,956	13,456
Total Uses of SDRs	22,866,926	49,130,135

The accompanying notes are an integral part of these financial statements.

SDR Department
Notes to the Financial Statements as at April 30, 2000 and 1999

1. Nature of Operations

The SDR is an international interest-bearing reserve asset created by the IMF following the First Amendment of the Articles of Agreement in 1969. All transactions and operations involving SDRs are conducted through the SDR Department. The SDR was created as a supplement to existing reserve assets and is allocated by the IMF to members participating in the SDR Department. Its value as a reserve asset derives, essentially, from the commitments of participants to hold and accept SDRs and to honor various obligations connected with its proper functioning as a reserve asset.

At April 30, 2000, all members of the IMF were participants in the SDR Department. SDRs have been allocated by the IMF to members that are participants in the SDR Department at the time of the allocation in proportion to their quotas in the IMF. Six allocations have been made (in 1970, 1971, 1972, 1979, 1980, and 1981) for a total of SDR 21.4 billion. A proposed amendment of the IMF's Articles of Agreement has been approved to allow for a special onetime allocation of SDRs equal to 21.4 billion. The amendment will enter into force after three-fifths of the members, having 85 percent of the total voting power, have accepted it. Upon termination of participation or liquidation of the SDR Department, the IMF will provide to holders the currencies received from the participants in settlement of their obligations. The IMF is empowered to prescribe certain official entities as holders of SDRs; at April 30, 2000 and 1999, 15 institutions were prescribed as holders. Prescribed holders do not receive allocations.

The SDR is also used by a number of international and regional organizations as a unit of account or as the basis for their units of account. Several international conventions also use the SDR as a unit of account, notably those expressing liability limits for the international transport of goods and services.

Uses of SDRs

Participants and prescribed holders can use and receive SDRs in transactions and operations by agreement among themselves. Participants can also use SDRs in operations and transactions involving the General Resources Account, such as the payment of charges and repurchases. The IMF ensures, by designating participants to provide freely usable currency in exchange for SDRs, that a participant can use its SDRs to obtain an equivalent amount of currency if it has a need because of its balance of payments or its reserve position or developments in its reserves.

General Allocations and Cancellations of SDRs

The IMF has the authority to create unconditional liquidity through general allocations of SDRs to participants in the SDR Department in proportion to their quotas in the IMF. The IMF cannot allocate SDRs to itself or to other holders it prescribes. The Articles also provide for the cancellation of SDRs, although to date there have been no cancellations. In its decisions on general allocations of SDRs, the IMF, as prescribed under its Articles, has sought to meet the long-term global need to supplement existing reserve assets in such a manner as will promote the attainment of the IMF's purposes and will avoid economic stagnation and deflation, as well as excess demand and inflation.

2. Summary of Significant Accounting Practices

Basis of Presentation

The financial statements are prepared in accordance with International Accounting Standards (IAS), which are issued by the International Accounting Standards Committee. Certain specific accounting principles and disclosure practices are explained further below in line with IAS requirements.

Unit of Account

The financial statements are expressed in terms of SDRs. The value of the SDR is based on the proportional amounts of the currencies of the five members having the largest exports of goods and services during the five-year period ending one year before the date of the review of these proportional amounts. The value of the SDR is determined by the IMF each day by summing the values in U.S. dollars, based on market exchange rates, of the basket of these currencies. The IMF reviews the SDR valuation basket every five years. The currencies in the basket as of April 30, 2000 and 1999 and their amounts were as follows:

Currency	Amount
Euro (Germany)	0.228
Euro (France)	0.1239
Japanese yen	27.2
Pound sterling	0.105
U.S. dollar	0.5821

As of April 30, 2000, one SDR was equal to 1.31921 U.S. dollars (1.35123 U.S. dollars as of April 30, 1999).

Allocations and Holdings

At April 30, 2000 and 1999, IMF net cumulative allocations to participants totaled SDR 21.4 billion. Members with holdings in excess of their allocations have established a net claim on the SDR Department, which is represented on the balance sheet as a liability. Members with holdings below their allocations have used part of their allocations, which results in a net obligation to the SDR Department and is presented as a net asset of the SDR Department. Participants' net SDR positions as of April 30, 2000 and 1999 were as follows:

	2000			1999		
	Total	Below Allocations	Above Allocations	Total	Below Allocations	Above Allocations
	In millions of SDRs					
Cumulative allocations	21,433.3	12,626.3	8,807.0	21,433.3	11,800.7	9,632.6
Holdings of SDRs by participants	18,141.3	3,282.0	14,859.3	17,391.1	2,185.5	15,205.6
Net SDR positions	3,292.0	9,344.3	(6,052.3)	4,042.2	9,615.2	(5,573.0)

A summary of SDR holdings is provided below:

	2000	1999
	In millions of SDRs	
Participants	18,141.3	17,391.2
General Resources Account	2,723.9	3,572.0
Prescribed holders	673.2	562.3
	21,538.4	21,525.5
Less: Overdue charges receivable	105.1	92.2
Total holdings	21,433.3	21,433.3

Administrative Expenses

The expenses of conducting the business of the SDR Department are paid by the IMF from the General Resources Account, which is reimbursed in SDRs by the SDR Department at the end of each financial year. For this purpose, the SDR Department levies an assessment on all participants in proportion to their net cumulative allocation.

Interest and Charges

Interest is paid on holdings of SDRs. Charges are levied on each participant's net cumulative allocation plus any negative balance of the participant or unpaid charges. Interest on SDR holdings is paid quarterly. Charges on net cumulative allocations are also collected quarterly. Interest and charges are levied at the same rate and are settled by crediting and debiting individual holdings accounts on the first day of the subsequent quarter. The SDR Department is required to pay interest to each holder, whether or not sufficient SDRs are received to meet the payment of interest. If sufficient SDRs are not received because charges are overdue, additional SDRs are temporarily created.

The rate of interest on the SDR is determined by reference to a combined market interest rate, which is a weighted average of yields or rates on short-term instruments in the capital markets of France, Germany, Japan, the United Kingdom, and the United States. The combined market interest rate used to determine the SDR interest rate is calculated each Friday, using the yields or rates of that day. The SDR interest rate, which is set equal to the combined market interest rate, enters into effect on the following Monday and applies through the following Sunday.

Overdue Obligations

An allowance for losses resulting from overdue SDR obligations would be created if and when the IMF were to expect a loss to be incurred; no losses have been incurred in the past, and it is the current expectation that no losses will be incurred in the future, and consequently no allowance account has been established.

3. Overdue Assessments and Charges

At April 30, 2000, assessments and charges amounting to SDR 105.6 million were overdue to the SDR Department (SDR 92.6 million at April 30, 1999). At April 30, 2000 and 1999, six members were six months or more overdue in meeting their financial obligations to the SDR Department. In addition, the Federal Republic of Yugoslavia (Serbia/Montenegro) was also six months or more overdue in meeting its financial obligations. While the Federal Republic of Yugoslavia (Serbia/Montenegro) agreed to its share in the assets and liabilities of the former Socialist Federal Republic of Yugoslavia in the IMF, it had not succeeded to membership in the IMF as of April 30, 2000, and, consequently, it is not a participant in the SDR Department.

Assessments and charges due from members and the Federal Republic of Yugoslavia (Serbia/Montenegro) that are six months or more overdue to the SDR Department were as follows:

	2000	1999
	In millions of SDRs	
Total	105.6	92.6
Overdue for six months or more	98.7	85.6
Overdue for three years or more	65.0	53.7

The amount and duration of arrears as of April 30, 2000 were as follows:

	Total	Longest Overdue Obligation
	In millions of SDRs	
Afghanistan, Islamic State of	4.8	February 1996
Congo, Democratic Republic of	11.6	April 1992
Iraq	41.0	November 1990
Liberia	19.3	April 1986
Somalia	7.7	February 1991
Sudan	0.1	April 1991
Yugoslavia, Federal Republic of (Serbia/Montenegro)	21.1	November 1992
Total	105.6	

Schedule 1

SDR Department

Statements of Changes in SDR Holdings for the Years Ended April 30, 2000 and 1999

(In thousands of SDRs)

	Participants	General Resources Account	Prescribed Holders	Total 2000	Total 1999
Total holdings, beginning of the year	17,391,191	3,571,967	562,294	21,525,452	21,511,996
Receipts of SDRs					
Transfers among Participants and Prescribed holders					
Transactions by agreement	6,610,141	—	29,300	6,639,441	13,816,957
Operations					
Grants	5,918	—	38,696	44,614	—
Loans	45,975	—	—	45,975	2,237,866
Settlement of financial obligations	138,044	—	64,323	202,367	2,339,190
IMF-related operations					
SAF and PRGF loans	135,811	—	—	135,811	187,829
SAF repayments and interest	—	—	29,069	29,069	47,146
Special charges on SAF, PRGF, Trust Fund	—	—	49	49	1
PRGF contributions and payments	57,137	—	65,984	123,121	162,476
PRGF repayments and interest	—	—	338,877	338,877	357,778
PRGF-HIPC contributions and payments	210	—	56,547	56,757	1,005
Net interest on SDRs	196,147	—	18,321	214,468	289,242
Transfers from Participants to the General Resources Account					
Repurchases	—	3,825,681	—	3,825,681	4,761,290
Charges	—	2,599,820	—	2,599,820	2,805,808
Quota payments	—	527,633	—	527,633	8,643,552
Interest on SDRs	—	137,766	—	137,766	34,997
Assessment on SDR allocation	—	3,251	—	3,251	3,447
Transfers from the General Resources Account to Participants and Prescribed holders					
Purchases	3,591,759	—	—	3,591,759	9,521,899
Repayments of IMF borrowings	—	—	—	—	1,429,472
Interest on IMF borrowings	18,284	—	—	18,284	46,100
In exchange for currencies of other members					
Acquisitions to pay charges	1,577,214	—	—	1,577,214	545,022
Remuneration	1,747,437	—	—	1,747,437	1,825,513
SCA-2 transfers					
PRGF-HIPC	—	—	70,556	70,556	—
HIPC	—	—	227,211	227,211	—
Post SCA-2	—	—	287,158	287,158	—
Refunds	394,350	—	—	394,350	—
Other					
Refunds and adjustments	28,257	—	—	28,257	73,545
Total receipts	14,546,684	7,094,151	1,226,091	22,866,926	49,130,135

Schedule 1 *(concluded)*

	Participants	General Resources Account	Prescribed Holders	Total 2000	Total 1999
Uses of SDRs					
Transfers among Participants and Prescribed holders					
Transactions by agreement	5,853,471	—	785,970	6,639,441	13,816,957
Operations					
Grants	44,614	—	—	44,614	—
Loans	45,975	—	—	45,975	2,237,866
Settlement of financial obligations	110,298	—	92,069	202,367	2,339,190
IMF-related operations					
SAF and PRGF loans	—	—	135,811	135,811	187,829
SAF repayments and interest	29,069	—	—	29,069	47,146
Special charges on SAF, PRGF, Trust Fund	49	—	—	49	1
PRGF contributions and payments	65,984	—	57,137	123,121	162,476
PRGF repayments and interest	338,877	—	—	338,877	357,778
PRGF-HIPC contributions and payments	12,540	—	44,217	56,757	1,005
Transfers from Participants to the General Resources Account					
Repurchases	3,825,681	—	—	3,825,681	4,761,290
Charges	2,599,820	—	—	2,599,820	2,805,808
Quota payments	527,633	—	—	527,633	8,643,552
Assessment on SDR allocation	3,251	—	—	3,251	3,447
Transfers from the General Resources Account to Participants and Prescribed holders					
Purchases	—	3,591,759	—	3,591,759	9,521,899
Repayments of IMF borrowings	—	—	—	—	1,429,472
Interest on IMF borrowings	—	18,284	—	18,284	46,100
In exchange for currencies of other members					
Acquisitions to pay charges	—	1,577,214	—	1,577,214	545,022
Remuneration	—	1,747,437	—	1,747,437	1,825,513
SCA-2 transfers					
PRGF-HIPC	—	70,556	—	70,556	—
HIPC	—	227,211	—	227,211	—
Post-SCA-2	—	287,158	—	287,158	—
Refunds	—	394,350	—	394,350	—
Other					
Refunds and adjustments	—	28,257	—	28,257	73,545
Charges paid in the SDR department					
Net charges due	352,234	—	—	352,234	324,239
Charges not paid when due	(15,296)	—	—	(15,296)	(16,736)
Settlement of unpaid charges	2,340	—	—	2,340	3,280
Total uses	13,796,540	7,942,226	1,115,204	22,853,970	49,116,679
Total holdings, end of the year	18,141,335	2,723,892	673,181	21,538,408	21,525,452

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Auditor's Report

To the Board of Governors
of the International Monetary Fund

We have audited the accompanying balance sheets as at April 30, 2000 and 1999, and the related statements of income and changes in resources for the years then ended of the following entities:

Poverty Reduction and Growth Facility Trust

Poverty Reduction and Growth Facility Administered Accounts
— Austria,
— Belgium,
— Botswana,
— Chile,
— Greece,
— Indonesia,
— Islamic Republic of Iran,
— Portugal

PRGF-HIPC Trust and Related Accounts

Other Administered Accounts
— Administered Account Japan,
— Administered Account for Selected Fund Activities—Japan,
— Framework Administered Account for Technical Assistance Activities,
— Administered Account for Rwanda,
— Trust Fund,
— Supplementary Financing Facility Subsidy Account.

These financial statements are the responsibility of the management of the International Monetary Fund (the "IMF"), as trustee of the entities listed above. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with International Standards on Auditing. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above give a true and fair view of the financial position of the entities listed above as of April 30, 2000 and 1999, and the results of their operations for the years then ended in conformity with International Accounting Standards, as described in Note 2.

The supplementary information on pages 211 to 214 and 224 to 227 is presented for purposes of additional analysis and is not a required part of the financial statements. The supplementary information has been subjected to the auditing procedures applied in the audits of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

PricewaterhouseCoopers LLP

May 31, 2000

Poverty Reduction and Growth Facility Trust

(formerly Enhanced Structural Adjustment Facility Trust)

Combined Balance Sheets
as at April 30, 2000 and 1999

(In thousands of SDRs)

	2000	1999
Assets		
Cash and cash equivalents	346,144	574,854
Investments (Note 3)	4,463,020	3,888,552
Loans receivable (Note 4)	5,769,166	5,717,886
Interest receivable	17,774	73,317
Total Assets	10,596,104	10,254,609
Liabilities and Resources		
Borrowings (Note 5)	6,223,794	6,089,339
Interest payable	66,391	59,126
Other liabilities	193	7,156
Total Liabilities	6,290,378	6,155,621
Resources	4,305,726	4,098,988
Total Liabilities and Resources	10,596,104	10,254,609

The accompanying notes are an integral part of these financial statements.

/s/ Eduard Brau
Treasurer

/s/ Horst Köhler
Managing Director

Poverty Reduction and Growth Facility Trust

(formerly Enhanced Structural Adjustment Facility Trust)

Combined Income Statements and Changes in Resources
for the Years Ended April 30, 2000 and 1999

(In thousands of SDRs)

	2000	1999
Balance, beginning of the year	4,098,988	3,713,696
Investment income	162,189	168,894
Interest on loans	29,080	27,052
Interest expense	(199,452)	(201,678)
Other expense	(193)	(65)
Operational loss	(8,376)	(5,797)
Contributions (Note 6)	115,809	182,865
	107,433	177,068
Transfers from the Special Disbursement Account	168,572	249,365
Transfers through the Special Disbursement Account to the PRGF-HIPC Trust (Note 8)	(69,267)	(41,141)
Net changes in resources	206,738	385,292
Balance, end of the year	4,305,726	4,098,988

The accompanying notes are an integral part of these financial statements.

Poverty Reduction and Growth Facility Trust

(formerly Enhanced Structural Adjustment Facility Trust)

Notes to the Financial Statements as at April 30, 2000 and 1999

1. Nature of Operations

The name of the Enhanced Structural Adjustment Facility (ESAF) Trust was changed to the Poverty Reduction and Growth Facility Trust ("the Trust" or "PRGF Trust") on November 22, 1999. The PRGF Trust, for which the IMF is trustee, was established in December 1987 and was extended and enlarged in February 1994 to provide loans on concessional terms to qualifying low-income developing country members. The resources of the Trust are held separately from the assets of all other accounts of, or administered by, the IMF and may not be used to discharge liabilities or to meet losses incurred in the administration of other accounts.

The operations of the Trust are conducted through a Loan Account, a Reserve Account, and a Subsidy Account. Separate balance sheets, income statements, and statements of changes in resources for each of these accounts are provided in Note 9 to these financial statements.

Loan Account

The resources of the Loan Account consist of the proceeds from borrowings, repayments of principal, and interest payments on loans extended by the Trust. At April 30, 2000, loans totaling SDR 5,769.2 million were outstanding (SDR 5,717.9 million at April 30, 1999).

Reserve Account

The resources of the Reserve Account consist of amounts transferred by the IMF from the Special Disbursement Account and net earnings from the investment of resources held in the Reserve Account and the Loan Account.

The resources held in the Reserve Account are to be used by the Trustee, in the event that amounts payable from borrowers' principal repayments and interest, together with the authorized interest subsidy, are insufficient to repay loan principal and interest on borrowings of the Loan Account.

Subsidy Account

The resources held in the Subsidy Account consist of donations to the Trust, including transfers of net earnings from PRGF Administered Accounts (formerly ESAF Administered Accounts), SDR 400 million transferred by the IMF from the Special Disbursement Account, net earnings on loans made to the Trust for the Subsidy Account, and the net earnings from investment of Subsidy Account resources.

The resources available in the Subsidy Account are drawn by the trustee to pay the difference, with respect to each interest period, between the interest due from the borrowers under the Trust and the interest due on Loan Account borrowings.

2. Summary of Significant Accounting Practices

Basis of Presentation

The financial statements are prepared in accordance with International Accounting Standards (IAS), which are issued by the International Accounting Standards Committee. Certain specific accounting principles and disclosure practices are explained further below in line with IAS requirements.

Unit of Account

The financial statements are expressed in terms of SDRs. The value of the SDR is based on the proportional amounts of the currencies of the five members having the largest exports of goods and services during the five-year period ending one year before the date of the review of these proportional amounts. The value of the SDR is determined by the IMF each day by summing the values in U.S. dollars, based on market exchange rates, of the basket of these currencies. The IMF reviews the SDR valuation basket every five years. The currencies in the basket as of April 30, 2000 and 1999 and their amounts were as follows:

Currency	Amount
Euro (Germany)	0.228
Euro (France)	0.1239
Japanese yen	27.2
Pound sterling	0.105
U.S. dollar	0.5821

As of April 30, 2000, one SDR was equal to 1.31921 U.S. dollars (1.35123 U.S. dollars as of April 30, 1999).

Revenue Recognition

The financial statements of the Trust are maintained on the accrual basis; accordingly, income is recognized as it is earned and expenses are recorded as they are incurred.

Cash and Cash Equivalents

Cash and cash equivalents include short-term deposits with a maturity of less than ninety days. These deposits are denominated in SDRs or other currencies and are carried at cost not exceeding net realizable value. Interest on these instruments varies and is market-related.

Investments

The resources of the Trust are invested pending their use. The Trust invests in debt securities and fixed-term deposits, either directly or by participation in an investment pool. Investments are marked to their market value on the last business day of the accounting period. The valuation of purchases and sales are made on the trade date basis. Investment income comprises interest earned on investments, realized and unrealized gains and losses on investments, and currency valuation differences arising from exchange rate movements against the SDR.

Interest rate risk is managed by limiting the investment portfolio to a weighted-average effective duration that does not exceed three years. Currency risk is minimized by investing in securities denominated in SDRs or in the constituent currencies of the SDR basket. Risk is further minimized by ensuring that the currency composition of the investment portfolio matches, as closely as possible, the currency composition of the SDR basket.

Loans

Loans in the Trust are valued at historical cost. Allowances for loan losses would be established if and when the Trust expects to incur a loss; no losses have been incurred in the past, and it is the current expectation that no losses will be incurred in the future.

Foreign Currency Translation

Foreign currency transactions are recorded at the rate of exchange on the date of the transaction. At the balance sheet date, monetary assets and liabilities denominated in foreign currencies are reported using the closing exchange rates. Exchange differences arising on the settlement of transactions at rates different from those at the originating date of the transaction and unrealized foreign exchange differences on unsettled foreign currency monetary assets and liabilities are included in the determination of net income.

Comparatives

When necessary, comparative figures have been reclassified to conform with changes in the presentation of the current year.

3. Investments

The maturities of the investments are as follows:

Maturity as of April 30	2000	1999
	In thousands of SDRs	
Less than 1 year	678,879	3,888,552
1–3 years	3,622,498	—
3–5 years	129,360	—
Over 5 years	32,283	—
Total	4,463,020	3,888,552

The investments consisted of the following:

	2000	1999
	In thousands of SDRs	
Debt securities	3,961,249	—
Fixed Deposits	501,771	3,888,552
Total	4,463,020	3,888,552

4. Loans Receivable

Resources of the Loan Account are committed to qualifying members for a three-year period, upon approval by the Trustee of a three-year arrangement in support of the member's macroeconomic and structural adjustment programs. Interest on the outstanding loan balances is currently set at the rate of ½ of 1 percent a year. Scheduled repayments of loans by borrowers are summarized below:

Periods of Repayment, Financial Year Ending April 30	2000	1999
	In thousands of SDRs	
2000	—	461,799
2001	511,684	511,686
2002	680,726	680,726
2003	722,241	722,241
2004	834,998	834,998
2005 and beyond	3,019,517	2,506,436
Total	5,769,166	5,717,886

5. Borrowings

The following summarizes the borrowing agreements concluded as of April 30, 2000:

	Amount Undrawn	
	2000	1999
	In thousands of SDRs	
Loan Account	3,599,974	2,763,671
Subsidy Account	5,331	5,998

The Trustee has agreed to hold and invest, on behalf of a lender, principal repayments of Trust borrowing in a suspense account within the Loan Account. Principal repayments will be accumulated until the final maturity of the borrowing, when the full proceeds are to be transferred to the lender. Amounts deposited in this account are invested by the Trustee, and payments of interest to the lender are to be made exclusively from the earnings on the amounts invested.

The Trust borrows on such terms and conditions as agreed between the Trust and the lenders. Interest rates on borrowings at April 30, 2000 and 1999, varied between 3.3 percent and 4.45 percent a year. The principal amounts of the borrowings are repayable in one installment at their maturity dates. Scheduled repayments of borrowings are summarized below:

Periods of Repayment, Financial Year Ending April 30	2000	1999
	In thousands of SDRs	
2000	—	413,077
2001	483,803	476,532
2002	504,968	504,968
2003	525,455	525,455
2004	704,176	704,176
2005 and beyond	4,005,392	3,465,131
Total	6,223,794	6,089,339

As of April 30, 2000 and 1999, use of credit in the Trust by the largest users was as follows:

	2000		1999	
	In millions of SDRs and percent of total PRGF credit			
Largest user of credit	671.7	11.6%	671.7	11.8%
Three largest users of credit	1,527.3	26.5%	1,566.6	27.4%
Five largest users of credit	2,028.1	35.1%	2,075.0	36.3%

6. Contributions

The Trustee accepts contributions for the Subsidy Account on such terms and conditions as agreed between the Trust and the contributor. At April 30, 2000, cumulative contributions received, including transfers from the Special Disbursement Account, amounted to SDR 2,165.4 million (SDR 2,049.6 million at April 30, 1999).

7. Commitments Under Loan Arrangements

An arrangement is a decision of the IMF that gives a member the assurance that the institution stands ready to provide foreign exchange or SDRs during a specified period and up to a specified amount in accordance with the terms of the decision. At April 30, 2000, undrawn balances under 31 loan arrangements amounted to SDR 2,017.9 million (SDR 2,156.1 million under 35 arrangements at April 30, 1999).

8. Transfers Through the Special Disbursement Account

The expenses of conducting the business of the Trust are paid by the General Resources Account of the IMF and reimbursed by the Reserve Account of the Trust through the Special Disbursement Account; corresponding transfers are made from the Reserve Account to the Special Disbursement Account when and to the extent needed. For financial years 2000 and 1999, the Executive Board decided to forgo such reimbursement and to transfer an equivalent amount from the Reserve Account, through the Special Disbursement Account, to the PRGF-HIPC Trust (formerly ESAF-HIPC Trust). The amounts transferred for financial years 2000 and 1999 were SDR 46.1 million and SDR 41.1 million, respectively.

Resources of up to SDR 250 million may be transferred, as needed, from the Reserve Account through the Special Disbursement Account to the PRGF-HIPC Trust to be used to provide grant or loans to eligible members under the HIPC initiative. SDR 23.2 million has been transferred during the year ended April 30, 2000 for this purpose (SDR 20.3 million at April 30, 1999).

9. Separate Balance Sheets, Income Statements, and Statements of Resources

The balance sheets, income statements and changes in resources for each of the accounts in the PRGF Trust are presented below:

Combining Balance Sheets as at April 30, 2000 and 1999

(In thousands of SDRs)

	Loan Account		Reserve Account		Subsidy Account		Combined	
	2000	**1999**	**2000**	**1999**	**2000**	**1999**	**2000**	**1999**
Assets								
Cash and cash equivalents	—	—	258,291	413,670	87,853	161,184	346,144	574,854
Investments (Note 3)	357,049	303,001	2,280,543	1,852,148	1,825,428	1,733,403	4,463,020	3,888,552
Loans receivable (Note 4)	5,769,166	5,717,886	—	—	—	—	5,769,166	5,717,886
Accrued account transfers	31,258	(23,971)	16,579	69,074	(47,837)	(45,103)	—	—
Interest receivable	12,805	12,197	3,075	42,805	1,894	18,315	17,774	73,317
Total Assets	6,170,278	6,009,113	2,558,488	2,377,697	1,867,338	1,867,799	10,596,104	10,254,609
Liabilities and Resources								
Borrowings (Note 5)	6,105,644	5,951,856	—	—	118,150	137,483	6,223,794	6,089,339
Interest payable	64,612	57,192	—	—	1,779	1,934	66,391	59,126
Other liabilities	22	65	134	7,091	37	—	193	7,156
Total Liabilities	6,170,278	6,009,113	134	7,091	119,966	139,417	6,290,378	6,155,621
Resources	—	—	2,558,354	2,370,606	1,747,372	1,728,382	4,305,726	4,098,988
Total Liabilities and Resources	6,170,278	6,009,113	2,558,488	2,377,697	1,867,338	1,867,799	10,596,104	10,254,609

Combining Income Statements and Changes in Resources for the years ended April 30, 2000 and 1999

(In thousands of SDRs)

	Loan Account		Reserve Account		Subsidy Account		Combined	
	2000	**1999**	**2000**	**1999**	**2000**	**1999**	**2000**	**1999**
Balance, beginning of the year	—	—	2,370,606	2,089,814	1,728,382	1,623,882	4,098,988	3,713,696
Investment income	267	182	93,369	90,472	68,553	78,240	162,189	168,894
Interest on loans	29,080	27,052	—	—	—	—	29,080	27,052
Interest expense	(197,202)	(199,120)	—	—	(2,250)	(2,558)	(199,452)	(201,678)
Other expense	(22)	(65)	(134)	—	(37)	—	(193)	(65)
Operational (loss) income	(167,877)	(171,951)	93,235	90,472	66,266	75,682	(8,376)	(5,797)
Contributions (Note 6)	—	—	—	—	115,809	182,865	115,809	182,865
	(167,877)	(171,951)	93,235	90,472	182,075	258,547	107,433	177,068
Transfers from the Special Disbursement Account	—	—	168,572	249,365	—	—	168,572	249,365
Transfers through the Special Disbursement Account to the PRGF-HIPC Trust (Note 8)	—	—	(69,267)	(41,141)	—	—	(69,267)	(41,141)
Transfers between:								
Loan and Reserve Accounts	4,792	17,904	(4,792)	(17,904)	—	—	—	—
Loan and Subsidy Accounts	163,085	154,047	—	—	(163,085)	(154,047)	—	—
Net changes in resources	—	—	187,748	280,792	18,990	104,500	206,738	385,292
Balance, end of the year	—	—	2,558,354	2,370,606	1,747,372	1,728,382	4,305,726	4,098,988

Schedule 1

Poverty Reduction and Growth Facility Trust

(formerly Enhanced Structural Adjustment Facility Trust)

Schedule of Outstanding Loans as at April 30, 2000

(In thousands of SDRs)

	PRGF Loan Account		Structural Adjustment Facility[1]	
Member	**Balance**	**Percent**	**Balance**	**Percent**
Albania	57,045	0.99	—	—
Armenia, Republic of	109,350	1.90	—	—
Azerbaijan	81,900	1.42	—	—
Bangladesh	116,250	2.02	—	—
Benin	56,358	0.97	7,367	1.44
Bolivia	184,371	3.20	907	0.18
Burkina Faso	70,742	1.23	13,904	2.72
Burundi	8,818	0.15	—	—
Cambodia	48,957	0.85	—	—
Cameroon	126,090	2.19	—	—
Central African Republic	16,480	0.29	608	0.12
Chad	54,760	0.95	612	0.12
Comoros	—	—	1,350	0.26
Congo, Democratic Republic of	—	—	142,909	27.97
Congo, Republic of	13,896	0.24	—	—
Côte d'Ivoire	445,434	7.72	—	—
Djibouti	2,726	0.05	—	—
Equatorial Guinea	1,099	0.02	4,363	0.85
Ethiopia	29,490	0.51	36,726	7.19
Gambia, The	8,172	0.14	—	—
Georgia	172,050	2.98	—	—
Ghana	216,945	3.76	2,045	0.40
Guinea	91,837	1.59	—	—
Guinea-Bissau	10,500	0.18	—	—
Guyana	81,249	1.41	14,514	2.84
Haiti	15,175	0.26	—	—
Honduras	104,476	1.81	—	—
Kenya	88,012	1.53	4,260	0.83
Kyrgyz Republic	122,354	2.12	—	—
Lao People's Democratic Republic	32,257	0.55	4,688	0.92
Lesotho	10,570	0.18	302	0.06
Macedonia, former Yugoslav Republic of	27,281	0.47	—	—
Madagascar	42,533	0.74	1,992	0.39
Malawi	58,772	1.02	1,116	0.22
Mali	129,352	2.24	6,096	1.19
Mauritania	72,199	1.25	2,046	0.40
Mongolia	42,480	0.74	—	—
Mozambique	177,645	3.08	—	—
Nepal	11,190	0.19	—	—
Nicaragua	113,153	1.96	—	—
Niger	48,974	0.85	—	—
Pakistan	410,240	7.11	43,704	8.55
Rwanda	33,320	0.58	1,752	0.34
Senegal	192,445	3.34	1,936	0.38
Sierra Leone	84,148	1.46	21,616	4.23
Somalia	—	—	8,840	1.73
Sri Lanka	156,800	2.72	4,462	0.87
Tajikistan, Republic of	60,280	1.04	—	—
Tanzania	243,320	4.21	—	—
Togo	58,206	1.01	1,152	0.23
Uganda	257,433	4.46	—	—
Vietnam	241,600	4.19	—	—
Yemen, Republic of	150,000	2.60	—	—
Zambia	671,682	11.64	181,750	35.57
Zimbabwe	108,750	1.89	—	—
Total loans outstanding	5,769,166	100.00	511,017	100.00

[1]Since Structural Adjustment Facility (SAF) loans have been disbursed in connection with PRGF arrangements, the above list includes these loans, as well as loans disbursed to members under SAF arrangements. These loans are held by the Special Disbursement Account, and repayments of all SAF loans are transferred to the PRGF Reserve Account when received.

Schedule 2

Poverty Reduction and Growth Facility Trust

(formerly Enhanced Structural Adjustment Facility Trust)

Contributions to and Resources of the Subsidy Account as at April 30, 2000

(In thousands of SDRs)

Contributor[1]	Amount
Direct Contributions to the Subsidy Account	
Argentina	13,600
Australia	2,343
Bangladesh	284
Canada	128,597
China	5,700
Czech Republic	6,000
Denmark	38,299
Egypt	6,000
Finland	22,684
Germany	120,256
Iceland	2,600
India	4,190
Ireland	2,440
Italy	135,230
Japan	468,365
Korea	29,866
Luxembourg	5,200
Morocco	4,252
Netherlands	77,769
Norway	28,073
Sweden	110,887
Switzerland	20,600
Turkey	2,000
United Kingdom	285,182
United States	106,096
Total direct contributions to the Subsidy Account	1,626,513
Net income transferred from Administered Accounts	
Austria	34,743
Belgium	73,291
Botswana	875
Chile	2,910
Greece	22,316
Indonesia	2,447
Iran, Islamic Republic of	646
Portugal	1,641
Total net income transferred from Administered Accounts	138,869
Total contributions received	1,765,382
Transfers from Special Disbursement Account	400,000
Total contributions received and transfers from Special Disbursement Account	2,165,382
Cumulative net income of the Subsidy Account	590,527
Resources disbursed to subsidize Trust lending	(1,008,537)
Total resources of the Subsidy Account	1,747,372

[1]In addition to direct contributions, a number of members also make loans available to the Loan Account on concessional terms. See Schedule 3.

Schedule 3

Poverty Reduction and Growth Facility Trust

(formerly Enhanced Structural Adjustment Facility Trust)

Schedule of Borrowing Agreements as at April 30, 2000

(In thousands of SDRs)

Member	Interest Rate (in percent)	Amount of Agreement	Amount Drawn	Outstanding Balance
Loan Account				
Prior to enlargement of PRGF				
Canada	Fixed [1]	300,000	300,000	232,409
France	0.50 [2]	800,000	800,000	485,792
Germany	Variable [3]	700,000	700,000	500,566
Italy	Variable [3]	370,000	370,000	297,571
Japan	Variable [3]	2,200,000	2,200,000	1,688,348
Korea	Variable [3]	65,000	65,000	44,457
Norway	Variable [3]	90,000	90,000	65,449
Spain	Variable [3]	220,000	216,429 [4]	104,675
Switzerland	—	200,000	200,000	—
Total prior to enlargement of PRGF		4,945,000	4,941,429	3,419,267
For enlargement of PRGF				
Belgium	Variable [3]	200,000	11,083	11,083
Canada	Variable [3]	400,000	160,046	160,046
China	Variable [3]	100,000	89,505	89,505
Egypt	Variable [3]	100,000	67,943	67,942
France	Variable [2,3]	1,100,000	457,699	457,699
Germany	Variable [3]	700,000	294,684	294,684
Italy	Variable [3]	460,000	103,264	103,264
Japan	Variable [3]	2,150,000	907,338	907,338
Korea	Variable [3]	27,700	12,718	12,718
Netherlands	Variable [3]	250,000	—	—
Norway	Variable [3]	60,000	53,433	53,433
OPEC Fund for International Development	Variable [3]	37,902 [5]	25,385	25,385
Spain	0.50	192,000	36,973	36,973
Switzerland	Variable [3]	151,700	109,258	109,258
Total for enlargement of PRGF		5,929,302	2,329,329	2,329,328
Resources held pending repayment		—	—	357,049 [6]
Total—Loan Account		10,874,302	7,270,758	6,105,644
Subsidy Account				
Malaysia (1994 loans)	2.00	40,000	40,000	40,000
Malaysia (1988 and 1989 loans)	0.50	40,000	40,000	—
Malta	0.50	2,730	2,730	2,730
Pakistan	0.50	10,000	4,669	4,669
Singapore	2.00	80,000	80,000	60,000
Thailand	2.00 [7]	60,000	60,000	—
Tunisia	0.50	3,551	3,551	3,551
Uruguay	Variable [8]	7,200	7,200	7,200
Total—Subsidy Account		243,481	238,150	118,150

[1] The loans under this agreement are made at market-related rates of interest fixed at the time the loan was disbursed.
[2] The agreement with France made before the enlargement of PRGF (SDR 800 million) provides that the interest rate shall be 0.5 percent on the first SDR 700 million drawn, and for variable, market-related rates of interest thereafter. The agreement with France made for the enlargement of the PRGF (SDR 750 million) provides that the interest rate shall be 0.5 percent until the cumulative implicit interest subsidy reaches SDR 250 million, and at variable, market-related rates of interest thereafter.
[3] The loans under these agreements are made at variable, market-related rates of interest.
[4] The agreement expired with an undrawn balance of SDR 3.6 million.
[5] The agreement with the OPEC Fund for International Development is for an amount of $50 million.
[6] This amount represents principal repayments held and invested on behalf of a lender.
[7] In accordance with the agreement with Thailand, outstanding borrowings were repaid at the request of Thailand on January 30, 1998.
[8] The interest rate payable on the borrowing from Uruguay is equal to the rate on SDR-denominated deposits less 2.6 percent a year.

Schedule 4

Poverty Reduction and Growth Facility Trust

(formerly Enhanced Structural Adjustment Facility Trust)

Status of Loan Arrangements[1] as at April 30, 2000

(In thousands of SDRs)

Member	Date of Arrangement	Expiration	Amount Agreed	Undrawn Balance
Albania	May. 13, 1998	May. 12, 2001	45,040	14,114
Benin	Aug. 28, 1996	Aug. 26, 2000	27,180	10,872
Bolivia	Sep. 18, 1998	Sep. 17, 2001	100,960	56,097
Burkina Faso	Sep. 10, 1999	Sep. 9, 2002	39,120	33,530
Cambodia	Oct. 22, 1999	Oct. 21, 2002	58,500	50,143
Cameroon	Aug. 20, 1997	Aug. 19, 2000	162,120	36,030
Central African Republic	Jul. 20, 1998	Jul. 19, 2001	49,440	32,960
Chad	Jan. 7, 2000	Jan. 6, 2003	36,400	31,200
Côte d'Ivoire	Mar. 17, 1998	Mar. 16, 2001	285,840	161,976
Djibouti	Oct. 18, 1999	Oct. 17, 2002	19,082	16,356
Gambia, The	Jun. 29, 1998	Jun. 28, 2001	20,610	13,740
Ghana	May. 3, 1999	May. 2, 2002	155,000	110,700
Guinea	Jan. 13, 1997	Jan. 12, 2001	70,800	15,730
Guyana	Jul. 15, 1998	Jul. 14, 2001	53,760	35,840
Honduras	Mar. 26, 1999	Mar. 25, 2002	156,750	80,750
Kyrgyz Republic	Jun. 26, 1998	Jun. 25, 2001	73,380	38,230
Madagascar	Nov. 27, 1996	Jul. 27, 2000	81,360	40,680
Mali	Aug. 6, 1999	Aug. 5, 2002	46,650	39,900
Mauritania	Jul. 21, 1999	Jul. 20, 2002	42,490	36,420
Mongolia	Jul. 30, 1997	Jul. 29, 2000	33,390	15,953
Mozambique	Jun. 28, 1999	Jun. 27, 2002	87,200	42,000
Nicaragua	Mar. 18, 1998	Mar. 17, 2001	148,955	53,820
Pakistan	Oct. 20, 1997	Oct. 19, 2000	682,380	417,010
Rwanda	Jun. 24, 1998	Jun. 23, 2001	71,400	38,080
São Tomé and Príncipe	Apr. 28, 2000	Apr. 27, 2003	6,657	6,657
Senegal	Apr. 20, 1998	Apr. 19, 2001	107,010	57,072
Tajikistan, Republic of	Jun. 24, 1998	Jun. 23, 2001	100,300	40,020
Tanzania	Mar. 31, 2000	Mar. 30, 2003	135,000	115,000
Uganda	Nov. 10, 1997	Nov. 9, 2000	100,425	17,853
Yemen, Republic of	Oct. 29, 1997	Oct. 28, 2000	264,750	114,750
Zambia	Mar. 25, 1999	Mar. 24, 2002	254,450	244,450
			3,516,399	2,017,933

[1]The Saudi Fund for Development may also provide resources to support arrangements under the PRGF through loans to qualifying members in association with loans under the PRGF. As at April 30, 2000, SDR 49.5 million of such associated loans had been disbursed.

Poverty Reduction and Growth Facility Administered Accounts

(formerly Enhanced Structural Adjustment Facility Administered Accounts)

Balance Sheets
as at April 30, 2000 and 1999

(In thousands of SDRs)

	Austria		Belgium		Botswana		Chile	
	2000	1999	2000	1999	2000	1999	2000	1999
Assets								
Cash and cash equivalents	—	—	180,413	—	—	—	—	—
Investments (Note 3)	50,159	50,000	—	180,000	6,916	6,894	—	15,000
Advance payments to the PRGF Subsidy Account	47	85	—	—	48	58	—	—
Interest receivable	—	117	2,273	3,443	45	57	—	601
Total Assets	50,206	50,202	182,686	183,443	7,009	7,009	—	15,601
Liabilities and Resources								
Deposits (Note 4)	50,000	50,000	180,000	180,000	6,894	6,894	—	15,000
Interest payable	203	202	355	156	115	115	—	44
Other liabilities	3	—	—	—	—	—	—	—
Total Liabilities	50,206	50,202	180,355	180,156	7,009	7,009	—	15,044
Resources	—	—	2,331	3,287	—	—	—	557
Total Liabilities and Resources	50,206	50,202	182,686	183,443	7,009	7,009	—	15,601

	Greece		Indonesia		Iran, I. R. of		Portugal	
	2000	1999	2000	1999	2000	1999	2000	1999
Assets								
Cash and cash equivalents	—	—	—	—	—	—	—	—
Investments (Note 3)	31,600	35,000	25,080	25,000	5,016	5,000	13,188	10,955
Advance payments to the PRGF Subsidy Account	—	—	—	—	—	—	33	—
Interest receivable	444	1,127	352	770	33	41	—	100
Total Assets	32,044	36,127	25,432	25,770	5,049	5,041	13,221	11,055
Liabilities and Resources								
Deposits (Note 4)	31,500	35,000	25,000	25,000	5,000	5,000	13,146	10,955
Interest payable	181	15	314	498	23	23	63	53
Other liabilities	2	—	1	—	—	—	1	—
Total Liabilities	31,683	35,015	25,315	25,498	5,023	5,023	13,210	11,008
Resources	361	1,112	117	272	26	18	11	47
Total Liabilities and Resources	32,044	36,127	25,432	25,770	5,049	5,041	13,221	11,055

The accompanying notes are an integral part of these financial statements.

/s/ Eduard Brau
Treasurer

/s/ Horst Köhler
Managing Director

Poverty Reduction and Growth Facility Administered Accounts

(formerly Enhanced Structural Adjustment Facility Administered Accounts)

Income Statements and Changes in Resources for the Years Ended April 30, 2000 and 1999

(In thousands of SDRs)

	Austria		Belgium		Botswana		Chile	
	2000	**1999**	**2000**	**1999**	**2000**	**1999**	**2000**	**1999**
Balance, beginning of the year	—	1,496	3,287	1,365	—	—	557	514
Investment income	1,893	2,378	7,932	8,039	253	265	228	685
Other expenses	(2)	—	—	—	—	—	—	—
Interest expense on deposits	(251)	(256)	(902)	(900)	(138)	(138)	(32)	(75)
Net income	1,640	2,122	7,030	7,139	115	127	196	610
Transfers to the PRGF Trust Subsidy Account	(1,640)	(3,618)	(7,986)	(5,217)	(115)	(127)	(753)	(567)
Net changes in resources	—	(1,496)	(956)	1,922	—	—	(557)	43
Balance, end of the year	—	—	2,331	3,287	—	—	—	557

	Greece		Indonesia		Iran, I. R. of		Portugal	
	2000	**1999**	**2000**	**1999**	**2000**	**1999**	**2000**	**1999**
Balance, beginning of the year	1,112	1,295	272	286	18	23	47	—
Investment income	660	1,647	518	1,095	184	188	496	433
Other expenses	(1)	—	(1)	—	—	—	—	—
Interest expense on deposits	(167)	(177)	(386)	(595)	(25)	(25)	(66)	(54)
Net Income	492	1,470	131	500	159	163	430	379
Transfers to the PRGF Trust Subsidy Account	(1,243)	(1,653)	(286)	(514)	(151)	(168)	(466)	(332)
Net changes in resources	(751)	(183)	(155)	(14)	8	(5)	(36)	47
Balance, end of the year	361	1,112	117	272	26	18	11	47

The accompanying notes are an integral part of these financial statements.

Poverty Reduction and Growth Facility Administered Accounts

(formerly Enhanced Structural Adjustment Facility Administered Accounts)

Notes to the Financial Statements as at April 30, 2000 and 1999

1. Nature of Operations

The name of the Enhanced Structural Adjustment Facility Administered Accounts was changed to the Poverty Reduction and Growth Facility Administered Accounts ("the Administered Accounts" or "PRGF Administered Accounts") on November 22, 1999. At the request of certain member countries, the IMF established administered accounts for the benefit of the Subsidy Account of the Poverty Reduction and Growth Facility Trust (the PRGF Trust, formerly the Enhanced Structural Adjustment Facility Trust). The administered accounts comprise deposits made by contributors. The difference between interest earned by the administered accounts and the interest payable on deposits is transferred to the Subsidy Account of the PRGF Trust.

The Saudi Fund for Development (SFD) Special Account was established at the request of the SFD to provide supplementary financing in association with loans under the Poverty Reduction and Growth Facility (PRGF). The IMF acts as agent of the SFD. Disbursements from the SFD Special Account are made simultaneously with PRGF disbursements. Payments of interest and principal due to the SFD under associated loans are to be transferred to the SFD.

The resources of each administered account are held separately from the assets of all other accounts of, or administered by, the IMF and may not be used to discharge liabilities or to meet losses incurred in the administration of other accounts.

2. Summary of Significant Accounting Practices

Basis of Presentation

The financial statements are prepared in accordance with International Accounting Standards (IAS), which are issued by the International Accounting Standards Committee. Certain specific accounting principles and disclosure practices are explained further below in line with IAS requirements.

Unit of Account

The financial statements are expressed in terms of SDRs. The value of the SDR is based on the proportional amounts of the currencies of the five members having the largest exports of goods and services during the five-year period ending one year before the date of the review of these proportional amounts. The value of the SDR is determined by the IMF each day by summing the values in U.S. dollars, based on market exchange rates, of the basket of these currencies. The IMF reviews the SDR valuation basket every five years. The currencies in the basket as of April 30, 2000 and 1999 and their amounts were as follows:

Currency	Amount
Euro (Germany)	0.228
Euro (France)	0.1239
Japanese yen	27.2
Pound sterling	0.105
U.S. dollar	0.5821

As of April 30, 2000, one SDR was equal to 1.31921 U.S. dollars (1.35123 U.S. dollars as of April 30, 1999).

Revenue Recognition

The financial statements are maintained on the accrual basis; accordingly, income is recognized as it is earned and expenses are recorded as they are incurred.

Cash and Cash Equivalents

Cash and cash equivalents include short-term deposits with a maturity of less than ninety days. These deposits are denominated in SDRs or other currencies and are carried at cost not exceeding net realizable value. Interest on these instruments varies and is market-related.

Investments

The resources of the Administered Accounts are invested pending their use. Investments are made in debt securities, either directly or by participation in an investment pool. Investments are marked to market value on the last business day of the accounting period. The valuations of purchases and sales are made on the trade date basis. Investment income comprises interest earned on investments, realized and unrealized gains and losses on investments and currency valuation differences arising from exchange rate movements against the SDR.

Interest rate risk is managed by limiting the investment portfolio to a weighted-average effective duration that does not exceed three years. Currency risk is minimized by investing in securities denominated in SDRs or in the constituent currencies of the SDR basket. Risk is further minimized by ensuring that the currency composition of the investment portfolio matches, as closely as possible, the currency composition of the SDR basket.

Foreign Currency Translation

Foreign currency transactions are recorded at the rate of exchange on the date of the transaction. At the balance sheet date, monetary assets and liabilities denominated in foreign currencies are reported using the closing exchange rates. Exchange differences arising on the settlement of transactions at rates different from those at the originating date of the transaction and unrealized foreign exchange differences on unsettled foreign currency monetary assets and liabilities are included in the determination of net income.

Transfers to PRGF Subsidy Account

The difference between the interest earned by the IMF on the amount invested and the interest payable on the deposits of the administered account, net of any cost, is to be transferred to the Subsidy Account of the PRGF Trust.

Administrative Costs

The expenses of conducting the activities of the administered accounts are incurred and borne by the General Department of the IMF.

Comparatives

When necessary, comparative figures have been reclassified to conform with changes in the presentation of the current year.

3. Investments

The maturities of the administered accounts investments, in debt securities, are as follows:

Maturity as at April 30	2000	1999
	In thousands of SDRs	
Less than 1 year	1,024	327,849
1–3 years	129,619	—
3–5 years	1,066	—
Over 5 years	250	—
Total	131,959	327,849

4. Deposits

The Administered Account Austria was established on December 27, 1988 for the administration of resources deposited in the account by the Austrian National Bank. Two deposits (one of SDR 60.0 million made on December 30, 1988 and one of SDR 50.0 million made on August 10, 1995) are to be repaid in ten equal semiannual installments beginning five and a half years after the date of each deposit and ending at the end of the tenth year after the date of each deposit. The deposits bear interest at a rate of ½ of 1 percent a year. The first deposit from Austria has been repaid in full.

The Administered Account Belgium was established on July 27, 1988 for the administration of resources deposited in the account by the National Bank of Belgium. Four deposits (SDR 30.0 million made on July 29, 1988; SDR 35.0 million made on December 30, 1988; SDR 35.0 million made on June 30, 1989; and SDR 80.0 million made on April 29, 1994) have an initial maturity of six months and are renewable by the IMF, on the same basis. The final maturity of each deposit, including renewals, will be ten years from the initial dates of the individual deposits. The deposits bear interest at a rate of ½ of 1 percent a year. In accordance with an addendum to the account, effective on July 24, 1998, the maturities of the first three deposits will be extended by the National Bank of Belgium, for further periods of six months, provided that the total maturity period of each deposit does not exceed five years. The deposits are invested by the IMF and the IMF pays the National Bank of Belgium interest on each deposit at an annual rate of ½ of 1 percent. The difference between the interest paid to the National Bank of Belgium and the interest earned on the deposits (net of any cost to the IMF) is retained in the account and invested, pending further disposition by the National Bank of Belgium.

The Administered Account Botswana was established on July 1, 1994 for the administration of resources deposited in the account by the Bank of Botswana. The deposit, totaling SDR 6.9 million, is to be repaid in one installment ten years after the date of deposit. The deposit bears interest at a rate of 2 percent a year.

The Administered Account Chile was established on October 4, 1994 for the administration of resources deposited in the account by the Banco Central de Chile. The deposit, totaling SDR 15.0 million, was repaid on October 4, 1999.

The Administered Account Greece was established on November 30, 1988 for the administration of resources deposited in the account by the Bank of Greece. Two deposits of SDR 35.0 million each (December 15, 1988 and April 29, 1994) are to be repaid in ten equal semiannual installments beginning five and a half years after the date of deposit and will be completed at the end of the tenth year after the date of the deposits. The deposits bear interest at a rate of ½ of 1 percent a year. The first deposit from Greece has been repaid in full.

The Administered Account Indonesia was established on June 30, 1994 for the administration of resources deposited in the account by the Bank Indonesia. The deposit, totaling SDR 25.0 million, is to be repaid in one installment ten years after the date the deposit was made. The interest payable on the deposit is equivalent to that obtained for the investment of the deposit less 2 percent a year.

The Administered Account Islamic Republic of Iran was established on June 6, 1994 for the administration of resources deposited in the account by the Central Bank of the Islamic Republic of Iran (CBIRI). The CBIRI has made five annual deposits, each of SDR 1.0 million. All of the deposits will be repaid at the end of ten years after the date of the first deposit. Each deposit bears interest at a rate of ½ of 1 percent a year.

The Administered Account Portugal was established on May 16, 1994 for the administration of resources deposited in the account by the Banco de Portugal (BdP). The BdP has agreed to make six annual deposits, each of SDR 2.2 million. Each deposit is to be repaid in five equal annual installments beginning six years after the date of the deposit and will be completed at the end of the tenth year after the date of the deposit. Each deposit bears interest at a rate of ½ of 1 percent a year.

5. Associated Loans

The SFD has provided additional resources to support arrangements under the PRGF. Funds become available under an associated loan after a bilateral agreement between the SFD and the recipient country has been effected. Amounts denominated in SDRs, for disbursement to a recipient country under an associated loan, are placed by the SFD in the Special Account for disbursement by the IMF simultaneously with disbursements under a PRGF arrangement. These loans are repayable in ten equal semiannual installments commencing not later than the end of the first six months of the sixth year and are to be completed at the end of the tenth year after the date of disbursement. Interest on the outstanding balances is currently set at a rate of ½ of 1 percent a year.

The receipts and uses of resources for the Saudi Fund for Development Special Account were as follows:

	2000	1999
	In thousands of SDRs	
Receipts of Resources		
Cumulative transfers from the Saudi Fund for Development	49,500	49,500
Cumulative repayments of associated loans	16,250	9,350
Cumulative receipts of interest on associated loans	1,502	1,302
Accrued interest on associated loans	61	68
	67,313	60,220
Uses of Resources		
Associated loans	49,500	49,500
Cumulative repayments to the Saudi Fund for Development	16,250	9,350
Cumulative payments of interest on transfers	1,502	1,302
Accrued interest on transfers	61	68
	67,313	60,220

PRGF-HIPC Trust and Related Accounts

Combined Balance Sheets
as at April 30, 2000 and 1999

(In thousands of SDRs)

	2000	1999
Assets		
Cash and cash equivalents	1,012,081	70,084
Investments (Note 3)	221,135	107,035
Transfers receivable (Note 4)	10,757	20,377
Interest receivable	8,768	2,872
Total Assets	1,252,741	200,368
Liabilities and Resources		
Borrowings (Note 5)	323,175	41,607
Other liabilities	13	—
Interest payable	626	349
Total Liabilities	323,814	41,956
Resources	928,927	158,412
Total Liabilities and Resources	1,252,741	200,368

The accompanying notes are an integral part of these financial statements.

/s/ Eduard Brau
Treasurer

/s/ Horst Köhler
Managing Director

PRGF-HIPC Trust and Related Accounts

Combined Income Statements and Changes in Resources
for the Years Ended April 30, 2000 and 1999

(In thousands of SDRs)

	2000	1999
Balance, beginning of the year	158,412	95,987
Investment income	21,492	6,101
Interest expense	(1,078)	(642)
Other expenses	(40)	—
Operational income	20,374	5,459
Contributions received	552,319	40,357
Grants	(139,986)	(21,249)
Disbursements	(43,308)	(16,570)
	389,399	7,997
Transfers	381,116	54,428
Net changes in resources	770,515	62,425
Balance, end of the year	928,927	158,412

The accompanying notes are an integral part of these financial statements.

PRGF-HIPC Trust and Related Accounts

Notes to the Financial Statements as at April 30, 2000 and 1999

1. Nature of Operations

The PRGF-HIPC Trust and Related Accounts comprise the PRGF-HIPC Trust Account, the Umbrella Account for HIPC Operations, and the Post-SCA-2 Administered Account. The PRGF-HIPC Trust Account comprises three sub-accounts: the PRGF-HIPC, PRGF and HIPC sub-accounts. Separate balance sheets and income statements and changes in resources for each of these accounts are provided in Note 6. Transactions between the above accounts are eliminated on combination in the combined balance sheets and combined income statements and changes in resources.

PRGF-HIPC Trust (formerly the ESAF-HIPC Trust)

The name of the Trust for Special ESAF Operations for the Heavily Indebted Poor Countries and for Interim ESAF Subsidy Operations was changed to the Trust for Special PRGF Operations for the Heavily Indebted Poor Countries and for Interim PRGF Subsidy Operations (the PRGF-HIPC Trust) on November 22, 1999. The PRGF-HIPC Trust, for which the IMF is trustee, was established on February 4, 1997 to provide balance of payments assistance to low-income developing members by making grants and loans to eligible members for the purpose of reducing their external debt burden and for interim PRGF subsidy purposes. The resources of the PRGF-HIPC Trust are held separately from the assets of all other accounts of, or administered by, the IMF and may not be used to discharge liabilities or to meet losses incurred in the administration of other accounts.

The operations of the PRGF-HIPC Trust are conducted through the PRGF-HIPC Trust Account and the Umbrella Account for HIPC Operations.

PRGF-HIPC Trust Account (formerly the ESAF-HIPC Trust Account)

The resources of the PRGF-HIPC Trust Account consist of grant contributions, borrowings, and other types of investments made by contributors, amounts transferred by the IMF from the Special Disbursement Account and the General Resources Account, and net earnings from investment of resources held in the PRGF-HIPC Trust Account.

The PRGF-HIPC subaccount holds resources that could finance either HIPC operations or interim PRGF subsidy operations; the PRGF subaccount holds resources earmarked for interim PRGF subsidy operations, while the HIPC subaccount holds resources earmarked for HIPC operations. PRGF-HIPC subaccount resources used to finance HIPC operations through the HIPC subaccount are repayable to the PRGF-HIPC subaccount and bear interest at a rate equal to the average return on investments in the Special Disbursement Account.

The resources held in the PRGF-HIPC Trust Account are to be used by the Trustee to make grants or loans to eligible members that qualify for assistance under the HIPC Initiative and for subsidizing the interest rate on interim PRGF operations to PRGF-eligible members.

Umbrella Account for HIPC Operations

The Umbrella Account for HIPC Operations ("the Umbrella Account") receives and administers the proceeds of grants or loans made to eligible members that qualify for assistance under the terms of the PRGF-HIPC Trust. Within the Umbrella Account, resources received are administered through the establishment of subaccounts for each eligible member upon the approval of disbursements under the PRGF-HIPC Trust.

The resources of a subaccount of the Umbrella Account consist of (1) amounts disbursed from the PRGF-HIPC Trust Account as grants or loans for the benefit of a member, and (2) net earnings from investment of the resources held in the subaccount.

The resources held in a subaccount of the Umbrella Account are to be used to meet the member's debt obligations to the IMF in accordance with the schedule agreed upon by the trustee and the member for the use of the proceeds of the PRGF-HIPC Trust disbursements.

Post-SCA-2 Administered Account

The Post-SCA-2 Administered Account, which is administered by the IMF on behalf of members, was established on December 8, 1999 for the temporary administration of resources transferred by members following the termination of the second Special Contingent Account (SCA-2), prior to the final disposition of those resources.

Resources received from a member's cumulative SCA-2 contributions, together with the member's pro rata share of investment returns, shall be transferred to the PRGF-HIPC Trust or to the member, in accordance with the member's instructions. The assets held in the Post-SCA-2 Administered Account are separate from the assets and property of all other accounts of, or administered by, the IMF and may not be used to discharge liabilities or to meet losses incurred in the administration of other accounts.

2. Summary of Significant Accounting Practices

Basis of Presentation

The financial statements are prepared in accordance with International Accounting Standards (IAS), which are issued by the International Accounting Standards Committee. Certain specific accounting principles and disclosure practices are explained further below in line with IAS requirements.

Unit of Account

The financial statements are expressed in terms of SDRs. The value of the SDR is based on the proportional amounts of the currencies of the five members having the largest exports of goods and services during the five-year period ending one year before the date of the review of these proportional amounts. The value of the SDR is determined by the IMF each day by summing the values in U.S. dollars, based on market exchange rates, of the basket of these currencies. The IMF reviews the SDR valuation basket every five years. The currencies in the basket as of April 30, 2000 and 1999 and their amounts were as follows:

Currency	Amounts
Euro (Germany)	0.228
Euro (France)	0.1239
Japanese yen	27.2
Pound sterling	0.105
U.S. dollar	0.5821

As of April 30, 2000, one SDR was equal to 1.31921 U.S. dollars (1.35123 U.S. dollars as of April 30, 1999).

Revenue Recognition

The financial statements are maintained on the accrual basis; accordingly, income is recognized as it is earned and expenses are recorded as they are incurred.

Cash and Cash Equivalents

Cash and cash equivalents include short-term deposits with a maturity of less than ninety days. These deposits are denominated in SDRs or other currencies and are carried at cost not exceeding net realizable value. Interest on these instruments varies and is market-related.

Investments

The resources of the Trust are invested pending their use. The Trust invests in debt securities, either directly or by participation in an investment pool. Investments are valued at their market value on the last business day of the accounting period. The valuation of purchases and sales is made on the trade date basis. Investment income comprises gains and losses realized during the year from the sale of investments, unrealized gains and losses on investments, and currency valuation differences arising from exchange rate movements against the SDR.

Interest rate risk is managed by limiting the investment portfolio to a weighted-average effective duration that does not exceed three years. Currency risk is minimized by investing in securities denominated in SDRs or in the constituent currencies of the SDR basket. Regular portfolio rebalancing to ensure that the currency composition of the investment portfolio matches, as closely as possible, the currency composition of the SDR basket, further minimizes risk.

Foreign Currency Translation

Foreign currency transactions are recorded at the rate of exchange on the date of the transaction. At the balance sheet date, monetary assets and liabilities denominated in foreign currencies are reported using the closing exchange rates. Exchange differences arising on the settlement of transactions at rates different from those at the originating date of the transaction and unrealized foreign exchange differences on unsettled foreign currency monetary assets and liabilities are included in the determination of net income.

Administrative Costs

The expenses of conducting the activities of the Trust and related accounts are incurred and borne by the General Department of the IMF.

Comparatives

When necessary, comparative figures have been reclassified to conform with changes in the presentation of the current year.

3. Investments

The maturities of the investments, in debt securites, are as follows:

Maturity as at April 30	2000	1999
	In thousands of SDRs	
Less than 1 year	1,017	107,035
1–3 years	217,907	—
3–5 years	1,791	—
Over 5 years	420	—
Total	221,135	107,035

4. Transfers receivable and payable

The HIPC subaccount has transfers payable to the PRGF-HIPC subaccount arising from past disbursements to the Umbrella Account under the HIPC initiative in the amount of SDR 200.7 million, including interest (there was no transfer payable at April 30, 1999). Interest payable between subaccounts is eliminated on combination. At April 30, 2000, there was a transfer due from the General Resources Account amounting to SDR 10.8 million (SDR 13.3 million at April 30, 1999).

5. Borrowings

The Trust borrows on such terms and conditions as agreed between the Trust and the lenders. Interest rates on borrowings at April 30, 2000 and April 30, 1999 varied between 0 percent and 2 percent a year. The principal amounts of the borrowings are repayable in one installment at their maturity dates. Scheduled repayments of borrowings are summarized below:

Periods of Repayment, Financial Year Ending April 30	2000	1999
	In thousands of SDRs	
2001	—	—
2002	14,607	14,607
2003	—	—
2004	—	—
2005 and beyond	308,568	27,000
Total	323,175	41,607

6. Separate Balance Sheets and Income Statements and Changes in Resources

The balance sheets and income statements and changes in resources for each of the accounts and subaccounts in the PRGF-HIPC Trust and Related Accounts are presented below:

Combining Balance Sheets
as at April 30, 2000 and 1999

(In thousands of SDRs)

	2000							1999		
	PRGF-HIPC Trust Account *(formerly ESAF-HIPC Trust Account)* subaccount									
	PRGF-HIPC	PRGF	HIPC	Combined	Umbrella Account for HIPC Operations	Post-SCA-2 Administered Account[1]	Combined Total	PRGF-HIPC Trust Account	Umbrella Account for HIPC Operations	Combined Total
Assets										
Cash and cash equivalents	387,825	58	212,853	600,736	157,131	254,214	1,012,081	55,640	14,444	70,084
Investments	213,883	7,252	—	221,135	—	—	221,135	63,657	43,378	107,035
Transfers receivable	10,757	—	—	10,757	—	—	10,757	20,377	—	20,377
Transfers to and from subaccounts	200,705	—	(200,705)	—	—	—	—	—	—	—
Interest receivable	1,650	—	587	2,237	3,694	2,837	8,768	1,933	939	2,872
Total Assets	814,820	7,310	12,735	834,865	160,825	257,051	1,252,741	141,607	58,761	200,368
Liabilities and Resources										
Borrowings	323,175	—	—	323,175	—	—	323,175	41,607	—	41,607
Other liabilities	13	—	—	13	—	—	13	—	—	—
Interest payable	626	—	—	626	—	—	626	349	—	349
Total Liabilities	323,814	—	—	323,814	—	—	323,814	41,956	—	41,956
Resources	491,006	7,310	12,735	511,051	160,825	257,051	928,927	99,651	58,761	158,412
Total Liabilities and Resources	814,820	7,310	12,735	834,865	160,825	257,051	1,252,741	141,607	58,761	200,368

[1] The Post-SCA-2 Administered Account was established on December 8, 1999.

Note 6 ***(continued)***

Combining Income Statements and Changes in Resources for the Years Ended April 30, 2000 and 1999

(In thousands of SDRs)

	2000							1999		
	PRGF-HIPC Trust Account *(formerly ESAF-HIPC Trust Account)* subaccount				Umbrella Account for HIPC Operations	Post-SCA-2 Administered Account[1]	Combined Total	PRGF-HIPC Trust Account	Umbrella Account for HIPC Operations	Combined Total
	PRGF-HIPC	PRGF	HIPC	Combined						
Balance, beginning of the year	171,156	3,775	(75,280)	99,651	58,761	—	158,412	44,374	51,613	95,987
Investment income	14,664	190	3,575	11,734[2]	5,386	4,372	21,492	3,632	2,469	6,101
Interest expense	(1,078)	—	(6,695)	(1,078)[2]	—	—	(1,078)	(642)	—	(642)
Other expenses	(40)	—	—	(40)	—	—	(40)	—	—	—
Operational income/(loss)	13,546	190	(3,120)	10,616	5,386	4,372	20,374	2,990	2,469	5,459
Contributions received	177,867	3,345	231,121	412,333	139,986	—	552,319	19,108	21,249	40,357
Grants	—	—	(139,986)	(139,986)	—	—	(139,986)	(21,249)	—	(21,249)
Disbursements	—	—	—	—	(43,308)	—	(43,308)	—	(16,570)	(16,570)
	191,413	3,535	88,015	282,963	102,064	4,372	389,399	849	7,148	7,997
Transfers	128,437	—	—	128,437	—	252,679	381,116	54,428	—	54,428
Net changes in resources	319,850	3,535	88,015	411,400	102,064	257,051	770,515	55,277	7,148	62,425
Balance, end of the year	491,006	7,310	12,735	511,051	160,825	257,051	928,927	99,651	58,761	158,412

[1]The Post-SCA-2 Administered Account was established on December 8, 1999; the figures presented are for the period December 8, 1999 through April 30, 2000.
[2]Interest payable between subaccounts amounting to SDR 6.7 million has been eliminated in the combined totals.

Schedule 1

Post SCA-2 Administered Account

Holdings, Interest, and Transfers as at April 30, 2000

(In thousands of SDRs)

Member	Transfers from SCA-2	Interest Earned	Transfers to Member	Transfers to PRGF-HIPC Trust	Balance as at April 30, 2000
Algeria	7,569	121	—	—	7,690
Argentina	19,605	285	—	—	19,890
Austria	9,563	152	—	—	9,715
Brazil	9,979	159	—	—	10,138
Brunei Darussalam	52	—	—	—	52
Croatia, Republic of	519	8	—	—	527
Czech Republic	5,664	47	—	(5,664)	47
Dominican Republic	905	10	—	—	915
Egypt	1,724	27	—	—	1,751
Estonia, Republic of	137	2	—	—	139
Fiji	194	3	—	—	197
Finland	5,812	93	—	—	5,905
Gabon	431	7	—	—	438
Hungary	9,237	148	—	—	9,385
India	31,370	390	—	(31,370)	390
Indonesia	4,850	78	—	—	4,928
Italy	42,407	680	—	—	43,087
Jordan	1,027	13	—	—	1,040
Kuwait	4,197	65	—	—	4,262
Latvia, Republic of	269	4	—	—	273
Malaysia	7,368	114	—	—	7,482
Mauritius	40	—	—	(40)	—
Morocco	2,187	35	—	—	2,222
New Zealand	1,199	19	—	—	1,218
Oman	1,057	17	—	—	1,074
Pakistan	4,659	75	—	—	4,734
Peru	6,144	34	(34)	(6,144)	—
Poland, Republic of	7,074	113	—	—	7,187
Russian Federation	10,086	161	—	—	10,247
Saudi Arabia	16,710	268	—	—	16,978
Singapore	4,046	65	—	—	4,111
Spain	26,000	348	—	—	26,348
Sri Lanka	789	12	—	(789)	12
Sweden	10,595	170	—	—	10,765
Thailand	6,128	98	—	—	6,226
Tonga	26	—	—	—	26
Trinidad & Tobago	2,216	17	—	—	2,233
Tunisia	2,362	38	—	—	2,400
United Arab Emirates	5,141	72	—	—	5,213
Vanuatu	44	—	—	—	44
Venezuela	26,815	416	—	—	27,231
Vietnam	523	8	—	—	531
	296,720	4,372	(34)	(44,007)	257,051

Schedule 2

PRGF-HIPC Trust Account

(formerly ESAF-HIPC Trust Account)

Contributions and Transfers as at April 30, 2000 and 1999

(In thousands of SDRs)

	Subaccount			
	PRGF-HIPC	PRGF	HIPC	Combined
Cumulative up to April 30, 1999				
Belize	20	—	—	20
Finland	2,251	—	—	2,251
Japan	46,313	—	—	46,313
Netherlands	—	3,600	—	3,600
Nigeria	1,102	—	—	1,102
	49,686	3,600	—	53,286
Transfers from SDA	102,130	—	—	102,130
Transfers from GRA	13,286	—	—	13,286
	115,416	—	—	115,416
	165,102	3,600	—	168,702
Year ended April 30, 2000				
Australia	—	—	9,189	9,189
Bangladesh	1,163	—	—	1,163
Barbados	250	—	—	250
Belize	20	—	—	20
Cambodia	27	—	—	27
Canada	32,929	—	—	32,929
China	13,132	—	—	13,132
Cyprus	544	—	—	544
Denmark	6,120	—	—	6,120
France	38,696	—	—	38,696
Greece	2,200	—	—	2,200
Iceland	93	—	—	93
Ireland	3,937	—	—	3,937
Israel	1,189	—	—	1,189
Jamaica	1,800	—	—	1,800
Japan	20,245	—	—	20,245
Korea	10,625	—	—	10,625
Luxembourg	488	—	—	488
Malta	706	—	—	706
Mauritius	40	—	—	40
Netherlands	—	3,345	—	3,345
Norway	7,252	—	—	7,252
Philippines	4,500	—	—	4,500
Portugal	4,430	—	—	4,430
Samoa	3	—	—	3
San Marino, Republic of	32	—	—	32
Slovak Republic	2,669	—	—	2,669
Slovenia, Republic of	311	—	—	311
South Africa	895	—	—	895
Swaziland	20	—	—	20
United Kingdom	23,551	—	—	23,551
United States	—	—	221,932	221,932
	177,867	3,345	231,121	412,333
Transfers from SDA	69,267	—	—	69,267
Transfers from GRA	59,170	—	—	59,170
	128,437	—	—	128,437
Cumulative up to April 30, 2000	306,304	3,345	231,121	540,770

Schedule 3

PRGF-HIPC Trust Account

(formerly ESAF-HIPC Trust Account)

Borrowings
as at April 30, 2000 and 1999

(In thousands of SDRs)

Date of Arrangement	Maturity[1]	Interest Rate (in percent)	Amount 2000	Amount 1999
PRGF-HIPC sub-account				
SDR-denominated				
April 30, 1997	April 29, 2002	2.0	14,607	14,607
May 30, 1997	May 29, 2007	0.5	1,000	1,000
May 30, 1998	May 29, 2007	0.5	1,000	1,000
June 29, 1998	June 28, 2008	2.0	15,000	15,000
November 20, 1998	November 19, 2008	2.0	10,000	10,000
May 30, 1999	May 29, 2007	0.5	1,000	—
August 24, 1999	August 23, 2009	2.0	5,000	—
August 30, 1999	August 29, 2009	2.0	10,000	—
October 4, 1999	October 3, 2004	0.5	15,000	—
January 31, 2000	January 30, 2010	1.5	6,144	—
February 24, 2000	February 23, 2020	0.0	5,664	—
March 31, 2000	December 30, 2018	0.0	31,370	—
April 24, 2000	December 23, 2018	0.0	789	—
			116,574	41,607
Currency-denominated				
February 11, 2000	February 10, 2010	0.0	206,601[2]	—
Total			323,175	41,607

[1]The principal amounts of all the borrowings are payable in one installment at their maturity dates.
[2]The principal amount of the borrowing is for Euro 300 million.

Schedule 4

Umbrella Account for HIPC Operations as at April 30, 2000 and 1999

Grants, Interest, and Disbursements

(In thousands of SDRs)

	Opening Balance	Grants from PRGF-HIPC Trust Account	Interest Earned	Disbursements	Balance
Cumulative up to April 30, 1999					
Bolivia	—	21,249	460	6,804	14,905
Uganda	—	51,514	2,108	9,766	43,856
	—	72,763	2,568	16,570	58,761
Year ended April 30, 2000					
Bolivia	14,905	—	424	7,423	7,906
Guyana	—	25,561	716	7,415	18,862
Mozambique	—	95,483	2,758	14,818	83,423
Tanzania	—	13,342	33	—	13,375
Uganda	43,856	5,600	1,455	13,652	37,259
Cumulative up to April 30, 2000	58,761	139,986	5,386	43,308	160,825

Other Administered Accounts

Balance Sheets
as at April 30, 2000 and 1999

	Administered Account Japan		Administered Account for Selected Fund Activities—Japan		Framework Administered Account for Technical Assistance Activities		Administered Account for Rwanda		Trust Fund		Supplementary Financing Facility Subsidy Account	
	2000	1999	2000	1999	2000	1999	2000	1999	2000	1999	2000	1999
	(In thousands of U.S. dollars)						(In thousands of SDRs)					
Assets												
Cash and cash equivalents	107,405	101,898	18,854	25,997	4,201	4,798	288	480	—	—	2,319	2,239
Loans receivable	—	—	—	—	—	—	—	—	88,904	89,345	—	—
Interest receivable	34	—	—	—	—	—	3	4	—	—	24	20
Total Assets	107,439	101,898	18,854	25,997	4,201	4,798	291	484	88,904	89,345	2,343	2,259
Resources												
Total Resources	107,439	101,898	18,854	25,997	4,201	4,798	291	484	88,904	89,345	2,343	2,259

The accompanying notes are an integral part of these financial statements.

/s/ Eduard Brau
Treasurer

/s/ Horst Köhler
Managing Director

Other Administered Accounts

Income Statements and Changes in Resources for the Years Ended April 30, 2000 and 1999

	Administered Account Japan		Administered Account for Selected Fund Activities—Japan		Framework Administered Account for Technical Assistance Activities		Administered Account for Rwanda		Trust Fund		Supplementary Financing Facility Subsidy Account	
	2000	1999	2000	1999	2000	1999	2000	1999	2000	1999	2000	1999
	← (In thousands of U.S. dollars) →						← (In thousands of SDRs) →					
Balance, beginning of the year	101,898	96,783	25,997	20,634	4,798	3,389	484	796	89,345	89,784	2,259	2,406
Income earned on investments	5,541	5,115	1,142	1,359	186	233	13	24	—	—	84	92
Interest on loans	—	—	—	—	—	—	—	—	447	448	—	—
Deferred income, net of settlements (Note 4)	—	—	—	—	—	—	—	—	(447)	(448)	—	—
Operational Income	5,541	5,115	1,142	1,359	186	233	13	24	—	—	84	92
Contributions received	—	—	14,042	24,988	3,240	4,712	—	—	—	—	—	—
Payments to beneficiaries	—	—	(22,327)	(20,984)	(4,023)	(3,536)	(206)	(336)	—	—	—	—
	5,541	5,115	(7,143)	5,363	(597)	1,409	(193)	(312)	—	—	84	92
Transfers to the Special Disbursement Account (Note 5)	—	—	—	—	—	—	—	—	(441)	(439)	—	(239)
Net changes in resources	5,541	5,115	(7,143)	5,363	(597)	1,409	(193)	(312)	(441)	(439)	84	(147)
Balance, end of the year	107,439	101,898	18,854	25,997	4,201	4,798	291	484	88,904	89,345	2,343	2,259

The accompanying notes are an integral part of these financial statements.

Other Administered Accounts

Notes to the Financial Statements as at April 30, 2000 and 1999

1. Nature of Operations

Administered Accounts Established at the Request of Members

At the request of members, the IMF has established special purpose accounts to administer contributed resources and to perform financial and technical services consistent with the purposes of the IMF. The assets of each account and each subaccount are separate from the assets of all other accounts of, or administered by, the IMF and are not to be used to discharge liabilities or to meet losses incurred in the administration of other accounts.

Administered Account Japan

At the request of Japan, the IMF established an account on March 3, 1989 to administer resources, made available by Japan or other countries with Japan's concurrence, that are to be used to assist certain members with overdue obligations to the IMF. The resources of the account are to be disbursed in amounts specified by Japan and to members designated by Japan.

Administered Account for Selected Fund Activities—Japan

At the request of Japan, the IMF established the Administered Technical Assistance Account—Japan on March 19, 1990 to administer resources contributed by Japan to finance technical assistance to member countries. On July 21, 1997, the account was renamed the Administered Account for Selected Fund Activities—Japan and amended to include the administration of resources contributed by Japan in support of the IMF's Regional Office for Asia and the Pacific (OAP). The resources of the account designated for technical assistance activities are used with the approval of Japan and include the provision of scholarships. The resources designated for the OAP are used as agreed between Japan and the IMF for certain activities of the IMF with respect to Asia and the Pacific through the OAP. Disbursements can also be made from the account to the General Resources Account to reimburse the IMF for qualifying technical assistance projects and OAP expenses.

Framework Administered Account for Technical Assistance Activities

The Framework Administered Account for Technical Assistance Activities ("the Framework Account") was established by the IMF on April 3, 1995 to receive and administer contributed resources that are to be used to finance technical assistance consistent with the purposes of the IMF. The financing of technical assistance activities is implemented through the establishment and operation of subaccounts within the Framework Account. The establishment of a subaccount requires the approval of the Executive Board.

Resources are to be used in accordance with the written understandings between the contributor and the Managing Director. Disbursements can also be made from the Framework Account to the General Resources Account to reimburse the IMF for its costs incurred on behalf of technical assistance activities financed by resources from the Framework Account.

Subaccount for Japan Advanced Scholarship Program

At the request of Japan, this subaccount was established on June 6, 1995 to finance the cost of studies and training of nationals of member countries in macroeconomics and related subjects at selected universities and institutions. The scholarship program focuses primarily on the training of nationals of Asian member countries, including Japan.

Rwanda-Macroeconomic Management Capacity Subaccount

At the request of Rwanda, this subaccount was established on December 20, 1995 to finance technical assistance to rehabilitate and strengthen Rwanda's macroeconomic management capacity.

Australia-IMF Scholarship Program for Asia Subaccount

At the request of Australia, this subaccount was established on June 5, 1996 to finance the cost of studies and training of government and central bank officials in macroeconomic management so as to enable them to contribute to their countries' achievement of sustainable economic growth and development. The program focuses primarily on the training of nationals of Asian countries.

Switzerland Technical Assistance Subaccount

At the request of Switzerland, this subaccount was established on August 27, 1996 to finance the costs of technical assistance activities of the IMF that consist of policy advice and training in macroeconomic management.

French Technical Assistance Subaccount

At the request of France, this subaccount was established on September 30, 1996 to cofinance the costs of training in economic fields for nationals of certain member countries.

Denmark Technical Assistance Subaccount

At the request of Denmark, this subaccount was established on August 25, 1998 to finance the costs of technical assistance activities of the IMF that consist of advising on policy and administrative reforms in the fiscal, monetary, and related statistical fields.

Australia Technical Assistance Subaccount

At the request of Australia, this subaccount was established on March 7, 2000 to finance the costs of technical assistance activities of the IMF that consist of advising on the design of policy and administrative reforms in the fiscal, monetary and related statistical fields, as well as to provide training in the formulation and implementation of macroeconomic and financial policies.

Administered Account for Rwanda

At the request of the Netherlands, Sweden, and the United States ("the donor countries"), the IMF established an account on October 27, 1995 to administer resources contributed by the donor countries to provide grants to Rwanda. These grants are to be used for reimbursing the service charge and reducing, to the equivalent of a rate of ½ of 1 percent a year, the rate of the quarterly charges payable by Rwanda on its use of the IMF's financial resources under the Compensatory and Contingency Financing Facility (CCFF).

Trust Fund

The Trust Fund, for which the IMF is trustee, was established in 1976 to provide balance of payments assistance on concessional terms to eligible members that qualify for assistance.

In 1980, the IMF, as trustee, decided that, upon the completion of the final loan disbursements, the Trust Fund would be terminated as of April 30, 1981, and after that date, the activities of the Trust Fund have been confined to the conclusion of its affairs. The resources of the Trust Fund are held separately from the assets of all other accounts of, or administered by, the IMF and cannot be used to discharge liabilities or to meet losses incurred in the administration of other IMF accounts.

Supplementary Financing Facility Subsidy Account

The Supplementary Financing Facility Subsidy Account ("the Subsidy Account"), which is administered by the IMF, was established in December 1980 to assist low-income developing country members to meet the cost of using resources made available through the IMF's Supplementary Financing Facility and under the policy on exceptional use. All repurchases due under these policies were scheduled for completion by January 31, 1991, and the final subsidy payments were approved in July 1991. However, two members (Liberia and Sudan), overdue in the payment of charges, remain ineligible to receive previously approved subsidy payments until their overdue charges are settled. Accordingly, the account remains in operation and has retained amounts for payment to these members after the overdue charges are paid.

The resources of the Subsidy Account are held separately from the assets of all other accounts of, or administered by, the IMF and cannot be used to discharge liabilities or to meet losses incurred in the administration of other IMF accounts.

2. Summary of Significant Accounting Practices

Basis of Presentation

The financial statements are prepared in accordance with International Accounting Standards (IAS), which are issued by the International Accounting Standards Committee. Certain specific accounting principles and disclosure practices are explained further below in line with IAS requirements.

Unit of Account

Administered Account Japan, Administered Account for Selected Fund Activities—Japan, and Framework Administered Account for Technical Assistance Activities

The accounts are expressed in U.S. dollars. All transactions and operations of these accounts, including the transfers to and from the accounts, are denominated in U.S. dollars, except for transactions and operations in respect of the OAP, which are denominated in Japanese yen, or transactions in other currencies as agreed between Japan and the IMF. Contributions denominated in other currencies are converted into U.S. dollars upon receipt of the funds.

Administered Account for Rwanda, Trust Fund, and Supplementary Financing Facility Subsidy Account

The financial statements are expressed in terms of SDRs. The value of the SDR is based on the proportional amounts of the currencies of the five members having the largest exports of goods and services during the five-year period ending one year before the date of the review of these proportional amounts. The value of the SDR is determined by the IMF each day by summing the values in U.S. dollars, based on market exchange rates, of the basket of these currencies. The IMF reviews the SDR valuation basket every five years. The currencies in the basket as of April 30, 2000 and 1999 and their amounts were as follows:

Currency	Amount
Euro (Germany)	0.228
Euro (France)	0.1239
Japanese yen	27.2
Pound sterling	0.105
U.S. dollar	0.5821

As of April 30, 2000, one SDR was equal to 1.31921 U.S. dollars (1.35123 U.S. dollars as of April 30, 1999).

Transfers to and disbursements from the Administered Account for Rwanda are made in U.S. dollars or in other freely usable currencies. Transactions and operations of the accounts are denominated in SDRs. Contributions denominated in other currencies are converted into SDRs upon receipt of the funds.

Revenue Recognition

The accounts are maintained on the accrual basis; accordingly, income is recognized as it is earned, and expenses are recorded as they are incurred.

Cash and Cash Equivalents

Cash and cash equivalents include short-term deposits with a maturity of less than ninety days. These deposits are denominated in SDRs or other currencies and are carried at cost not exceeding net realizable value. Interest on these instruments varies and is market-related.

Loans

Loans in the Trust Fund are valued at historical cost. Allowances for loan losses would be established if and when the Trust expects to incur a loss; no losses have been incurred in the past, and it is the current expectation that no losses will be incurred in the future.

An overdue member would have to become current in the IMF and in the Trust Fund before access to credit could be restored and consequently no loss is expected on the loans. The member's resources or other resources would be used to reimburse the Trust Fund.

Deferred Income

The recognition of interest income and special charges on the Trust Fund loans outstanding to members with obligations overdue six months or more is being deferred and is recognized as income only when paid, unless the member has remained current in settling charges when due (see Note 4).

Foreign Currency Translation

Foreign currency transactions are recorded at the rate of exchange on the date of the transaction. At the balance sheet date, monetary assets and liabilities denominated in foreign currencies are reported using the closing exchange rates. Exchange differences arising on the settlement of transaction at rates different from those at the date of the transaction and unrealized foreign exchange differences on unsettled foreign currency monetary assets and liabilities are included in the determination of net income.

Administrative Costs

The expenses of conducting the activities of the Administered Accounts Established at the Request of Members and the Trust Fund are incurred and borne by the General Department of the IMF. Following the termination of the Trust Fund as of April 30, 1981, residual administrative costs have been absorbed by the General Resources Account of the IMF. To help defray the expenses incurred by the IMF in the administration of the Administered Account for Selected Fund Activities—Japan and the Framework Administered Account for Technical Assistance Activities, reimbursement equal to 13 percent of the expenses financed from the accounts is paid to the IMF from these accounts. For financial years 2000 and 1999, the administrative costs for the Administered Account for Selected Fund Activities—Japan amounted to U.S. dollars 2.4 million and U.S. dollars 2.2 million, respectively, and, for the Framework Administered Account for Technical Assistance Activities, U.S. dollars 0.45 million and U.S. dollars 0.38 million, respectively.

Cumulative Contributions and Disbursements

The cumulative contributions and disbursements from these administered accounts are as follows:

	April 30, 2000		April 30, 1999	
Account	Cumulative Contributions	Cumulative Disbursements[1]	Cumulative Contributions	Cumulative Disbursements[1]
	In millions of U.S. dollars			
Administered Account Japan	135.2	72.5	135.2	72.5
Administered Account for Selected Fund Activities—Japan	138.5	125.7	124.4	103.3
Technical Assistance	128.6	116.5	116.3	95.7
Scholarships	6.6	6.1	5.9	5.6
Office of Asia and Pacific	3.3	3.1	2.2	2.0
Framework Administered Account for Technical Assistance Activities	15.0	11.5	11.8	7.5
Subaccount for Japan Advanced Scholarship Program	5.7	4.0	4.3	2.7
Rwanda—Macroeconomic Management Capacity Subaccount	1.5	1.6	1.5	1.5
Australia—IMF Scholarship Program for Asia Subaccount	0.8	0.9	0.7	0.5
Switzerland Technical Assistance Subaccount	5.8	4.3	4.6	2.3
French Technical Assistance Subaccount	0.54	0.31	0.26	0.22
Denmark Technical Assistance Subaccount	0.47	0.45	0.47	0.19
Australia Technical Assistance Subaccount	0.15			
	In millions of SDRs			
Administered Account for Rwanda	1.5	1.4	1.5	1.2

[1]Disbursements have been made from resources contributed to these accounts, as well as from interest earned on these resources.

Comparatives

When necessary, comparative figures have been reclassified to conform with changes in the presentation of the current year.

3. Loans

Loans were made from the Trust Fund to members that qualified for assistance in accordance with the provisions of the Trust Fund instrument. The final Trust Fund loan installment was due on March 31, 1991. Interest on the outstanding loan balances is charged at the rate of ½ of 1 percent a year, although special charges have been levied on overdue payments of interest and principal since February 1986. Since May 1, 1993, special charges on overdue obligations to the Trust Fund have been suspended for members who are more than six months overdue.

4. Overdue Obligations

At April 30, 2000 and 1999, three members with obligations to the Trust Fund were six months or more overdue in discharging their obligations to the Trust Fund. The recognition of interest income on the loans outstanding to these members and of special charges due from them is being deferred. At April 30, 2000, total deferred income amounted to SDR 26.8 million (SDR 26.4 million at April 30, 1999). Overdue loan repayments and interest and special charges due from these members were as follows:

	Loans		Interest and Special Charges	
	2000	1999	2000	1999
	In millions of SDRs			
Total overdue	88.9	89.3	26.7	26.3
Overdue six months or more	88.9	89.3	26.5	26.0
Overdue three years or more	88.9	89.3	25.4	24.9

The type and duration of the arrears of these members at April 30, 2000 were as follows:

Member	Loans	Interest and Special Charges	Total	Longest Overdue Obligation
	In millions of SDRs			
Liberia	23.2	6.9	30.1	February 1985
Somalia	6.5	1.3	7.8	July 1987
Sudan	59.2	18.5	77.7	June 1985
Total	88.9	26.7	115.6	

5. Transfer of Resources

The resources of the Trust Fund held on April 30, 1981 or received thereafter have been used to pay interest and principal when due on loan obligations and to make transfers to the Special Disbursement Account, since the activities of the Trust are limited to the conclusion of its affairs.

Resources of the Supplementary Financing Facility Subsidy Account in excess of the remaining subsidy payments are to be transferred to the Special Disbursement Account. At April 30, 2000 and 1999, subsidy payments totaling SDR 2.2 million had not been made to Liberia and Sudan and were being held pending the payment of overdue charges by these members.

6. Accounts Termination

Administered Account Japan

The account can be terminated by the IMF or by Japan. Any remaining resources in the account at termination are to be returned to Japan.

Administered Account for Selected Fund Activities—Japan

The account can be terminated by the IMF or by Japan. Any resources that may remain in the account at termination, net of accrued liabilities under technical assistance projects or in respect of the OAP, are to be returned to Japan.

Framework Administered Account for Technical Assistance Activities

The Framework Account or any subaccount thereof may be terminated by the IMF at any time. The termination of the Framework Account shall terminate each subaccount thereof. A subaccount may also be terminated by the contributor of the resources to the subaccount. Termination shall be effective on the date that the IMF or the contributor, as the case may be, receives notice of termination. Any balances, net of the continuing liabilities and commitments under the activities financed, that may remain in a subaccount upon its termination are to be returned to the contributor.

Administered Account for Rwanda

The account can be terminated at any time by the IMF or by unanimous agreement of the donor countries. The account shall, in any case, be terminated by the IMF when Rwanda's financial obligations to the IMF under the CCFF have been fully discharged or when the resources of the account have been exhausted, whichever is earlier. Any balance in the account at termination shall be transferred to the donor countries, in proportion to their contribution, or to Rwanda, if so instructed.

Abbreviations

AsDB	Asian Development Bank
BCBS	Basel Committee on Banking Supervision
BIS	Bank for International Settlements
CCFF	Compensatory and Contingency Financing Facility
CCL	Contingent Credit Line
CEMAC	Central African Economic and Monetary Committee
CFF	Compensatory Financing Facility
DSBB	Data Standards Bulletin Board
EBRD	European Bank for Reconstruction and Development
ECB	European Central Bank
ECU	European currency unit
EFF	Extended Fund Facility
EMS	European Monetary System
EMU	Economic and Monetary Union
ERM	Exchange rate mechanism (of the EMS)
EU	European Union
ESAF	Enhanced Structural Adjustment Facility
FSAP	Financial Sector Assessment Program
FSLC	Financial Sector Liaison Committee
FSSA	Financial Sector Stability Assessment
GAB	General Arrangements to Borrow
GDDS	General Data Dissemination System
GDP	Gross domestic product
GNP	Gross national product
GRA	General Resources Account
HIPC	Heavily indebted poor country
IDA	International Development Association
IFC	International Finance Corporation
ILO	International Labor Organization
LIBOR	London interbank offered rate
NAB	New Arrangements to Borrow
NPV	Net present value
ODA	Official development assistance
OECD	Organization for Economic Cooperation and Development
PIN	Public Information Notice
PRGF	Poverty Reduction and Growth Facility
PRSP	Poverty Reduction Strategy Paper
SAF	Structural Adjustment Facility
SCA	Special Contingent Account
SDA	Special Disbursement Account
SDDS	Special Data Dissemination Standard
SDR	Special drawing right
SRF	Supplemental Reserve Facility
STF	Systemic Transformation Facility
TC	Technical Assistance Consultation
TCAP	Technical Cooperation Action Plan
UN	United Nations
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Program
WAEMU	West African Economic and Monetary Union
WTO	World Trade Organization