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APPENDIX I

International Reserves

Total international reserves, including gold, increased by 11 percent during 2000 and stood at SDR 1.7 trillion at the end of the year (Table I.1). Total nongold reserves grew by 12 percent, the result of a 14 percent rise in foreign exchange reserves (the largest component of official reserve holdings), to SDR 1.5 trillion, and a 10 percent fall in IMF-related assets, to SDR 66 billion. The market value of gold held by monetary authorities declined by 2 percent, to SDR 200 billion at the end of 2000.[1]

Foreign Exchange Reserves

Ninety-six percent of nongold assets consisted of foreign exchange reserves at the end of 2000. Industrial countries increased their foreign exchange reserve holdings by 13 percent, to SDR 595 billion. The foreign exchange reserves of developing countries rose by 14 percent during 2000, to SDR 876 billion. Developing countries have steadily increased their share of foreign exchange holdings; at the end of 2000, their share represented 60 percent of total foreign exchange reserves.

Oil-exporting developing countries, which hold about 10 percent of all developing countries' foreign exchange reserves, increased their foreign exchange reserves by 22 percent in 2000. Foreign exchange reserves of net debtor and net creditor developing country groups rose by 14 percent and 15 percent, to SDR 690 billion and SDR 186 billion, respectively, at the end of 2000. Foreign exchange reserves of net debtors without debt-servicing problems increased by 15 percent, to SDR 558 billion, while those of countries with debt-servicing problems increased by 8 percent, to SDR 133 billion.

Holdings of IMF-Related Assets

During 2000, total holdings of IMF-related assets (that is, reserve positions in the IMF and SDRs) fell by 10 percent, following a comparable decline in the previous year. Industrial countries hold a majority of IMF-related assets: 82 percent at the end of 2000. The fall in IMF-related assets was attributable to a 14 percent decline in members' reserve positions in the IMF—which consist of members'reserve tranche and creditor positions—to SDR 47 billion. SDR holdings of IMF members remained virtually unchanged from end-1999, at SDR 19 billion.

Gold Reserves

The market value of gold reserves declined by 2 percent during 2000, to SDR 200 billion. This primarily reflects a decrease in the physical stock of gold, as the SDR price of gold fell only slightly. The share of gold in officially held reserves declined gradually to 12 percent at the end of 2000 from about 50 percent at the end of 1980. Most of the gold reserves (84 percent) are held by industrial countries: gold constituted 21 percent of these countries' total reserves at the end of 2000.

Developments During First Quarter of 2001

During the first quarter of 2001, total reserve assets rose by SDR 41 billion. An increase of SDR 48 billion in foreign exchange reserves was partially offset by a decline of SDR 7 billion in the market value of gold reserves, mainly because of a decline in the SDR price of gold since the end of 2000. IMF-related assets remained practically unchanged during the first quarter of 2001.

Currency Composition of Foreign Exchange Reserves

The currency composition of foreign exchange reserves changed gradually over the past decade, with holdings of U.S. dollars, the dominant international reserve currency, rising to 68 percent of foreign exchange reserves at the end of 2000 from 51 percent nine years earlier (Table I.2). The euro, which replaced 11 European currencies and the European currency unit (ecu) on January 1, 1999, was the second most important reserve currency, accounting for 13 percent of total foreign exchange reserves. The share of the euro remained nearly unchanged from the end of 1999. Since, at the introduction of the euro, the Eurosystem's reserves previously denominated in euro legacy currencies[2] became domestic assets of the euro area, the share of the euro in 1999–2000 is not directly comparable with the previous years' combined share of the four euro legacy currencies identified in Table I.2: deutsche mark, French franc, Netherlands guilder, and private ecu. However, after adjusting the data to take into account only holdings of these currencies outside the euro area, their combined share in 1998 was virtually identical to the share of the euro in 1999.

[1]Official monetary authorities comprise central banks and also currency boards, exchange stabilization funds, and treasuries, to the extent that they perform monetary authorities' functions.

[2]Those foreign exchange reserves that, up to December 31, 1998, were denominated in euro area former national currencies and private ecus.

Table I.1

Official Holdings of Reserve Assets[1]

(In billions of SDRs)

	1995	1996	1997	1998	1999	2000	Mar. 2001
All countries							
Total reserves excluding gold							
IMF-related assets							
Reserve positions in the IMF	36.7	38.0	47.1	60.6	54.8	47.4	47.3
SDRs	19.8	18.5	20.5	20.4	18.5	18.5	18.7
Subtotal, IMF-related assets	**56.4**	**56.5**	**67.6**	**81.0**	**73.2**	**65.9**	**66.0**
Foreign exchange	932.0	1085.7	1193.7	1162.8	1295.2	1471.8	1519.3
Total reserves excluding gold	**988.4**	**1142.2**	**1261.2**	**1243.8**	**1368.4**	**1537.7**	**1585.3**
Gold[2]							
Quantity *(millions of troy ounces)*	907.1	904.9	887.1	966.5	964.7	950.8	946.3
Value at London market price	236.0	232.4	190.8	197.6	204.0	200.3	193.4
Total reserves including gold	**1224.4**	**1374.6**	**1452.0**	**1441.3**	**1572.4**	**1737.9**	**1778.7**
Industrial countries							
Total reserves excluding gold							
IMF-related assets							
Reserve positions in the IMF	31.6	32.6	41.3	53.9	46.8	39.7	38.9
SDRs	15.0	14.5	15.5	15.8	14.7	14.4	15.0
Subtotal, IMF-related assets	**46.6**	**47.1**	**56.8**	**69.8**	**61.5**	**54.1**	**53.9**
Foreign exchange	441.1	501.7	520.9	475.8	524.8	595.4	598.8
Total reserves excluding gold	**487.7**	**548.8**	**577.7**	**545.6**	**586.3**	**649.5**	**652.7**
Gold[2]							
Quantity *(millions of troy ounces)*	755.0	748.2	732.5	808.7	810.4	796.5	792.6
Value at London market price	196.4	192.1	157.5	165.3	171.4	167.8	162.0
Total reserves including gold	**684.1**	**740.9**	**735.2**	**710.9**	**757.7**	**817.3**	**814.7**
Developing countries							
Total reserves excluding gold							
IMF-related assets							
Reserve positions in the IMF	5.0	5.4	5.7	6.7	8.0	7.7	8.4
SDRs	4.8	4.0	5.0	4.5	3.7	4.1	3.7
Subtotal, IMF-related assets	**9.8**	**9.4**	**10.8**	**11.2**	**11.7**	**11.8**	**12.1**
Foreign exchange	490.9	584.1	672.8	687.0	770.4	876.4	920.5
Total reserves excluding gold	**500.7**	**593.4**	**683.6**	**698.2**	**782.1**	**888.1**	**932.6**
Gold[2]							
Quantity *(millions of troy ounces)*	152.1	156.7	154.6	157.9	154.2	154.2	153.7
Value at London market price	39.6	40.2	33.3	32.3	32.6	32.5	31.4
Total reserves including gold	**540.3**	**633.7**	**716.8**	**730.5**	**814.7**	**920.6**	**964.0**
Net debtor developing countries							
Total reserves excluding gold							
IMF-related assets							
Reserve positions in the IMF	3.5	3.9	4.2	5.0	5.6	5.4	5.8
SDRs	3.8	2.9	3.9	3.3	3.1	3.3	3.0
Subtotal, IMF-related assets	**7.3**	**6.9**	**8.1**	**8.4**	**8.7**	**8.7**	**8.8**
Foreign exchange	367.9	448.3	534.8	546.5	608.1	690.4	735.1
Total reserves excluding gold	**375.2**	**455.1**	**542.8**	**554.8**	**616.8**	**699.1**	**743.8**
Gold[2]							
Quantity *(millions of troy ounces)*	125.0	129.4	127.9	131.0	128.1	128.1	127.6
Value at London market price	32.5	33.2	27.5	26.8	27.1	27.0	26.1
Total reserves including gold	**407.7**	**488.4**	**570.3**	**581.6**	**643.9**	**726.1**	**769.9**
Net debtor developing countries without debt-servicing problems							
Total reserves excluding gold							
IMF-related assets							
Reserve positions in the IMF	3.1	3.5	3.8	4.6	4.8	4.6	5.0
SDRs	2.8	1.8	3.0	2.6	2.4	2.1	2.1
Subtotal, IMF-related assets	**5.9**	**5.3**	**6.8**	**7.2**	**7.2**	**6.7**	**7.1**
Foreign exchange	273.0	327.3	400.5	425.5	485.9	557.9	598.0
Total reserves excluding gold	**278.8**	**332.5**	**407.2**	**432.6**	**493.1**	**564.5**	**605.1**
Gold[2]							
Quantity *(millions of troy ounces)*	76.6	80.3	82.7	85.9	83.8	83.5	83.5
Value at London market price	19.9	20.6	17.8	17.6	17.7	17.6	17.1
Total reserves including gold	**298.8**	**353.1**	**425.0**	**450.2**	**510.8**	**582.1**	**622.1**

Note: Components may not sum to totals because of rounding.

Source: IMF, *International Financial Statistics*.

[1]End of year figures for all years except 2001. "IMF-related assets" comprise reserve positions in the IMF and SDR holdings of all IMF members. The entries under "Foreign exchange" and "Gold" comprise official holdings of those IMF members for which data are available and certain other countries or areas.

[2]One troy ounce equals 31.103 grams. The market price is the afternoon price fixed in London on the last business day of each period.

Table I.2

Share of National Currencies in Total Identified Official Holdings of Foreign Exchange, End of Year[1]
(In percent)

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
All countries										
U.S. dollar	51.3	55.3	56.7	56.6	57.0	60.3	62.4	65.9	68.4	68.2
Japanese yen	8.5	7.6	7.7	7.9	6.8	6.0	5.2	5.4	5.5	5.3
Pound sterling	3.3	3.1	3.0	3.3	3.2	3.4	3.7	3.9	4.0	3.9
Swiss franc	1.2	1.0	1.1	0.9	0.8	0.8	0.7	0.7	0.7	0.7
Euro	—	—	—	—	—	—	—	—	12.5[2]	12.7[2]
Deutsche mark	15.4	13.3	13.7	14.2	13.7	13.1	12.9	12.2	—	—
French franc	3.0	2.7	2.3	2.4	2.3	1.9	1.4	1.4	—	—
Netherlands guilder	1.1	0.7	0.7	0.5	0.4	0.3	0.4	0.4	—	—
ECUs[3]	10.2	9.7	8.2	7.7	6.8	5.9	5.0	0.8	—	—
Unspecified currencies[4]	6.2	6.6	6.6	6.5	8.9	8.3	8.4	9.3	8.9	9.2
Industrial countries										
U.S. dollar	43.6	48.8	50.2	50.8	51.8	56.1	57.9	66.7	73.5	73.3
Japanese yen	9.7	7.6	7.8	8.2	6.6	5.6	5.8	6.6	6.5	6.5
Pound sterling	1.8	2.4	2.2	2.3	2.1	2.0	1.9	2.2	2.3	2.0
Swiss franc	0.8	0.4	0.3	0.2	0.1	0.1	0.1	0.2	0.1	0.2
Euro	—	—	—	—	—	—	—	—	10.7[2]	10.2[2]
Deutsche mark	18.3	15.1	16.4	16.3	16.4	15.6	15.9	13.4	—	—
French franc	3.1	2.9	2.6	2.4	2.3	1.7	0.9	1.3	—	—
Netherlands guilder	1.1	0.4	0.4	0.3	0.2	0.2	0.2	0.2	—	—
ECUs[3]	16.6	16.7	15.2	14.6	13.4	12.0	10.9	1.9	—	—
Unspecified currencies[4]	4.9	5.7	4.8	5.0	7.0	6.7	6.4	7.4	6.9	7.6
Developing countries										
U.S. dollar	63.3	64.4	64.3	63.0	62.4	64.4	66.2	65.3	64.6	64.3
Japanese yen	6.7	7.7	7.5	7.6	7.0	6.5	4.7	4.5	4.7	4.4
Pound sterling	5.5	4.1	4.0	4.4	4.4	4.8	5.1	5.2	5.3	5.2
Swiss franc	1.8	1.9	2.0	1.7	1.5	1.4	1.1	1.1	1.1	1.1
Euro	—	—	—	—	—	—	—	—	13.9	14.6
Deutsche mark	10.8	10.8	10.5	11.9	11.0	10.6	10.3	11.3	—	—
French franc	2.7	2.3	2.0	2.4	2.3	2.0	1.8	1.5	—	—
Netherlands guilder	1.0	1.0	1.0	0.8	0.6	0.5	0.6	0.5	—	—
ECUs[3]	—	—	—	—	—	—	—	—	—	—
Unspecified currencies[5]	8.2	7.7	8.7	8.1	10.9	9.8	10.1	10.7	10.4	10.4

Note: Components may not sum to totals because of rounding.

[1]Only IMF member countries that report their official holdings of foreign exchange are included in this table.

[2]Not comparable with the combined share of euro legacy currencies in previous years because it excludes the euros received by euro area members when their previous holdings of other euro area members' legacy currencies were converted into euros on January 1, 1999.

[3]In the calculation of currency shares, the ecu is treated as a separate currency. Ecu reserves held by the monetary authorities existed in the form of claims on both the private sector and European Monetary Institute (EMI), which issued official ecus to European Union central banks through revolving swaps against the contribution of 20 percent of their gross gold holdings and U.S. dollar reserves. On December 31, 1998, the official ecus were unwound into gold and U.S. dollars; hence, the share of ecus at the end of 1998 was sharply lower than a year earlier. The remaining ecu holdings reported for 1998 consisted of ecus issued by the private sector, usually in the form of ecu deposits and bonds. On January 1, 1999, these holdings were automatically converted into euros.

[4]The residual is equal to the difference between total foreign exchange reserves of IMF member countries and the sum of the reserves held in the currencies listed in the table.

[5]The calculations here rely to a greater extent on IMF staff estimates than do those provided for the group of industrial countries.

The share of the Japanese yen in total foreign exchange reserves declined steadily from 9 percent at end-1991 to 5 percent at the end of 1997, and has since stayed at about that level. Throughout the past decade, the share of pound sterling has remained at between 3 and 4 percent and that of the Swiss franc at approximately 1 percent. The share of unspecified currencies, which include currencies not identified in Table I.2 as well as foreign exchange reserves for which no information on currency composition is available, stood at 9 percent at the end of 2000.

For industrial countries, the share of the U.S. dollar increased throughout the 1990s to peak at 74 percent in 1999; at the end of 2000 its share was 73 percent. The share of the euro in those countries' foreign exchange reserves declined by half a percentage point, to 10 percent, while the shares of Japanese yen, pound sterling, and Swiss franc were unchanged from the previous year's levels. The share of unspecified currencies increased by one percentage point, to 8 percent in 2000.

Table I.3

Currency Composition of Official Holdings of Foreign Exchange, End of Year[1]

(In millions of SDRs)

	1992	1993	1994	1995	1996	1997	1998	1999	2000
U.S. dollar									
Change in holdings	37,797	51,240	32,582	73,526	121,245	87,790	18,402	108,773	114,141
Quantity change	25,159	49,820	57,328	78,550	103,268	45,135	48,546	90,532	68,132
Price change	12,638	1,420	–24,746	–5,024	17,976	42,655	–30,144	18,241	46,009
Year-end value	339,478	390,718	423,300	496,826	618,071	705,861	724,263	833,036	947,176
Japanese yen									
Change in holdings	–3,416	6,206	6,007	19	2,685	–3,197	975	7,144	7,226
Quantity change	–5,548	930	3,123	3,089	8,021	–56	–3,494	–2,107	12,010
Price change	2,132	5,276	2,884	–3,070	–5,336	–3,141	4,469	9,251	–4,784
Year-end value	46,817	53,023	59,030	59,048	61,733	58,536	59,511	66,655	73,880
Pound sterling									
Change in holdings	–269	1,721	4,004	3,233	7,371	6,202	1,118	6,508	4,493
Quantity change	3,403	2,083	4,139	3,828	3,272	4,651	2,757	6,671	5,880
Price change	–3,672	–362	–135	–595	4,099	1,552	–1,638	–164	–1,387
Year-end value	18,918	20,640	24,643	27,877	35,248	41,451	42,569	49,076	53,569
Swiss franc									
Change in holdings	–445	1,284	–932	210	881	–35	–54	271	1,791
Quantity change	–253	1,382	–1,372	–541	1,811	75	–128	1,243	1,492
Price change	–193	–98	439	751	–930	–109	74	–972	299
Year-end value	6,338	7,621	6,689	6,899	7,780	7,745	7,691	7,962	9,753
Euro									
Change in holdings	—	—	—	—	—	—	—	8,268[2]	23,706
Quantity change	—	—	—	—	—	—	—	26,711	27,126
Price change	—	—	—	—	—	—	—	–18,443	–3,420
Year-end value	—	—	—	—	—	—	—	152,632	176,338
Deutsche mark									
Change in holdings	–8,786	12,725	11,862	13,296	14,050	11,896	–11,467	—	—
Quantity change	–7,076	18,692	7,081	6,817	20,159	22,336	–15,353	—	—
Price change	–1,710	–5,967	4,781	6,478	–6,109	–10,440	3,887	—	—
Year-end value	81,826	94,552	106,414	119,709	133,759	145,655	134,188	—	—
French franc									
Change in holdings	–1,089	–130	1,911	1,975	–981	–3,389	–488	—	—
Quantity change	–851	915	1,261	668	–335	–2,038	–890	—	—
Price change	–238	–1,045	650	1,306	–647	–1,352	402	—	—
Year-end value	16,298	16,168	18,079	20,054	19,073	15,683	15,195	—	—
Netherlands guilder									
Change in holdings	–2,153	423	–512	–301	–330	1,138	–569	—	—
Quantity change	–2,146	718	–731	–547	–152	1,443	–708	—	—
Price change	–6	–295	219	246	–178	–305	140	—	—
Year-end value	4,159	4,582	4,070	3,769	3,439	4,577	4,009	—	—
European currency unit									
Change in holdings	–498	–2,820	959	1,665	985	–3,240	–47,848	—	—
Quantity change	3,845	1,503	–1,035	–1,157	1,833	515	–49,304	—	—
Price change	–4,342	–4,323	1,994	2,822	–849	–3,755	1,456	—	—
Year-end value	59,473	56,654	57,613	59,278	60,262	57,022	9,174	—	—
Sum of the above[3]									
Change in holdings	21,141	70,650	55,881	93,622	145,905	97,164	–39,929	130,963	151,356
Quantity change	16,533	76,044	69,795	90,707	137,878	72,060	–18,575	123,050	114,639
Price change	4,608	–5,394	–13,914	2,915	8,027	25,104	–21,354	7,913	36,717
Year-end value	573,308	643,958	699,839	793,460	939,365	1,036,530	996,600	1,109,361	1,260,717
Total official holdings[4]									
Change in holdings	27,300	76,918	61,036	120,520	153,745	107,959	–30,842	132,367	176,621
Year-end value	673,510	750,428	811,464	931,984	1,085,729	1,193,688	1,162,846	1,295,213	1,471,834

Note: Components may not sum to totals because of rounding.

[1]The currency composition of foreign exchange is based on the IMF's currency survey and on estimates derived mainly, but not solely, from official national reports. The numbers in this table should be regarded as estimates that are subject to adjustment as more information is received. Quantity changes are derived by multiplying the changes in official holdings of each currency from the end of one quarter to the next by the average of the two SDR prices of that currency prevailing at the corresponding dates. This procedure converts the change in the quantity of national currency from own units to SDR units of account. Subtracting the SDR value of the quantity change so derived from the quarterly change in the SDR value of foreign exchange held at the end of two successive quarters and cumulating these differences yields the effect of price changes over the years shown.

[2]Represents the change from end-1998 holdings of euro legacy currencies by official institutions outside the euro area.

[3]Each item represents the sum of the currencies above.

[4]Includes a residual whose currency composition could not be ascertained, as well as holdings of currencies other than those shown.

The share of the U.S. dollar in developing countries' foreign exchange reserves was 64 percent in 2000, a level that has remained relatively constant over the last decade. Since 1999, the share of the euro increased by about 1 percentage point, to 15 percent. The shares of the Japanese yen, pound sterling, and the Swiss franc remained close to their previous years' levels at 4 percent, 5 percent, and 1 percent, respectively. Unspecified currencies accounted for 10 percent of developing countries' foreign exchange reserves in 2000.

Changes in the SDR value of foreign exchange reserves can be decomposed into quantity and valuation (price) changes (Table I.3). Official reserves held in U.S. dollars increased by SDR 114 billion in 2000, which reflects an increase of SDR 68 billion in the quantity of U.S. dollar holdings and a valuation increase of SDR 46 billion. The SDR 27 billion increase in the quantity of euro holdings was partly offset by a price decline of SDR 3 billion, resulting in a net increase of SDR 24 billion in 2000. Similarly, quantity increases in both Japanese yen and pound sterling holdings were offset to some extent by valuation declines, resulting in net increases of SDR 7 billion and SDR 4 billion, respectively. The SDR 2 billion increase in Swiss franc holdings mostly reflects a quantity change.

APPENDIX II

Financial Operations and Transactions

The tables in this appendix supplement the information given in Chapter 6 on the IMF's financial operations and policies.

TABLE II.1
Arrangements Approved During Financial Years Ended April 30, 1953–2001

Financial Year	Number of Arrangements[1]					Amounts Committed Under Arrangements[2] (In millions of SDRs)				
	Stand-By	EFF	SAF	PRGF	Total	Stand-By	EFF	SAF	PRGF	Total
1953	2				2	55				55
1954	2				2	63				63
1955	2				2	40				40
1956	2				2	48				48
1957	9				9	1,162				1,162
1958	11				11	1,044				1,044
1959	15				15	1,057				1,057
1960	14				14	364				364
1961	15				15	460				460
1962	24				24	1,633				1,633
1963	19				19	1,531				1,531
1964	19				19	2,160				2,160
1965	24				24	2,159				2,159
1966	24				24	575				575
1967	25				25	591				591
1968	32				32	2,352				2,352
1969	26				26	541				541
1970	23				23	2,381				2,381
1971	18				18	502				502
1972	13				13	314				314
1973	13				13	322				322
1974	15				15	1,394				1,394
1975	14				14	390				390
1976	18	2			20	1,188	284			1,472
1977	19	1			20	4,680	518			5,198
1978	18				18	1,285				1,285
1979	14	4			18	508	1,093			1,600
1980	24	4			28	2,479	797			3,277
1981	21	11			32	5,198	5,221			10,419
1982	19	5			24	3,106	7,908			11,014
1983	27	4			31	5,450	8,671			14,121
1984	25	2			27	4,287	95			4,382
1985	24				24	3,218				3,218
1986	18	1			19	2,123	825			2,948
1987	22		10		32	4,118		358		4,476

Table II.1 *(concluded)*

Financial Year	Number of Arrangements					Amounts Committed Under Arrangements (In millions of SDRs)				
	Stand-By	EFF	SAF	PRGF	Total	Stand-By	EFF	SAF	PRGF	Total
1988	14	1	15		30	1,702	245	670		2,617
1989	12	1	4	7	24	2,956	207	427	955	4,545
1990	16	3	3	4	26	3,249	7,627	37	415	11,328
1991	13	2	2	3	20	2,786	2,338	15	454	5,593
1992	21	2	1	5	29	5,587	2,493	2	743	8,826
1993	11	3	1	8	23	1,971	1,242	49	527	3,789
1994	18	2	1	7	28	1,381	779	27	1,170	3,357
1995	17	3		11	31	13,055	2,335		1,197	16,587
1996	19	4	1	8	32	9,645	8,381	182	1,476	19,684
1997	11	5		12	28	3,183	1,193		911	5,287
1998	9	4		8	21	27,336	3,078		1,738	32,152
1999	5	4		10	19	14,325	14,090		998	29,413
2000	11	4		10	25	15,706	6,582		641	22,929
2001	11	1		14	26	13,093	–9		1,249	14,333

[1]Does not include extensions to existing arrangements.

[2]Includes augmentations or reductions of amounts under existing arrangements. Does not include financing provided outside arrangements (SDR 138 million of emergency assistance in FY2001).

Table II.2
Arrangements in Effect at End of Financial Years Ended April 30, 1991–2001

Financial Year	Number of Arrangements as of April 30					Amounts Committed Under Arrangements as of April 30 (In millions of SDRs)				
	Stand-By	EFF	SAF	PRGF	Total	Stand-By	EFF	SAF	PRGF	Total
1991	14	5	12	14	45	2,703	9,597	539	1,813	14,652
1992	22	7	8	16	53	4,833	12,159	101	2,111	19,203
1993	15	6	4	20	45	4,490	8,569	83	2,137	15,279
1994	16	6	3	22	47	1,131	4,504	80	2,713	8,428
1995	19	9	1	27	56	13,190	6,840	49	3,306	23,385
1996	21	7	1	28	57	14,963	9,390	182	3,383	27,918
1997	14	11		35	60	3,764	10,184		4,048	17,996
1998	14	13		33	60	28,323	12,336		4,410	45,069
1999	9	12		35	56	32,747	11,401		4,186	48,334
2000	16	11		31	58	45,606	9,798		3,516	58,921
2001	25	12		43	80	61,305	9,789		4,576	75,670

Table II.3

Stand-By Arrangements in Effect During Financial Year Ended April 30, 2001

(In millions of SDRs)

Member	Arrangement Dates: Effective date	Arrangement Dates: Expiration date	Amounts Approved: Prior to FY2001	Amounts Approved: In FY2001	Undrawn Balance: At date of termination	Undrawn Balance: As of April 30, 2001
Argentina	3/10/00	3/9/03	5,399	5,187	—	6,751
Bosnia and Herzegovina	5/29/98	5/29/01	94	—	—	14
Brazil	12/2/98	12/1/01	13,025	—	—	2,551
Croatia	3/19/01	5/18/02	—	200	—	200
Ecuador	4/19/00	6/30/01	227	—	—	113
Estonia	3/1/00	8/31/01	29	—	—	29
Gabon	10/23/00	4/22/02	—	93	—	79
Korea	12/4/97	12/3/00	15,500	—	1,088	—
Latvia	12/10/99	4/9/01	33	—	33	—
Latvia	4/20/01	12/19/02	—	33	—	33
Lithuania	3/8/00	6/7/01	62	—	—	62
Mexico	7/7/99	11/30/00	3,103	—	1,164	—
Nigeria	8/4/00	8/3/01	—	789	—	789
Pakistan	11/29/00	9/30/01	—	465	—	210
Panama	6/30/00	3/29/02	—	64	—	64
Papua New Guinea	3/29/00	9/28/01	86	—	—	19
Philippines	4/1/98	12/31/00	1,021	—	238	—
Peru	3/12/01	3/11/02	—	128	—	128
Romania	8/5/99	2/28/01	400	—	260	—
Russia	7/28/99	12/27/00	3,300	—	2,829	—
Thailand	8/20/97	6/19/00	2,900	—	400	—
Sri Lanka	4/20/01	6/19/02	—	200	—	97
Turkey	12/22/99	12/21/02	2,892	5,784	—	4,743
Uruguay	5/31/00	3/31/02	—	150	—	150
Zimbabwe	8/2/99	10/1/00	141	—	117	—
Total			**48,212**	**13,093**	**6,129**	**16,032**

Table II.4

Extended Arrangements in Effect During Financial Year Ended April 30, 2001

(In millions of SDRs)

	Arrangement Dates		Amounts Approved		Undrawn Balance	
Member	**Effective date**	**Expiration date**	**Prior to FY2001**	**In FY2001**	**At date of termination**	**As of April 30, 2001**
Bulgaria	9/25/98	9/24/01	628	—	—	52
Colombia	12/20/99	12/19/02	1,957	—	—	1,957
Indonesia	2/4/00	12/31/02	3,638	—	—	2,787
Jordan	4/15/99	4/14/02	128	—	—	91
Kazakhstan	12/13/99	12/12/02	329	—	—	329
Macedonia, FYR	11/29/00	11/28/03	—	24	—	23
Moldova	5/20/96	5/19/00	135	—	48	—
Pakistan	10/20/97	10/19/00	455	—	341	—
Panama	12/10/97	6/20/00	120	—	80	—
Peru	6/24/99	2/8/01	383	—	383	—
Ukraine	9/4/98	8/15/02	1,920	—	—	1,018
Yemen, Republic of	10/29/97	10/28/01	106	–33	—	26
Total			**9,798**	**–9**	**852**	**6,284**

Table II.5

Arrangements Under the Poverty Reduction and Growth Facility in Effect During Financial Year Ended April 30, 2001

(In millions of SDRs)

	Arrangement Dates		Amounts Approved		Undrawn Balance	
Member	Effective date	Expiration date	Through April 30, 2000	In FY2001	At date of termination	As of April 30, 2001
Albania	5/13/98	7/31/01	45	—	—	5
Benin	7/18/00	7/17/03	—	27	—	16
Bolivia	9/18/98	9/17/01	101	—	—	56
Burkina Faso	9/10/99	9/9/02	39	—	—	22
Cambodia	10/22/99	10/21/02	59	—	—	33
Cameroon	12/21/00	12/20/03	—	111	—	96
Central African Republic	7/20/98	1/19/02	49	—	—	25
Chad	1/7/00	1/6/03	36	—	—	26
Côte d'Ivoire	3/17/98	3/16/01	286	—	162	—
Djibouti	10/18/99	10/17/02	19	—	—	14
Ethiopia	3/22/01	3/21/04	—	87	—	70
Gambia, The	6/29/98	12/31/01	21	—	—	7
Georgia	1/12/01	1/11/04	—	108	—	90
Ghana	5/3/99	5/2/02	155	37	—	121
Guinea[1]	1/13/97	1/12/01	71	—	8	—
Guinea-Bissau	12/15/00	12/14/03	—	14	—	9
Guyana	7/15/98	7/14/01	54	—	—	29
Honduras	3/26/99	3/25/02	157	—	—	65
Kenya	8/4/00	8/3/03	—	190	—	156
Kyrgyz Republic	6/26/98	6/25/01	73	—	—	29
Lao People's Dem. Rep.	4/25/01	4/24/04	—	32	—	27
Lesotho	3/9/01	3/8/04	—	25	—	21
Macedonia, FYR	12/18/00	12/17/03	—	10	—	9
Madagascar[2]	11/27/96	11/30/00	81	24	27	—
Madagascar	3/1/01	2/28/04	—	79	—	68
Malawi	12/21/00	12/20/03	—	45	—	39
Mali	8/6/99	8/5/02	47		—	33
Mauritania	7/21/99	7/20/02	42		—	24
Mongolia	7/30/97	7/29/00	33	—	16	—
Moldova	12/21/00	12/20/03	—	111	—	92
Mozambique	6/28/99	6/27/02	87	—	—	34
Nicaragua	3/18/98	3/17/02	149	—	—	34
Niger	12/22/00	12/21/03	—	59	—	51
Pakistan	10/20/97	10/19/00	682	—	417	—
Rwanda	6/24/98	1/31/02	71	—	—	19
São Tomé and Príncipe	4/28/00	4/27/03	7	—	—	5
Senegal	4/20/98	4/19/02	107	—	—	29
Tajikistan	6/24/98	12/24/01	100	—	—	28
Tanzania	4/4/00	4/3/03	135	—	—	75
Uganda[3]	11/10/97	3/31/01	100	—	—	—
Vietnam	4/6/01	4/12/04	—	290	—	249
Yemen, Republic of	10/29/97	10/28/01	265	—	—	95
Zambia	3/25/99	3/28/03	254	—	—	200
Total			**3,327**	**1,249**	**630**	**2,001**

[1]Extended from 1/12/00.
[2]Extended from 7/27/00.
[3]Extended from 11/9/00

Table II.6

Summary of Disbursements, Repurchases, and Repayments, Financial Years Ended April 30, 1948–2001

(In millions of SDRs)

Financial Year	Disbursements: Purchases[1]	Trust Fund loans	SAF loans	PRGF loans	Total	Repurchases and Repayments: Repurchases	Trust Fund repayments	SAF/PRGF repayments	Total	Total IMF Credit Outstanding[2]
1948	606				606					133
1949	119				119					193
1950	52				52	24			24	204
1951	28				28	19			19	176
1952	46				46	37			37	214
1953	66				66	185			185	178
1954	231				231	145			145	132
1955	49				49	276			276	55
1956	39				39	272			276	72
1957	1,114				1,114	75			75	611
1958	666				666	87			87	1,027
1959	264				264	537			537	898
1960	166				166	522			522	330
1961	577				577	659			659	552
1962	2,243				2,243	1,260			1,260	1,023
1963	580				580	807			807	1,059
1964	626				626	380			380	952
1965	1,897				1,897	517			517	1,480
1966	2,817				2,817	406			406	3,039
1967	1,061				1,061	340			340	2,945
1968	1,348				1,348	1,116			1,116	2,463
1969	2,839				2,839	1,542			1,542	3,299
1970	2,996				2,996	1,671			1,671	4,020
1971	1,167				1,167	1,657			1,657	2,556
1972	2,028				2,028	3,122			3,122	840
1973	1,175				1,175	540			540	998
1974	1,058				1,058	672			672	1,085
1975	5,102				5,102	518			518	4,869
1976	6,591				6,591	960			960	9,760
1977	4,910	32			4,942	868			868	13,687
1978	2,503	268			2,771	4,485			4,485	12,366
1979	3,720	670			4,390	4,859			4,859	9,843
1980	2,433	962			3,395	3,776			3,776	9,967
1981	4,860	1,060			5,920	2,853			2,853	12,536
1982	8,041				8,041	2,010			2,010	17,793
1983	11,392				11,392	1,555	18		1,574	26,563
1984	11,518				11,518	2,018	111		2,129	34,603
1985	6,289				6,289	2,730	212		2,943	37,622
1986	4,101				4,101	4,289	413		4,702	36,877
1987	3,685		139		3,824	6,169	579		6,749	33,443
1988	4,153		445		4,597	7,935	528		8,463	29,543
1989	2,541		290	264	3,095	6,258	447		6,705	25,520
1990	4,503		419	408	5,329	6,042	356		6,398	24,388
1991	6,955		84	491	7,530	5,440	168		5,608	25,603
1992	5,308		125	483	5,916	4,768		1	4,770	26,736
1993	8,465		20	573	9,058	4,083		36	4,119	28,496
1994	5,325		50	612	5,987	4,348	52	112	4,513	29,889
1995	10,615		14	573	11,175	3,984	4	244	4,231	36,837
1996	10,870		182	1,295	12,347	6,698	7	395	7,100	42,040
1997	4,939			705	5,644	6,668	5	524	7,196	40,488
1998	20,000			973	20,973	3,789	1	595	4,385	56,026
1999	24,071			826	24,897	10,465		627	11,092	67,175
2000	6,377			513	6,890	22,993		634	23,627	50,370
2001	9,599			630	10,229	11,243		588	11,831	48,662

[1]Includes reserve tranche purchases.

[2]Excludes reserve tranche purchases.

Table II.7

Purchases and Loans from the IMF, Financial Year Ended April 30, 2001

(In millions of SDRs)

Member	Reserve Tranche[1]	Stand-By/ Credit Tranche	Extended Fund Facility	SRF	Total Purchases	PRGF Loans	Total Purchases and Loans
Albania	—	—	—	—	—	10	10
Algeria	—	—	—	—	—	—	—
Argentina	—	2,352	—	1,482	3,834	—	3,834
Bolivia	—	—	—	—	—	11	11
Bosnia and Herzegovina	—	16	—	—	16	—	16
Bulgaria	—	—	209	—	209	—	209
Burkina Faso	—	—	—	—	—	11	11
Cambodia	—	—	—	—	—	17	17
Cameroon	—	—	—	—	—	52	52
Central African Republic	—	—	—	—	—	8	8
Chad	—	—	—	—	—	5	5
Congo, Rep. of	—	11			11	—	11
Djibouti	—	—	—	—	—	3	3
Ecuador	—	28	—	—	28	—	28
Ethiopia	—	—	—			18	18
Gabon	—	13			13	—	13
Gambia, The	—	—	—	—	—	8	8
Georgia	—	—	—	—	—	18	18
Ghana	41	—	—	—	41	27	68
Guinea	—	—	—	—	—	8	8
Guinea-Bissau	—	—	—	—	—	5	5
Guyana	—	—	—	—	—	7	7
Honduras	—	—	—	—	—	16	16
Indonesia	—	—	591	—	591	—	591
Jordan	—	—	15	—	15	—	15
Kenya	—	—	—	—	—	34	34
Kyrgyz Republic	—	—	—	—	—	10	10
Lao, People's Dem. Rep.	3				3	—	3
Lesotho	—	—	—	—	—	4	4
Macedonia, FYR	—	—	1	—	1	2	3
Madagascar	—	—	—	—	—	49	49
Malawi	—	—	—	—	—	7	7
Mali	—	—	—	—	—	7	7
Mauritania	—	—	—	—	—	13	13
Moldova	—	—	—	—	—	19	19
Mongolia	—	—	—	—	—	8	8
Nicaragua	—	—	—	—	—	20	20
Niger						8	8
Pakistan	—	255	—	—	255	—	255
Papua New Guinea	—	57	—	—	57	—	57
Philippines	—	238	—	—	238	—	238
Romania	—	87	—	—	87	—	87
Rwanda	—	—	—	—	—	19	19
São Tomé and Príncipe						2	2
Senegal	—	—	—	—	—	29	29
Sierra Leone	—	10	—	—	10	—	10
Sri Lanka	—	103	—	—	103	—	103
Tajikistan	—	—	—	—	—	12	12
Tanzania	—	—	—	—	—	40	40
Turkey	—	1,109	—	2,603	3,711	—	3,711
Ukraine	—	—	190	—	190	18	208
Vietnam	—	—	—	—		41	41
Yemen, Republic of	—	—	7	—	7	20	27
Yugoslavia, Fed. Rep. of	62	117[2]			178	—	178
Zambia	—	—	—	—	—	46	46
Total	**106**	**4,395**	**1,013**	**4,085**	**9,599**	**630**	**10,229**

[1]Includes reserve tranche purchases made in connection with the use of the same-day SDR borrowing arrangements by members paying the reserve asset portion of their quota increases.

[2]Emergency postconflict assistance.

Table II.8

Repurchases and Repayments to the IMF, Financial Year Ended April 30, 2001

(In millions of SDRs)

Member	Stand-By/ Credit Tranche	Extended Fund Facility	CCFF and STF	Total Repurchases	SAF/PRGF and Trust Fund Repayments	Total Repurchases and Repayments
Albania	1	—	—	1	5	7
Algeria	—	75	—	75	—	150
Argentina	266	740	—	1,006	—	2,012
Armenia	3	—	6	9	—	18
Azerbaijan	28	—	10	38	—	76
Bangladesh	—	—	—	—	62	62
Belarus	13	—	23	36	—	72
Benin	—	—	—	—	9	9
Bolivia	—	—	—	—	20	20
Bosnia and Herzegovina	11	—	—	11	—	22
Brazil	—	—	—	—	—	—
Bulgaria	113	—	51	164	—	328
Burkina Faso	—	—	—	—	7	7
Burundi	—	—	—	—	3	3
Cambodia	—	—	1	1	7	9
Cameroon	12	—		12	—	24
Central African Republic	—	—	—	—	—	—
Chad	—	—	—	—	2	2
Congo, Dem. Rep. of	—	—	—	—	1	1
Congo, Republic of	—	—	—	—	—	—
Côte d'Ivoire	—	—	—	—	30	30
Croatia	—	—	22	22	—	44
Djibouti	2	—	—	2	—	4
Ecuador	—	—	—	—	—	—
Equatorial Guinea	—	—	—	—	2	2
Estonia	—	—	4	4	—	8
Ethiopia	—	—	—	—	10	10
Gabon	—	5	—	5	—	10
Gambia, The	—	—	—	—	1	1
Georgia	5	—	9	14	—	28
Ghana	—	—	—	—	31	31
Guinea	—	—	—	—	6	6
Guinea Bissau	—	—	—	—	—	—
Guyana	—	—	—	—	15	15
Honduras	—	—	—	—	5	5
India	19	—	—	19	—	38
Indonesia	275	—	—	275	—	550
Jamaica	—	14	—	14	—	29
Jordan	—	29	—	29	—	58
Kazakhstan	64	155	77	296	—	592
Kenya	—	—	—	—	32	32
Korea	2,538	—	—	2,538	—	5,076
Kyrgyz Republic	—	—	5	5	5	16
Lao People's Dem. Rep.	—	—	—	—	8	8
Latvia	—	—	8	8	—	16
Lesotho	—	—	—	—	4	4
Lithuania	—	13	9	22	—	44
Macedonia, FYR	8	—	4	12	—	24
Madagascar	—	—	—	—	4	4
Malawi	—	—	—	—	6	6
Mali	—	—	—	—	14	14
Mauritania	—	—	—	—	9	9
Mexico	2,791	97	—	2,888	—	5,776
Moldova	5	2	7	14	—	28
Mongolia	—	—	—	—	5	5
Mozambique	—	—	—	—	22	22
Nepal	—	—	—	—	3	3
Nicaragua	—	—	—	—	4	4
Niger	—	—	—	—	1	1
Pakistan	131	20	—	151	55	357

Table II.8 *(concluded)*

Member	Stand-By/ Credit Tranche	Extended Fund Facility	CCFF and STF	Total Repurchases	SAF/PRGF and Trust Fund Repayments	Total Repurchases and Repayments
Panama	41	—	—	41	—	82
Papua New Guinea	8	—	—	8	—	16
Peru	—	107	—	107	—	214
Philippines	—	6	—	6	—	12
Romania	59	—	31	90	—	180
Russia	1,078	175	360	1,613	—	3,226
Rwanda	5	—	4	9	2	20
Senegal	—	—	—	—	15	15
Sierra Leone	—	—	—	—	19	19
Slovak Republic	—	—	86	86	—	172
Sri Lanka	—	—	—	—	60	60
Sudan	15	26	6	47	—	94
Tajikistan	8	—	—	8	—	16
Tanzania	—	—	—	—	17	17
Thailand	375	—	—	375	—	750
Togo	—	—	—	—	7	7
Tunisia	—	30	—	30	—	60
Turkey	28	—	—	28	—	56
Uganda	—	—	—	—	33	33
Ukraine	476	—	83	559	—	1,118
Uzbekistan	32	—	17	49	—	98
Venezuela	175	195	—	370	—	740
Vietnam	—	—	4	4	18	26
Yemen, Republic of	64	—	—	64	—	128
Yugoslavia, Fed. Rep. of	56	—	—	56	—	112
Zambia	—	—	—	—	—	—
Zimbabwe	—	21	—	21	18	60
Total	**8,705**	**1,711**	**827**	**11,243**	**577**	**23,063**

Table II.9

Outstanding IMF Credit by Facility and Policy, Financial Years Ended April 30, 1993–2001

(In millions of SDRs and percent of total)

	1993	1994	1995	1996	1997	1998	1999	2000	2001
					Millions of SDRs				
Stand-By Arrangements[1]	10,578	9,485	15,117	20,700	18,064	25,526	25,213	21,410	17,101
Extended Arrangements	9,849	9,566	10,155	9,982	11,155	12,521	16,574	16,808	16,108
Supplemental Reserve Facility	—	—	—	—	—	7,100	12,655	—	4,085
Compensatory and Contingency Financing Facility	4,208	3,756	3,021	1,602	1,336	685	2,845	3,032	2,992
Systemic Transformation Facility	—	2,725	3,848	3,984	3,984	3,869	3,364	2,718	1,933
Subtotal (GRA)	**24,635**	**25,532**	**32,140**	**36,268**	**34,539**	**49,701**	**60,651**	**43,968**	**42,219**
SAF Arrangements	1,484	1,440	1,277	1,208	954	730	565	456	432
PRGF Arrangements[2]	2,219	2,812	3,318	4,469	4,904	5,505	5,870	5,857	5951
Trust Fund	158	105	102	95	90	90	89	89	89
Total	**28,496**	**29,889**	**36,837**	**42,040**	**40,488**	**56,026**	**67,175**	**50,370**	**48,691**
					Percent of total				
Stand-By Arrangements[1]	37	32	41	49	45	46	38	43	35
Extended Arrangements	34	32	28	24	28	22	25	33	33
Supplemental Reserve Facility	—	—	—	—	—	13	19	—	9
Compensatory and Contingency Financing Facility	15	12	8	4	3	1	4	6	6
Systemic Transformation Facility	—	9	10	9	10	7	5	5	4
Subtotal (GRA)	**86**	**85**	**87**	**86**	**85**	**89**	**90**	**87**	**87**
SAF Arrangements	5	5	3	3	2	1	1	1	1
PRGF Arrangements[2]	8	9	9	11	12	10	9	12	12
Trust Fund	1	—[3]	—[3]	—[3]	—[3]	—[3]	—[3]	—[3]	—[3]
Total	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**

[1]Includes outstanding credit tranche and emergency purchases.
[2]Includes outstanding associated loans from the Saudi Fund for Development.
[3]Less than ½ of one percent of total.

Table II.10

Poverty Reduction and Growth Facility, Estimated Value of Contributions (Commitments as of April 30, 2001)

(In millions of SDRs)

	Subsidies (Grant or Grant Equivalent)[1]			Loans[2]	
Contributor	**Prior to Enlargement[3]**	**For Enlargement[3]**	**Total**	**Prior to Enlargement[3]**	**For Enlargement[3]**
Argentina	—	35	35	—	—
Australia	—	14	14	—	—
Austria	42	20	63	—	—
Bangladesh	—	1	1	—	—
Belgium	88	35	123	—	200
Botswana	—	2	2	—	—
Canada	129	74	203	300	400
Chile	—	4	4	—	—
China	—	15	15	—	100
Czech Republic	—	13	13	—	—
Denmark	50	16	67	—	100
Egypt	—	13	13	—	100
Finland	42	—	42	—	—
France	235	250	485	800	1,100
Germany	197	—	197	700	1,050
Greece	25	14	39	—	—
Iceland	3	2	5	—	—
India	—	13	13	—	—
Indonesia	—	6	6	—	—
Iran	—	2	2	—	—
Ireland	—	8	8	—	—
Italy	116	48	164	370	460
Japan	468	250	718	2,200	2,150
Korea	51	8	60	65	28
Luxembourg	5	10	15	—	—
Malaysia	33	14	47	—	—
Malta	1	1	2	—	—
Morocco	—	10	10	—	—
Netherlands	83	56	140	—	250
Norway	30	15	45	90	60
Pakistan	—	4	4	—	—
Portugal	—	5	5	—	—
Singapore	20	14	34	—	—
Spain	—	29	29	216	192
Sweden	132	53	185	—	—
Switzerland	56	53	109	200	152
Thailand	12	5	17	—	—
Tunisia	—	2	2	—	—
Turkey	—	11	11	—	—
United Kingdom	279	80	359	—	—
United States	152	24	176	—	—
Uruguay	—	2	2	—	—
Subtotal (Bilateral)	**2,233[4]**	**1,233**	**3,466**	**4,941**	**6,341**
OPEC Fund[5]	—	—	—	—	40
Special Disbursement Account	—	606	606	—	—
Subtotal	**2,233**	**1,839**	**4,072**	**4,941**	**6,381**
Saudi Arabia[6]	16	—	16	50	—
Total	**2,250**	**1,839**	**4,088**	**4,991**	**6,381**

[1]The amounts reported for grant contributions are the "as needed" equivalent of the resources committed, or implicit in loans or deposits at concessional interest rates. The calculations are based on actual interest rates and an assumed rate of 5.0 percent for the remaining life of the PRGF Trust.

[2]Loan contributions are provided either at concessional interest rates or on the basis of weighted averages of market interest rates in the currencies comprising the SDR basket.

[3]The ESAF Trust, predecessor to the PRGF Trust, was enlarged and extended effective February 23, 1994.

[4]The sum of individual contributions has been adjusted downward to take into account additional loan costs.

[5]The SDR equivalent of US$50 million valued at the exchange rate of end-April 2001.

[6]Corresponds to loans under the associated loan agreement with the Saudi Fund for Development (SFD) at an interest rate of 0.5 percent a year.

Table II.11

PRGF-HIPC Trust, Estimated Value of Pledged Bilateral Contributions (Commitments as of April 30, 2001)

(In millions of SDRs "as needed")[1]

Major industrial countries	**880.5**
Canada	48.8
France	82.2
Germany	127.2
Italy	63.6
Japan	144.0
United Kingdom	82.2
United States	332.6
Other advanced countries	**299.7**
Australia	24.8
Austria	14.3
Belgium	35.3
Denmark	18.5
Finland	8.0
Greece	6.3
Iceland	0.9
Ireland	5.9
Israel	1.8
Korea	15.9
Luxembourg	0.7
Netherlands	45.4
New Zealand	1.7
Norway	18.5
Portugal	6.6
San Marino	0.05
Singapore	16.5
Spain	23.3
Sweden	18.3
Switzerland	37.0
Fuel-exporting countries	**88.3**
Algeria	5.5
Bahrain	0.9
Brunei Darussalam	0.1
Gabon	2.5
Iran, Islamic Republic of	2.2
Kuwait	3.1
Nigeria	13.9
Oman	0.8
Qatar	0.5
Saudi Arabia	53.5
Trinidad and Tobago	1.6
United Arab Emirates	3.8
Other developing countries	**173.4**
Argentina	16.2
Bangladesh	1.7
Barbados	0.4
Belize	0.3
Botswana	3.1
Brazil	15.0
Cambodia	0.04
Chile	4.4
China	19.7
Colombia	0.9
Cyprus	0.8
Dominican Republic	0.5
Egypt	1.3
Fiji	0.1
Ghana	0.5
Grenada	0.1
India	22.9
Indonesia	8.2
Jamaica	2.7
Jordan	0.7
Lebanon	0.4
Libya	7.3
Malaysia	12.7
Maldives	0.01
Malta	1.1
Mauritius	0.1
Micronesia, Federated States of	0.00001
Morocco	1.6
Pakistan	3.4
Paraguay	0.1
Peru	2.5
Philippines	6.7
St. Lucia	0.1
St. Vincent and the Grenadines	0.1
Samoa	0.005
South Africa	28.6
Sri Lanka	0.6
Swaziland	0.03
Thailand	4.5
Tonga	0.02
Tunisia	1.5
Uruguay	2.2
Vanuatu	0.1
Vietnam	0.4
Countries in transition	**42.9**
Croatia	0.4
Czech Republic	4.1
Estonia	0.5
Hungary	6.0
Latvia	1.0
Poland	12.0
Russia	14.6
Slovak Republic	4.0
Slovenia	0.4
Others	**74.9**
Total (94 contributors)	**1,559.8**

[1]The term "as needed" refers to the nominal undiscounted sum of the assumed time profile of resources required by the PRGF-HIPC Trust for the delivery of HIPC assistance and subsidies related to interim PRGF lending. The value of a contribution in "as needed" terms is estimated taking into account the timing of its availability in relation to the timing of resource requirements of the PRGF-HIPC Trust. All calculations are based on an SDR interest rate assumption of 5 percent a year.

Table II.12

Holdings of SDRs by All Participants and by Groups of Countries as Percent of Their Cumulative Allocations of SDRs, at End of Financial Years Ended April 30, 1992–2001

			Nonindustrial Countries[2]			
					Net debtor countries	
	All Participants[1]	Industrial Countries[2]	All nonindustrial countries	Net creditor countries	All net debtor countries	Heavily indebted poor countries
1992	96.8	121.2	44.6	200.1	36.5	8.2
1993	63.0	73.1	41.6	166.6	35.1	4.6
1994	71.0	77.9	56.3	222.5	47.7	12.5
1995	90.9	105.1	60.4	263.9	49.8	14.1
1996	91.4	102.4	67.9	285.5	56.6	17.4
1997	87.2	99.8	60.5	303.6	47.8	17.3
1998	95.0	107.0	69.4	323.7	56.1	24.1
1999	81.1	94.6	52.5	170.7	46.3	26.3
2000	84.6	95.0	62.5	174.1	56.6	20.6
2001	86.6	101.6	54.6	204.2	46.5	12.4

[1]Consists of member countries that are participants in the SDR Department. At the end of FY2001, of the total SDRs allocated to participants in the SDR Department (SDR 21.4 billion), SDR 3 billion was not held by participants but instead by the IMF and prescribed holders.

[2]Based on IFS classification (International Monetary Fund, *International Financial Statistics*, various years).

Table II.13

Key IMF Rates, Financial Year Ended April 30, 2001

(In percent)

Period Beginning	SDR Interest Rate and Unadjusted Rate of Remuneration[1]	Basic Rate of Charge[1]	Period Beginning	SDR Interest Rate and Unadjusted Rate of Remuneration[1]	Basic Rate of Charge[1]
2000					
May 1	4.29	4.88	November 6	4.84	5.50
May 2	4.29	4.88	November 13	4.85	5.51
May 8	4.41	5.01	November 20	4.84	5.50
May 15	4.49	5.11	November 27	4.85	5.51
May 22	4.39	4.99			
May 29	4.35	4.95	December 4	4.78	5.43
			December 11	4.70	5.34
June 5	4.40	5.00	December 18	4.68	5.32
June 12	4.43	5.04	December 25	4.34	4.93
June 19	4.36	4.96			
June 26	4.39	4.99	**2001**		
			January 1	4.60	5.23
July 3	4.39	4.99	January 8	4.42	5.03
July 10	4.49	5.11	January 15	4.54	5.16
July 17	4.55	5.17	January 22	4.47	5.08
July 24	4.57	5.20	January 29	4.43	5.04
July 31	4.60	5.23			
			February 5	4.37	4.97
August 7	4.62	5.25	February 12	4.36	4.96
August 14	4.67	5.31	February 19	4.33	4.92
August 21	4.71	5.36	February 26	4.29	4.88
August 28	4.74	5.39			
			March 5	4.27	4.85
September 4	4.70	5.34	March 12	4.20	4.78
September 11	4.64	5.28	March 19	4.10	4.66
September 18	4.65	5.29	March 26	3.91	4.45
September 25	4.67	5.31			
			April 2	3.94	4.48
October 2	4.74	5.39	April 9	3.76	4.28
October 9	4.76	5.41	April 16	3.84	4.37
October 16	4.73	5.38	April 23	3.72	4.23
October 23	4.80	5.46	April 30	3.78	4.30
October 30	4.83	5.49			

[1]Under the FY2001 decision on burden sharing, the rate of remuneration was adjusted downward and the rate of charge was adjusted upward to share the burden of protecting the IMF's income from overdue charges and of contributing to the IMF's precautionary balances. The amounts generated from burden sharing in FY2001 are refundable when overdue charges are paid and when overdue obligations cease to be a problem. The basic rate of charge presented is the effective rate following the retroactive reduction that was implemented after the end of the financial year. The basic rate of charge, which was set at 115.9 percent of the SDR interest rate, was reduced to 113.7 percent of the SDR interest rate as a result of the retroactive reduction.

Table II.14

Members That Have Accepted the Obligations of Article VIII, Sections 2, 3, and 4 of the Articles of Agreement

Member	Effective Date of Acceptance	Member	Effective Date of Acceptance
Algeria	September 15, 1997	Honduras	July 1, 1950
Antigua and Barbuda	November 22, 1983	Hungary	January 1, 1996
Argentina	May 14, 1968	Iceland	September 19, 1983
Armenia	May 29, 1997	India	August 20, 1994
Australia	July 1, 1965	Indonesia	May 7, 1988
Austria	August 1, 1962	Ireland	February 15, 1961
Bahamas, The	December 5, 1973	Israel	September 21, 1993
Bahrain	March 20, 1973	Italy	February 15, 1961
Bangladesh	April 11, 1994	Jamaica	February 22, 1963
Barbados	November 3, 1993	Japan	April 1, 1964
Belgium	February 15, 1961	Jordan	February 20, 1995
Belize	June 14, 1983	Kazakhstan	July 16, 1996
Benin	June 1, 1996	Kenya	June 30, 1994
Bolivia	June 5, 1967	Kiribati	August 22, 1986
Botswana	November 17, 1995	Korea	November 1, 1988
Brazil	November 30, 1999	Kuwait	April 5, 1963
Brunei Darussalam	October 10, 1995	Kyrgyz Republic	March 29, 1995
Bulgaria	September 24, 1998	Latvia	June 10, 1994
Burkina Faso	June 1, 1996	Lebanon	July 1, 1993
Cameroon	June 1, 1996	Lesotho	March 5, 1997
Canada	March 25, 1952	Lithuania	May 3, 1994
Central African Republic	June 1, 1996	Luxembourg	February 15, 1961
Chad	June 1, 1996	Macedonia, FYR	June 19, 1998
Chile	July 27, 1977	Madagascar	September 18, 1996
China	December 1, 1996	Malawi	December 7, 1995
Comoros	June 1, 1996	Malaysia	November 11, 1968
Congo, Republic of	June 1, 1996	Mali	June 1, 1996
Costa Rica	February 1, 1965	Malta	November 30, 1994
Côte d'Ivoire	June 1, 1996	Marshall Islands	May 21, 1992
Croatia	May 29, 1995	Mauritania	July 19, 1999
Cyprus	January 9, 1991	Mauritius	September 29, 1993
Czech Republic	October 1, 1995	Mexico	November 12, 1946
Denmark	May 1, 1967	Micronesia, Federated States of	June 24, 1993
Djibouti	September 19, 1980	Moldova	June 30, 1995
Dominica	December 13, 1979	Mongolia	February 1, 1996
Dominican Republic	August 1, 1953	Morocco	January 21, 1993
Ecuador	August 31, 1970	Namibia	September 20, 1996
El Salvador	November 6, 1946	Nepal	May 30, 1994
Equatorial Guinea	June 1, 1996	Netherlands	February 15, 1961
Estonia	August 15, 1994	New Zealand	August 5, 1982
Fiji	August 4, 1972	Nicaragua	July 20, 1964
Finland	September 25, 1979	Niger	June 1, 1996
France	February 15, 1961	Norway	May 11, 1967
Gabon	June 1, 1996	Oman	June 19, 1974
Gambia, The	January 21, 1993	Pakistan	July 1, 1994
Georgia	December 20, 1996	Palau	December 16, 1997
Germany	February 15, 1961	Panama	November 26, 1946
Ghana	February 21, 1994	Papua New Guinea	December 4, 1975
Greece	July 7, 1992	Paraguay	August 22, 1994
Grenada	January 24, 1994	Peru	February 15, 1961
Guatemala	January 27, 1947	Philippines	September 8, 1995
Guinea	November 17, 1995	Poland	June 1, 1995
Guinea-Bissau	January 1, 1997	Portugal	September 12, 1988
Guyana	December 27, 1966	Qatar	June 4, 1973
Haiti	December 22, 1953	Romania	March 25, 1998

Table II.14 *(concluded)*

Member	Effective Date of Acceptance	Member	Effective Date of Acceptance
Russia	June 1, 1996	Sweden	February 15, 1961
Rwanda	December 10, 1998	Switzerland	May 29, 1992
St. Kitts and Nevis	December 3, 1984	Tanzania	July 15, 1996
St. Lucia	May 30, 1980	Thailand	May 4, 1990
St. Vincent and the Grenadines	August 24, 1981	Togo	June 1, 1996
Samoa	October 6, 1994	Tonga	March 22, 1991
San Marino	September 23, 1992	Trinidad and Tobago	December 13, 1993
Saudi Arabia	March 22, 1961	Tunisia	January 6, 1993
Senegal	June 1, 1996	Turkey	March 22, 1990
Seychelles	January 3, 1978	Uganda	April 5, 1994
Sierra Leone	December 14, 1995	Ukraine	September 24, 1996
Singapore	November 9, 1968	United Arab Emirates	February 13, 1974
Slovak Republic	October 1, 1995	United Kingdom	February 15, 1961
Slovenia	September 1, 1995	United States	December 10, 1946
Solomon Islands	July 24, 1979	Uruguay	May 2, 1980
South Africa	September 15, 1973	Vanuatu	December 1, 1982
Spain	July 15, 1986	Venezuela	July 1, 1976
Sri Lanka	March 15, 1994	Yemen, Republic of	December 10, 1996
Suriname	June 29, 1978	Zimbabwe	February 3, 1995
Swaziland	December 11, 1989		

Table II.15

Exchange Rate Arrangements and Anchors of Monetary Policy as of March 31, 2001

Exchange Rate Classification System

The classification system, in effect since January 1999, is based on the members' actual, de facto, regimes that may differ from their officially announced arrangements. The scheme ranks exchange rate regimes broadly on the basis of the degree of flexibility of the arrangement. It distinguishes between the more rigid forms of pegged regimes (such as currency board arrangements); other conventional fixed peg regimes against a single currency or a basket of currencies; exchange rate bands around a fixed peg; crawling peg arrangements; and exchange rate bands around crawling pegs, in order to help assess the implications of the choice of exchange rate regime for the degree of independence of monetary policy. This includes a category to distinguish the exchange arrangements of those countries that have no separate legal tender. The system presents members' exchange rate regimes against alternative monetary policy frameworks with the intention of using both criteria as a way of providing greater transparency in the classification scheme and to illustrate that different forms of exchange rate regimes could be consistent with similar monetary frameworks. The following explains the categories.

Exchange Rate Regime

Exchange Arrangements with No Separate Legal Tender

The currency of another country circulates as the sole legal tender, or the member belongs to a monetary or currency union in which the same legal tender is shared by the members of the union. Adopting such regimes is a form of surrendering the monetary authorities' independent control over domestic monetary policy.

Currency Board Arrangements

A monetary regime based on an explicit legislative commitment to exchange domestic currency for a specified foreign currency at a fixed exchange rate, combined with restrictions on the issuing authority to ensure the fulfillment of its legal obligation. This implies that domestic currency be issued only against foreign exchange and that it remain fully backed by foreign assets, eliminating traditional central bank functions such as monetary control and the lender of the last resort and leaving little scope for discretionary monetary policy; some flexibility may still be afforded depending on how strict the rules of the boards are established.

Other Conventional Fixed Peg Arrangements

The country pegs (formally or de facto) its currency at a fixed rate to a major currency or a basket of currencies, where a weighted composite is formed from the currencies of major trading or financial partners and currency weights reflect the geographical distribution of trade, services, or capital flows. In a conventional fixed peg arrangement, the exchange rate fluctuates within a narrow margin of less than ±1 percent around a formal or de facto central rate. The currency composites can also be standardized, such as those of the SDR. The monetary authority stands ready to maintain the fixed parity through intervention, limiting the degree of monetary policy discretion; the degree of flexibility of monetary policy, however, is greater relative to currency board arrangements or currency unions, in that traditional central banking functions are, though limited, still possible, and the monetary authority can adjust the level of the exchange rate, though infrequently.

Pegged Exchange Rates Within Horizontal Bands

The value of the currency is maintained within certain margins of fluctuation of at least ±1 percent around a formal or de facto fixed central rate. It also includes the arrangements of the countries in the exchange rate mechanism (ERM) of the European Monetary System (EMS) (replaced with ERM-II on January 1, 1999). There is some limited degree of monetary policy discretion, with the degree of discretion depending on the band width.

Crawling Pegs

The currency is adjusted periodically in small amounts at a fixed, preannounced rate or in response to changes in selective quantitative indicators (past inflation differentials vis-à-vis major trading partners, differentials between the target inflation and expected inflation in major trading partners, etc.). The rate of crawl can be set to generate inflation-adjusted changes in the currency ("backward looking"), or at a preannounced fixed rate below the projected inflation differentials ("forward looking"). Maintaining a credible crawling peg imposes constraints on monetary policy in a similar manner as a fixed peg system.

Exchange Rates Within Crawling Bands

The currency is maintained within certain fluctuation margins of at least ±1 percent around a central rate, which is adjusted periodically at a fixed preannounced rate, or in response to changes in selective quantitative indicators. The degree of flexibility of the exchange rate is a function of the width of the band, with bands chosen to be either symmetric around a crawling central parity or to widen gradually with an asymmetric choice of the crawl of upper and lower bands (in the latter case, there is no preannouncement of a central rate). The commitment to maintain the exchange rate within the band continues to impose constraints on monetary policy, with the degree of policy independence being a function of the band width.

Managed Floating with No Predetermined Path for the Exchange Rate

The monetary authority influences the movements of the exchange rate through active intervention in the foreign exchange market without specifying, or precommitting to, a predetermined path for the exchange rate. Indicators for managing the rate are broadly judgmental—including, for example, the balance of payments position, international reserves, and parallel market developments—and the adjustments may not be automatic.

Independent Floating

The exchange rate is market determined, with any foreign exchange intervention aimed at moderating the rate of change and preventing undue fluctuations in the exchange rate, rather than at establishing a level for it. In these regimes, monetary policy is in principle independent of exchange rate policy.

Monetary Policy Framework

Members' exchange rate regimes are presented against alternative monetary policy frameworks in order to present the role of the exchange rate in broad economic policy and help identify potential sources of inconsistency in the monetary–exchange rate policy mix.

Exchange Rate Anchor

The monetary authority stands ready to buy and sell foreign exchange at given quoted rates to maintain the exchange rate at its predetermined level or range (the exchange rate serves as the nominal anchor or intermediate target of monetary policy). These regimes cover exchange rate regimes with no separate legal tender, currency board arrangements, fixed pegs with and without bands, and crawling pegs with and without bands, where the rate of crawl is set in a forward-looking manner.

Monetary Aggregate Anchor

The monetary authority uses its instruments to achieve a target growth rate for a monetary aggregate (reserve money, M1, M2, etc.) and the targeted aggregate becomes the nominal anchor or intermediate target of monetary policy.

Inflation Targeting Framework

A framework that targets inflation involves the public announcement of medium-term numerical targets for inflation with an institutional commitment by the monetary authority to achieve these targets. Additional key features include increased communication with the public and the markets about the plans and objectives of monetary policymakers and increased accountability of the central bank for obtaining its inflation objectives. Monetary policy decisions are guided by the deviation of forecasts of future inflation from the announced inflation target, with the inflation forecast acting (implicitly or explicitly) as the intermediate target of monetary policy.

IMF-Supported or Other Monetary Program

An IMF-supported or other monetary program involves implementation of monetary and exchange rate policy within the confines of a framework that establishes floors for international reserves and ceilings for net domestic assets of the central bank. As the ceiling on net domestic assets limits increases in reserve money through central bank operations, indicative targets for reserve money may be appended to this system.

Other

The country has no explicitly stated nominal anchor, but rather monitors various indicators in conducting monetary policy, or there is no relevant information available for the country.

	Monetary Policy Framework[1]				
Exchange Rate Regime (number of countries)	**Exchange rate anchor**	**Monetary aggregate target**	**Inflation-targeting framework**	**IMF-supported or other monetary program**	**Other**
Exchange arrangements with no separate legal tender (39)	**Another currency as legal tender** Ecuador* Kiribati Marshall Islands Micronesia Palau Panama San Marino ***ECCU***[2] Antigua and Barbuda Dominica Grenada St. Kitts and Nevis St. Lucia St. Vincent and the Grenadines ***CFA franc zone*** ***WAEMU*** Benin* Burkina Faso* Côte d'Ivoire* Guinea-Bissau* Mali* Niger* Senegal* Togo ***CAEMC*** Cameroon* Central African Rep.* Chad* Congo, Rep. of* Equatorial Guinea Gabon*			Benin* Burkina Faso* Cameroon* Central African Rep.* Chad* Congo, Rep. of* Côte d'Ivoire* Ecuador* Gabon* Guinea-Bissau* Mali* Niger* Senegal*	***Euro Area***[3,4] Austria Belgium Finland France Germany Greece Ireland Italy Luxembourg Netherlands Portugal Spain
Currency board arrangements (8)	Argentina* Bosnia and Herzegovina* Brunei Darussalam Bulgaria* China: Hong Kong, SAR Djibouti* Estonia* Lithuania*			Argentina* Bosnia and Herzegovina* Bulgaria* Djibouti* Estonia* Lithuania*	
Other conventional fixed peg arrangements (including de facto peg arrangements under managed floating) (44)	***Against a single currency (31)*** Aruba Bahamas, The[5] Bahrain[6, 7] Barbados Belize Bhutan Cape Verde China, People's Rep. of*[6] Comoros[8] Congo, Dem. Rep. of El Salvador[13] Eritrea Iran, Islamic Rep. of [5, 6] Iraq Jordan*[6] Lebanon[6] Lesotho* Macedonia, FYR*[6] Malaysia Maldives[6] Namibia Nepal Netherlands Antilles Oman Qatar[6, 7] Saudi Arabia[6, 7] Swaziland Syrian Arab Republic[5] Trinidad and Tobago* Turkmenistan[6] United Arab Emirates[6, 7] ***Against a composite (13)*** Bangladesh Botswana[5] Fiji Kuwait Latvia* Malta Morocco Myanmar[5] Samoa Seychelles Solomon Islands Tonga Vanuatu	China, People's Rep. of*[6]		Jordan*[6] Latvia* Lesotho* Macedonia, FYR*[6] Trinidad and Tobago*	
Pegged exchange rates within horizontal bands (6)[9]	***Within a cooperative arrangement*** ***ERM II (1)*** Denmark ***Other band arrangements(5)*** Cyprus Egypt[5] Libyan A.J. Suriname[5] Vietnam[6]				

Table II.15 *(concluded)*

Exchange Rate Regime (number of countries)	Monetary Policy Framework[1] Exchange rate anchor			Monetary aggregate target	Inflation-targeting framework	IMF-supported or other monetary program	Other
Crawling pegs (4)[6]	Bolivia* Costa Rica Nicaragua* Zimbabwe*					Bolivia Nicaragua* Zimbabwe*	
Exchange rates within crawling bands (5)[6, 10]	Israel* Uruguay*	Honduras* Venezuela	Hungary		Israel*	Honduras* Uruguay*	
Managed floating with no pre-announced path for exchange rate (33)				Jamaica*[6] Slovenia Tunisia	Czech Rep. Norway	Cambodia[5] Croatia Ethiopia Jamaica*[6] Kazakhstan Kenya Kyrgyz Rep. Mauritania Nigeria Pakistan Romania Russia Rwanda Sri Lanka Sudan Ukraine Yugoslavia	Algeria[3] Azerbaijan Belarus[3, 5] Burundi[3] Dominican Rep.[3,5] Guatemala[3] India[3] Lao P.D.R.[3, 5] Paraguay[3] Singapore Slovak Rep.[3] Uzbekistan[3, 5]
Independently floating (47)				Gambia, The* Ghana* Guinea* Guyana* Mauritius[6] Malawi* Mexico Mongolia* Peru* Philippines* São Tomé and Príncipe* Sierra Leone* Turkey* Yemen*	Australia Brazil[12] Canada Chile[5] Colombia* Iceland Korea New Zealand Poland South Africa Sweden Thailand* United Kingdom	Albania Angola Armenia Colombia* Gambia, The* Georgia Ghana* Guinea* Guyana* Haiti Indonesia Madagascar Malawi* Moldova Mongolia* Mozambique Papua New Guinea Peru* Philippines* São Tomé and Príncipe* Sierra Leone* Tajikistan Tanzania Thailand* Turkey* Uganda Yemen, Rep. of* Zambia	Afghanistan[5, 11] Japan[3] Liberia[3] Somalia[5, 11] Switzerland[3] United States[3]

Sources: IMF Staff Reports.

Note: The term "country," as used in this publication, does not in all cases refer to a territorial entity that is a state as understood by international law and practice; the term also covers some territorial entities that are not states but for which statistical data are maintained and provided internationally on a separate and independent basis.

[1]A country with * indicates that the country adopts more than one nominal anchor in conducting monetary policy. It should be noted, however, that it would not be possible, for practical reasons, to infer from this table which nominal anchor plays the principal role in conducting monetary policy.

[2]These countries have a currency board arrangement.

[3]The country has no explicitly stated nominal anchor, but rather monitors various indicators in conducting monetary policy.

[4]Until they are withdrawn in the first half of 2002, national currencies will retain their status as legal tender within their home territories.

[5]Member maintained exchange arrangements involving more than one market. The arrangement shown is that maintained in the major market.

[6]The indicated country has a de facto arrangement under a formally announced policy of managed or independent floating. In the case of Jordan, it indicates that the country has a de jure peg to SDR but a de facto peg to the U.S. dollar. In the case of Mauritius, the authorities have a de facto policy of independent floating, with only infrequent intervention by the central bank.

[7]Exchange rates are determined on the basis of a fixed relationship to the SDR, within margins of up to ±7.25%. However, because of the maintenance of a relatively stable relationship with the U.S. dollar, these margins are not always observed.

[8]Comoros has the same arrangement with the French treasury as do the CFA franc zone countries.

[9]The band width for these countries is Cyprus (±2.25%), Denmark (±2.25%), Greece (±15%), Iceland (±9%), Libya (±77.5%), Suriname (±9.1%), and Vietnam (0.1% daily movement, one-sided).

[10]The band for these countries is Honduras (±7%), Hungary (±2.25%), Israel (±20%), Uruguay (±3%), and Venezuela (±7.5%).

[11]There is no relevant information available for the country.

[12]Brazil maintains an IMF-supported program.

[13]For El Salvador, the U.S. dollar is also legal tender; all financial system accounts are denominated in U.S. dollars.

APPENDIX III

Principal Policy Decisions of the Executive Board

A. Access Policy and Limits in Credit Tranches and Under Extended Fund Facility—Review

The Fund decides that the next annual review of the guidelines and limits for access to the Fund's general resources in the credit tranches and under the extended Fund facility prescribed by paragraph 2 of Decision No. 11876-(99/2)[1] shall be completed by June 30, 2001.

Decision No. 12385-(00/129)
December 20, 2000

B. IMF's Income Position

(a) Disposition of Net Income for FY 2001

1. SDR 48 million of the Fund's net income for FY 2001 derived from the application of paragraph 2 of Decision No. 12188-(00/45)[2], adopted April 28, 2000 shall be placed to the Fund's Special Reserve after the end of the financial year.

2. The gain derived from the application of International Accounting Standard 19—Employee Benefits during FY 2001 shall be placed to the Fund's Special Reserve and shall be recorded separately in the financial records of the Fund.

Decision No. 12463-(01/39)
April 16, 2001

(b) The Rate of Charge on the Use of Fund Resources for FY 2002

1. Notwithstanding Rule I–6(4)(a), effective May 1, 2001, the proportion of the rate of charge referred to in Rule I–6(4) to the SDR interest rate under Rule T–1 shall be 117.6 percent.

2. The net income target for FY 2002 shall be SDR 51 million. Any net income for financial year 2002 in excess of SDR 51 million shall be used to reduce retroactively the proportion of the rate of charge for financial year 2002. If net income for financial year 2002 is below SDR 51 million, the amount of projected net income for financial year 2003 shall be increased by the equivalent of that shortfall. For the purpose of this provision, net income shall be calculated without taking into account net operational income generated by the surcharges on purchases under the Supplemental Reserve Facility and Contingent Credit Lines, the surcharge on purchases in the credit tranches and under the Extended Fund Facility or the effect on income of the implementation of International Accounting Standard 19—Employee Benefits.

Decision No. 12464-(01/39)
April 16, 2001

C. SDR Department

(a) SDR Valuation Basket—Revised Guidelines for Calculation of Currency

1. The value of the special drawing right shall be determined on the basis of the four currencies issued by Fund members, or by monetary unions that include Fund members ("monetary unions"), whose exports of goods and services during the five-year period ending 12 months before the effective date of this decision or any subsequent revision had the largest value, and which have been determined by the Fund to be freely usable currencies in accordance with Article XXX(f) of the Fund's Articles of Agreement. In the case of a monetary union, the determination of the values of exports of goods and services of the union shall exclude the trade of goods and services among members that are part of the union.

2. The percentage weights of each of the currencies selected in accordance with paragraph 1 above shall reflect (i) the value of the balances of that currency held at the end of 1999, and thereafter at the end of each year of the relevant five-year period referred to in paragraph 1 above, by the monetary authorities of other members or, in the case of the currency of a monetary union, by the monetary authorities of members other than those forming part of the monetary union, and (ii) the value of exports of goods and services, as defined in paragraph 1 above, of the members or monetary unions issuing the currencies over the relevant five-year period referred to in paragraph 1 above.

[1]See *Selected Decisions*, Twenty-Fifth Issue (December 31, 2000), page 209–10.

[2]Ibid., page 327.

3. In accordance with the principles set forth in paragraphs 1 and 2 above, effective January 1, 2001, the value of one special drawing right shall be the sum of the values of specified amounts of the four currencies listed below. These amounts shall be determined on December 29, 2000, in a manner that will ensure that, at the average exchange rates for the three-month period ending on that date, the shares of each of the four currencies in the value of the special drawing right correspond to the weights specified below.

Currency	Weight (*in percent*)
U.S. dollar	45
Euro	29
Japanese yen	15
Pound sterling	11

4. The list of the currencies that determine the value of the special drawing right, and the amounts of these currencies, shall be revised with effect on January 1, 2006, and on the first day of each subsequent period of five years in accordance with the following principles, unless the Fund decides otherwise in connection with a revision:

(a) The currencies determining the value of the special drawing right shall be determined in accordance with paragraph 1 above, provided that a currency shall not replace another currency included in the list at the time of the determination unless the value of the exports of goods and services of the member or of members of a monetary union, whose currency is not included in the list, during the relevant period exceeds that of the member or the monetary union issuing the currency included in the list by at least 1 percent.

(b) The amount of the four currencies referred to in (a) above shall be determined on the last working day preceding the effective date of the relevant revision in a manner that will ensure that, at the average exchange rates for the three-month period ending on that date, the shares of these currencies in the value of the special drawing right correspond to percentage weights for these currencies, which shall be established for each currency in accordance with (c) below.

(c) The percentage weights shall be established in accordance with the principles set forth in paragraph 2 above, in a manner that would maintain broadly the relative significance of the factors that underlie the percentage weights in paragraph 3 above. The percentage weights shall be rounded to the nearest 1 percent or as may be convenient.

5. The determination of the amounts of the currencies in accordance with 3 and 4 above shall be made in a manner that will ensure that the value of the special drawing right in terms of currencies on the last working day preceding the five-year period for which the determination is made will be the same under the valuation in effect before and after revision.

Decision No. 12281-(00/98), G/S
October 11, 2000

(b) SDR Valuation—Amendment to Rule T–1

Effective January 1, 2001, Rule T–1(c) shall be amended by deleting the list of yields and rates and replacing it with the following list:

U.S. dollar	Market yield for three-month U.S. Treasury bills
Euro	Three-month Euro Interbank Offered Rate (Euribor)
Japanese yen	Thirteen-week Japanese Government financing bills
Pound sterling	Market yield for three-month U.K. Treasury bills

Decision No. 12282-(00/98), G/S
October 11, 2000

(c) SDR Valuation—Revised Guidelines for the Calculation of Currency—Amendment

Effective January 1, 2001, paragraph 2 of Decision No. 8160-(85/186) G/S[3], adopted December 23, 1985, on the Guidelines for the Calculation of the Currency Amounts for purposes of the SDR Valuation Basket, shall be amended by deleting the reference to "paragraph 3 (c) of Executive Board Decision No. 6631-(80/145)[4] adopted September 17, 1980" and replacing it with the following: "paragraph 4 (c) of Executive Board Decision No. 12281-(00/98)[5], adopted October 11, 2000."

Decision No. 12283-(00/98), G/S
October 11, 2000

(d) European Central Bank—Prescription as Holder of SDRs

Prescription as a holder

The European Central Bank is prescribed, in accordance with Article XVII, Section 3(i) of the Articles of Agreement, as a holder of SDRs.

Terms and conditions for acceptance, holding, and use of SDRs

The European Central Bank is authorized to accept, hold, and use SDRs in transactions and operations in accordance with and on the terms and conditions specified in Executive Board Decision No. 6467-(80/71) S[6], adopted April 14, 1980 ("Terms and Conditions for the Acceptance, Holding, and Use of Special Drawing Rights by Other Holders Prescribed under Article XVII, Section 3").

Decision No. 12329-(00/113)
November 15, 2000

(e) Valuation of SDR—Amendment to Rule O–1

Effective January 1, 2001, Rule O–1, which specifies the amounts of the currencies in the SDR valuation basket, shall be amended to read as follows:

Rule O–1. The value of the SDR shall be the sum of the values of the following amounts of the following currencies:

U.S. dollar	0.577
Euro	0.426
Japanese yen	21.0
Pound sterling	0.0984

Decision No. 12403-(01/1)
December 29, 2000

[3] Ibid., page 514–15.
[4] Ibid., page 511–12.
[5] Ibid., page 515–17.
[6] Ibid., page 520–22.

D. Compensatory Financing Facility (CFF)

(a) Compensatory Financing Facility—Amendment

Decision No. 8955-(88/126)[7], August 23, 1988, as amended, is hereby amended to read as follows:

Compensatory Financing Facility

Section I. General Provisions

1. The Fund is prepared to extend financial assistance, in accordance with the provisions of this Decision, to members that encounter balance of payments difficulties arising out of (i) temporary export shortfalls or (ii) excess costs of cereal imports.

2. Purchases under this Decision and holdings resulting from such purchases shall be excluded for the purposes of the definition of reserve tranche purchase pursuant to Article XXX(*c*).

3. Except for the purpose of determining the level of conditionality applied to purchases in the credit tranches, the Fund's holdings of a member's currency resulting from purchases under this Decision shall be considered separate from the Fund's holdings of the same currency resulting from purchases under any other policy on the use of the Fund's general resources. In cases of concurrent requests for purchases under this Decision and for purchases in the credit tranches, purchases under this Decision shall be deemed to be made first.

4. In order to carry out the purposes of this Decision, the Fund will be prepared to grant a waiver of the limitation of 200 percent of quota in Article V, Section 3(b)(iii), whenever necessary to permit purchases under this Decision or to permit other purchases that would raise the Fund's holdings of the purchasing member's currency above that limitation because of purchases outstanding under this Decision.

5. The Fund shall indicate in an appropriate manner which purchases by a member are made pursuant to Section II or Section III of this Decision, as well as the export shortfall component and the cereal import cost component of each purchase under Section III.

6. When a request for a purchase is made by a member under either Section II or Section III of this Decision on account of circumstances that have already been taken into account in calculating the amounts of purchases made or to be made under the other Section, double compensation shall be avoided when calculating the amount of the requested purchase.

7. In providing financing pursuant to this Decision, the Fund, as under other policies of the Fund, shall pay due attention to the member's capacity to service its financial obligations to the Fund, and, having regard to the outstanding financial obligations of the member to the Fund, may reduce the amount of financing accordingly, notwithstanding any other provision in this Decision.

8. Wherever used in this Decision, the expression "arrangement" will mean an upper credit tranche stand-by arrangement, an extended arrangement, or an arrangement under the Poverty Reduction and Growth Facility (PRGF).

9. Without prejudice to the other limitations on purchases specified by this Decision, the Fund's holdings of a member's currency resulting from purchases under this Decision shall not exceed any of the following access limits:

(a) 45 percent of the member's quota for purchases on account of an export shortfall under Section II or Section III;

(b) 45 percent of the member's quota for purchases on account of an excess of cereal import costs under Section III; and

(c) a combined limit of 55 percent of the member's quota for purchases on account of an export shortfall component under Section II or Section III and an excess cereal costs component under Section III.

Section II. Compensatory Financing of Export Fluctuations

Qualification and Timing of Purchases

10. The Fund is prepared to assist members, particularly primary exporters, encountering balance of payments difficulties produced by temporary export shortfalls and such members may expect that their request for purchases under this Section will be met, subject to the provisions of this Decision, where the Fund is satisfied that the shortfall is of a short-term character and is largely attributable to circumstances beyond the control of the member, and

(a) at the time of the request, the member's balance of payments position apart from the effects of the export shortfall is satisfactory; or

(b) at the time of the request, the Fund approves an arrangement, or, in the case of an existing arrangement, either completes a review under such an arrangement or determines that the member's policies are such as would, in the Fund's view, continue to meet the criteria for the use of the Fund's resources in the upper credit tranches.

11. With respect to compensation under paragraph 10(a), a member may expect that the full amount of compensatory financing, subject to the provisions of this Decision, shall be made available in one purchase, unless estimated data are used for 9 months or more of the 12-month period referred to in paragraph 15, in which case the amount of compensatory financing shall be made available in two purchases, in accordance with the following provisions:

(a) the first purchase shall not exceed 65 percent of the amount of compensatory financing; and

(b) the second purchase request shall not exceed the difference between the amount of the compensatory financing recalculated at the time of the request for the second purchase and the amount of the first purchase and shall not be approved until actual statistical data become available for at least 6 months of the 12-month period used for the purposes of the first purchase; if the policy implementation or external circumstances of the member differ materially from that originally anticipated at the time of the request for the first purchase, the Fund may decide not to approve, or to reduce the amount available under, the second purchase.

12. With respect to compensation under paragraph 10(b), a member may expect that the amount of compensatory financing, subject to the provisions of this Decision, shall be made available in more than one purchase, which

[7] Ibid., page 220–30.

shall normally be for equal amounts, unless recalculated pursuant to this paragraph, and that

(a) its request for a first purchase will be met immediately, subject to the provisions of this Decision,

(b) its requests for subsequent purchases will be met, subject to the provisions of this Decision, if, at the time of the request for the purchase,

— the member continues to have an arrangement, and

— the Fund decides that the member has met the conditions for the purchase or disbursement under the associated arrangement, including the observance or waiver of any applicable performance criteria or other conditions specified therein; provided that the last purchase shall not take place earlier than six months from the first purchase, and any actual statistical data that have become available for the shortfall year shall be used to recalculate the amount of any subsequent purchases under this paragraph.

13. A purchase under paragraph 11 or the first purchase under paragraph 11(a) or paragraph 12 shall not be approved under this Section later than six months after the end of the 12-month period referred to in paragraph 16, provided that it may be approved up to seven months after the end of such period if the delay beyond six months is the result of circumstances external to the member.

Calculation

14. If, in the opinion of the Fund, adequate data on receipts from services other than investment income are available, the member requesting a purchase under this Section shall specify whether the receipts shall be included or excluded in the calculation of the shortfall. The choice by the member to include such receipts shall continue to apply for a period of three years.

15. The existence and amount of an export shortfall for the purpose of any purchase under this Section shall be determined with respect to the latest 12-month period preceding the request (or, in the case of paragraph 11(a) or paragraph 12, the first request) for which the Fund has sufficient statistical data, provided that a member may request a purchase in respect of a shortfall year for which not more than 12 months of the data on merchandise exports and on receipts from services are estimated.

16. In order to identify more clearly what are to be regarded as export shortfalls of a short-term character, the Fund, in conjunction with the member concerned, will seek to establish reasonable estimates regarding the medium-term trend of the member's exports based partly on statistical calculation and partly on appraisal of export prospects. For the purposes of this Section, the shortfall shall be the amount by which the member's export earnings in the shortfall year are less than the geometric average of the member's export earnings for the five-year period centered on the shortfall year. In computing the five-year geometric average, the Fund, in conjunction with the member, will use an estimate based on a judgmental forecast for the period of the two post-shortfall years, provided that any amount by which the forecast for the period of the two post-shortfall years would exceed the member's export earnings for the period of the two pre-shortfall years by more than 20 percent shall not be included in such computation. When the Fund allows a member to purchase under the proviso in paragraph 15, the Fund may use such methods as it considers reasonable for estimating exports during the period for which sufficient statistical data are not available. If, in the opinion of the Fund, adequate statistical data are available for this purpose, the calculations and estimates under this paragraph of earnings from an export item shall, with respect to a purchase on account of an export short-fall under this Section or Section III, be made net of the value of imported intermediate inputs, where such value exceeds 50 percent of the gross earnings from the export item and the exclusion of the value of the export item would increase or reduce by at least 10 percent the amount that could otherwise be purchased on account of the export shortfall.

Over Compensation

17. When a member has made a purchase under this Section on the basis of estimated data and the amount of the purchase exceeds the amount that could have been purchased on the basis of actual statistical data, the member will be expected to make a prompt repurchase in respect of the outstanding purchase, in an amount equivalent to the excess. The calculation of such an excess with respect to a purchase shall be made on the basis of the same post-shortfall year projections used for the calculation of the purchase, provided that if the member has made more than one purchase with respect to the same 12-month period, the calculation of any excess with respect to all such purchases will be made on the basis of the post-shortfall year projections used for the latest of such purchases.

18. Provision shall be made in all arrangements for the suspension of further disbursements under the arrangement whenever a member fails to meet a repurchase expectation pursuant to paragraph 17. Furthermore, the Managing Director shall not recommend for approval, and the Fund shall not approve, a request for the use of the Fund's general resources by a member that is failing to meet such an expectation.

19. If a member requests financing under this Section in relation to a shortfall year that in whole or in part is included in the period of the two post-shortfall years concerning any earlier purchase under this Section, the amount of the requested purchase shall be adjusted so as to take into account any amount by which such earlier purchase differs from the amount that could have been purchased on the basis of the data available at the time of the request.

Section III. Compensatory Financing of Fluctuations in the Cost of Cereal Imports

Qualification and Timing of Purchases

20. The Fund is prepared to extend financial assistance subject to the provisions of this Decision to members that encounter a balance of payments difficulty produced by an excess in the cost of their cereal imports.

21. For a period of three years from the date of a member's first request for a purchase in respect of cereal imports under this Section, any purchases by the member in respect of its export shortfalls shall be made under this Section instead of under Section II of this Decision. The same provision shall apply if, after the end of the three-year period, the member makes a new purchase in respect of cereal imports under this Section.

22. A member with balance of payments difficulties may expect that its request for a purchase under this Section will be met if the Fund is satisfied that any shortfall in exports and any excess costs of cereal imports that result in a net shortfall in the member's exports are of a short-term character and are largely attributable to circumstances beyond the control of the member, and

(a) at the time of the request, the member's balance of payments position, apart from the effects of the net shortfall in the member's exports, is satisfactory; or

(b) at the time of the request, the Fund approves an arrangement, or, in the case of an existing arrangement, either completes a review under such an arrangement or determines that the member's policies are such as would, in the Fund's view, continue to meet the criteria for the use of the Fund's resources in the upper credit tranches.

23. Paragraphs 11, 12, and 13 shall apply *mutatis mutandis* to this Section. The applicable 12-month period shall be the period referred to in paragraph 25.

Calculation

24. (a) Subject to the limits specified in paragraph 9, a member may request a purchase under this Section for an amount equal to the net shortfall in its exports calculated as the sum of its export shortfall and the excess in its cereal import costs.

(b) (i) For the calculation of the net shortfall in exports, an excess in exports shall be considered a negative shortfall in exports and a shortfall in cereal import costs shall be considered a negative excess in cereal import costs.

(ii) An export shortfall shall be determined in accordance with Section II.

(iii) An excess in cereal import costs shall be determined in accordance with paragraphs 25 and 26.

25. The existence and amount of an excess in the cost of cereal imports shall be determined, for the purpose of purchases under this Section, with respect to the latest 12-month period preceding the request for which the Fund has sufficient statistical data, provided that the Fund may allow a member to make a purchase on the basis of estimated data in respect of a 12-month period ending not later than 12 months after the latest month for which the Fund has sufficient statistical data on the member's cereal import costs. The estimates used for this purpose shall be made in consultation with the member. The calculation of a member's shortfall or excess in exports and its excess or shortfall in the cost of its cereal imports shall be made for the same 12-month period.

26. In order to identify more clearly what are to be regarded as excess costs of cereal imports of a short-term character, the Fund, in consultation with the member concerned, will seek to establish reasonable estimates regarding the medium-term trend of the member's cereal import costs. For the purposes of this Section, the excess in a member's cereal imports for the 12-month period referred to in paragraph 25 shall be the amount by which the member's cereal imports in that 12-month period are more than the arithmetic average of the member's cereal imports for the five-year period centered on that 12-month period.

27. The amount of a purchase under this Section, as defined in paragraph 24, may be either on account of an export shortfall or on account of an excess in cereal import costs, or the amount may consist of two components, one on account of an export shortfall and the other on account of an excess in cereal import costs. A member shall allocate the amount of its purchase under this Section between the export shortfall and cereal import components, each as limited by paragraph 9(a) or paragraph 9(b), provided that in no case the combined amount shall exceed the limit in paragraph 9(c).

28. (a) The part of a purchase relating to an export shortfall, subject to the limit in paragraph 9(a), shall not exceed the lesser of the export shortfall defined in paragraph 24(b)(ii) and the net shortfall in exports defined in paragraph 24(a).

(b) The amount of a purchase relating to an excess in cereal import costs, subject to the limit in paragraph 9(b), shall not exceed the lesser of the excess in cereal import costs defined in paragraph 24(b)(iii) and the net shortfall in exports defined in paragraph 24(a).

29. (a) Subject to paragraph 31, when a reduction in the Fund's holdings of a member's currency is attributed to a purchase under this Section, the member shall attribute that reduction between the outstanding cereal import component and export shortfall component of the purchase.

(b) When the Fund's holdings of a member's currency resulting from a purchase under this Section or Section II are reduced by the member's repurchase or otherwise, the member's access to the Fund's resources under this Section will be restored *pro tanto*, subject to the limits in paragraph 9.

30. (a) After the expiration of the period referred to in paragraph 21, the total amount of the export shortfall components of a member's purchases outstanding under this Section shall be counted as having been purchased under Section II.

(b) The provisions of Section II shall continue to apply to the export shortfall component of a purchase under this Section after the expiration of the period referred to in paragraph 21.

Over Compensation

31. The provisions of paragraph 17, 18, and 19 shall apply *mutatis mutandis* to purchases under this Section. The applicable 12-month period shall be the period referred to in paragraph 25.

Section IV. Other Provisions

32. All references in other Fund decisions to the Compensatory and Contingency Financing Facility shall be read as the Compensatory Financing Facility.

33. The Fund will review this Decision not later than August 30, 2002.

Decision No. 12325-(00/111)
November 10, 2000

(b) Repurchases Under Emergency Assistance; Purchases in Credit Tranches and Compensatory Financing Facility—Repurchase Expectations

(See Section F below, subsection (b) for the full text of this decision)

E. Contingent Credit Lines (CCL)

(a) Policy on CCL—Extension of Deadline for Review

Paragraph 20 of Decision No. 11627-(97/123)SRF[8], as amended, shall be amended by deleting "May 5, 2000" and replacing it with "August 31, 2000".

Decision No. 12197-(00/48) SRF
May 4, 2000

(b) Supplementary Reserve Facility and CCL—Amendments to Decision

(See Section K below, subsection (a) for the full text of this decision)

(c) Surcharges on Purchases Under SRF and CCL, and in Credit Tranches and Under EFF—Disposition of Net Operating Income

(See Section K below, subsection (b) for the full text of this decision)

F. Emergency Assistance

(a) Conversion of Emergency Assistance into a Special Policy

1. The Fund will be prepared to provide financial assistance to members who are afflicted by natural disasters or are in postconflict situations. This assistance will be provided in accordance with the provisions of this decision and the guidelines on emergency assistance for natural disasters and postconflict situations set out in: (i) pages 17 and 18 of EBM/82/16 (2/10/82); (ii) *Summing Up by the Chairman – Fund Involvement in Postconflict Countries - Executive Board Meeting 95/82- September 6, 1995* (BUFF/95/98 (9/19/95)); and (iii) *Summing Up by the Acting Chairman – Fund Assistance to Postconflict Countries – Executive Board Meeting 99/38 – April 5, 1999* (BUFF/99/48 (4/9/99)).

2. Purchases under this decision and holdings resulting from such purchases shall be excluded for the purposes of the definition of reserve tranche purchase pursuant to Article XXX(c).

3. Except for the purpose of determining the level of conditionality applied to purchases in the credit tranches, the Fund's holdings of a member's currency resulting from purchases under this decision shall be considered separate from the Fund's holdings of the same currency resulting from purchases under any other policy on the use of the Fund's general resources.

4. In order to carry out the purposes of this decision, the Fund will be prepared to grant a waiver of the limitation of 200 percent of quota in Article V, Section 3(b)(iii), whenever necessary to permit purchases under this decision or to permit other purchases that would raise the Fund's holdings of the purchasing member's currency above that limitation because of purchases outstanding under this decision.

Decision No. 12341-(00/117)
November 28, 2000

[8] Ibid., page 233–239.

(b) Repurchases Under Emergency Assistance; Purchases in Credit Tranches and Compensatory Financing Facility—Repurchase Expectations

1. Decision No. 5703-(78/39)[9], adopted March 22, 1978, shall be amended as follows:

(i) paragraph 1(a) shall be amended by adding: "or the decision on Emergency Assistance (Decision No. 12341-(00/117)[10])," before "shall be completed";

(ii) the current paragraph 1(b) shall be deleted in its entirety and replaced by the following:

"(b) A member will be expected to repurchase the Fund's holdings of its currency resulting from purchases in the credit tranches or under the Compensatory Financing Facility made after November 28, 2000 in equal quarterly installments during the period beginning two years and ending four years after the date of the purchase, provided that the Fund may, upon request by the member, amend the schedule of repurchase expectations, if in the judgment of the Fund the member's external position is not sufficiently strong for repurchases to be made in accordance with the expectation schedule set out in this paragraph. In determining whether to amend the schedule, the Fund may consider all relevant information, including the size of the member's foreign reserves, the member's medium-term balance of payments outlook, and the degree of the member's access to international capital markets.";

and

(iii) the following new paragraph 1(c) shall be added:

"(c) The Fund shall not approve, and the Managing Director shall not recommend for approval, any request for the use of the Fund's general resources by a member that is failing to meet a repurchase expectation under paragraph 1(b) above. Provision shall be made in each stand-by and extended arrangement for the suspension of further purchases under the arrangement whenever a member fails to meet a repurchase expectation under paragraph 1(b) above."

2. The Fund shall review the time-based repurchase expectation scheme set out in paragraph 1(b) of Decision No. 5703-(78/39)[11], adopted March 22, 1978, no later than November 30, 2005.

Decision No. 12342-(00/117)
November 28, 2000

G. Extended Fund Facility (EFF)

(a) Repurchase Expectations

1. Decision No. 4377-(74/114)[12], adopted September 13, 1974, shall be amended by adding the following new paragraph:

"10. (a) In addition to making repurchases in accordance with paragraph 5, a member will be expected to repurchase an amount of the Fund's holdings of its currency resulting from purchases under this decision

[9] Ibid., page 273–76.
[10] Ibid., page 191–92.
[11] Ibid., page 273–76.
[12] Ibid., page 165–69.

made after November 28, 2000 equal to, and at the time of, the six-monthly installments of repurchases falling due during the period beginning four years and ending seven years after the date of the purchase, provided that the Fund may, upon request by the member, amend the schedule of repurchase expectations, if in the judgment of the Fund the member's external position is not sufficiently strong for repurchases to be made pursuant to the expectation schedule set out in this paragraph. In determining whether to amend the schedule, the Fund may consider all relevant information, including the size of the member's foreign reserves, the member's medium-term balance of payments outlook, and the degree of the member's access to international capital markets.

(b) The Fund shall not approve, and the Managing Director shall not recommend for approval, any request for the use of the Fund's general resources by a member that is failing to meet a repurchase expectation under paragraph 10(a) above. Provision shall be made in each stand-by and extended arrangement for the suspension of further purchases under the arrangement whenever a member fails to meet a repurchase expectation under paragraph 10(a) above."

2. The Fund shall review the time-based repurchase expectation scheme set out in paragraph 10(a) of Decision No. 4377-(74/114)[13], adopted September 13, 1974, no later than November 30, 2005.

Decision No. 12343-(00/117)
November 28, 2000

(b) Surcharge on Purchases in Credit Tranches and Under EFF

(See Section I below, subsection (a) for the full text of this decision)

(c) Surcharges on Purchases Under SRF and CCL, and in Credit Tranches and Under EFF—Disposition of Net Operating Income

(See Section K below, subsection (b) for the full text of this decision)

H. Poverty Reduction and Growth Facility (PRGF)

(a) PRGF Trust Instrument—Amendment

The instrument to Establish the Poverty Reduction and Growth Facility Trust (the Instrument) annexed to Decision No. 8759-(87/176) PRGF[14] shall be amended as follows:

(i) The last sentence of Section II, Paragraph 1, subparagraph (b) shall be amended to read as follows:

"After the expiration of a three-year commitment period for an eligible member, or the cancellation of a three-year arrangement by the member, the Trustee may approve additional three-year commitments for that member in accordance with the Instrument."

(ii) The last sentence of Section II, Paragraph 1, subparagraph (bb) shall be amended to read as follows:

"After the expiration of a three-year arrangement for an eligible member, or the cancellation of the arrangement by the member, the Trustee may approve additional arrangements for that member in accordance with the Instrument."

Decision No. 12206-(00/55) PRGF
May 31, 2000

(b) PRGF Trust and PRGF-HIPC—Reserve Account—Review

1. Pursuant to Decision No. 10286-(93/23) ESAF[15], the Fund has reviewed the adequacy of the Reserve Account of the PRGF Trust and determines that amounts held in the account are sufficient to meet all obligations which could give rise to a payment from the Reserve Account to lenders to the Loan Account of the PRGF Trust in the six months from July 1 to December 31, 2000.

2. The next review provided under paragraph 1 of Decision No. 10286-(93/23) ESAF[16] shall take place by end-March 2001. This paragraph shall become effective when all lenders to the Loan Account of the PRGF Trust have consented to the change in the timing of the next review.

Decision No. 12227-(00/66) PRGF
June 30, 2000

(c) PRGF Trust—Amendment

The Instrument to establish the Poverty Reduction and Growth Facility Trust annexed to Decision No. 8759-(87/176) ESAF[17], as amended, shall be further amended as follows: in Section II, paragraph 1, subparagraph (d), "2001" shall be substituted for "2000," to read as follows: "(d) Commitments under three-year arrangements may be made during the period from January 1, 1988 to December 31, 2001."

Decision No. 12228-(00/66) PRGF
June 30, 2000

(d) Modalities of Gold Pledge for Use of PRGF Trust Resources Under Rights Approach—Amendment

(See Section O below, subsection (b) for the full text of this decision)

(e) Amendment of the Provisions on Corrective Action for Misreporting and Noncomplying Disbursements Under PRGF

(See Section N below, subsection (d) for the full text of this decision)

(f) Establishment of General Policy to Condition Decisions Under PRGF on Accuracy of Information Regarding Implementation of Prior Actions

(See Section N below, subsection (e) for the full text of this decision)

(g) Establishment of General Policy to Condition Waiver Decisions Under PRGF on Accuracy of Information Regarding Performance Criteria

(See Section N below, subsection (f) for the full text of this decision)

[13] Ibid., page 165–69.
[14] Ibid., page 44.
[15] Ibid., page 359–61.
[16] Ibid., page 359–61.
[17] Ibid., page 44.

(h) Completion of Reviews Under Arrangements Under PRGF

In the Instrument to Establish the Poverty Reduction and Growth Facility Trust, the following shall be added at the end of Section II, Paragraph 1:

> "(f) The Trustee shall not complete a review under an arrangement unless and until all other conditions for the disbursement of the corresponding loan have been met or waived."

Decision No. 12279–(00/86)
August 25, 2000

(i) PRGF Trust Instrument—Amendment

The Instrument to Establish the Poverty Reduction and Growth Facility Trust, annexed to Decision No. 8759-(87/176) PRGF[18], as amended, is hereby amended as follows:

In Section II, paragraph 1(e), the reference to subparagraphs 16(a) or 33(a) of Decision No. 8955-(88/126)[19] on the Compensatory and Contingency Financing Facility is hereby revised to read "paragraphs 17 or 31 of Decision No. 8955-(88/125) on the Compensatory Financing Facility.

Decision No. 12326-(00/111) PRGF
November 10, 2000

(j) Financing Fund Participation in Initiatives for Heavily Indebted Poor Countries and PRGF—Use of Investment Income on Proceeds of Off-Market Gold Transactions

Pursuant to Article V, Section 12(f), the Fund decides that the remaining five-fourteenths (5/14ths) of proceeds from investments equivalent to SDR 1.76 billion on an "as needed" basis kept in the Special Disbursement Account in accordance with the last sentence of paragraph 2 of Decision No. 12063-(99/130)[20], adopted December 8, 1999, shall be transferred and used in the same manner as specified for the other nine-fourteenths (9/14ths) of the proceeds in paragraph 2 of Decision No. 12063-(99/130)[21].

Decision No. 12330-(00/118)
November 30, 2000

(k) Nonapproval of New Arrangements Under PRGF and Suspension of Loan Disbursements Under Existing PRGF Arrangements Whenever Member is Not Meeting Repurchase Expectation

The Instrument to Establish the Poverty Reduction and Growth Facility annexed to Decision No. 8759-(87/176) ESAF[22] shall be amended by adding the following at the end of paragraph 1(e) of Section II:

> ", or is failing to meet a repurchase expectation pursuant to paragraph 1(b) of Decision No 5703-(78/39)[23] or paragraph 10(a) of Decision No. 4377-(74/114)[24]."

Decision No. 12344-(00/117)
November 28, 2000

[18] Ibid., page 44.
[19] Ibid., page 220–30.
[20] Ibid., page 278–79, 362–63.
[21] Ibid., page 278–79, 362–63.
[22] Ibid., page 44.
[23] Ibid., page 272–76.
[24] Ibid., page 165–69.

(l) Instrument to Establish a Trust for Special PRGF Operations for Heavily Indebted Poor Countries and Interim PRGF Subsidy Operations—Amendment

Section III, paragraph 3(d) of the Instrument to Establish a Trust for Special PRGF Operations for Heavily Indebted Poor Countries and Interim PRGF Subsidy Operations, annexed to Decision No. 11436-(97/10)[25], adopted February 4, 1997 shall be amended by adding the following new sentence:

> "In exceptional circumstances, interim assistance could be raised to 25 percent and 75 percent, respectively."

Decision No. 12349-(00/118)
December 1, 2000

(m) PRGF Trust—Amendment

The International Monetary Fund (the "Fund"), in its capacity as Trustee of the Poverty Reduction and Growth Facility (PRGF) Trust, approves the amendments to the borrowing agreements between the Fund and the lenders to the Loan Account of the PRGF Trust, and their related annexes, as enumerated below, and authorizes the Managing Director to take such action as is necessary to conclude and implement the amendments:

1. The references to the interest rates on domestic instruments in:

   paragraph 4(a)(i) of the borrowing agreement with the National Bank of Belgium effective July 2, 1999;

   paragraph 4(a)(i) of the borrowing agreements with the Government of Canada effective May 9, 1995 and April 6, 2000;

   paragraph 4(a)(i) of the borrowing agreement with the Government of China effective July 5, 1994;

   paragraph 3(a)(i) of the borrowing agreement with the National Bank of Denmark effective May 3, 2000;

   paragraph 4(a)(i) of the borrowing agreement with the Central Bank of Egypt effective June 13, 1994;

   paragraph 5(b)(i) of the borrowing agreement with the Agence Française de Développement effective on April 5, 1988, and paragraph 5(a)(i) of the borrowing agreements with the Agence Française de Développement effective January 3, 1995 and December 17, 1999;

   paragraph 4(a)(i) of the borrowing agreements with the Bank of Italy effective October 4, 1990, May 29, 1998, and March 1, 2000;

   paragraph 6(b)(i) of the borrowing agreements with the Japan Bank for International Cooperation effective April 12, 1988 and October 5, 1994;

   paragraph 4(a)(i) of the borrowing agreements with the Bank of Korea effective April 20, 1989 and June 20, 1994;

   paragraph 4(a)(i) of the borrowing agreement with the Bank of the Netherlands effective September 29, 1999;

   paragraph 4(a)(i) of the borrowing agreements with the Bank of Norway effective April 14, 1988 and June 16, 1994;

   paragraph 4(a)(i) of the borrowing agreement with the OPEC Fund for International Development effective December 20, 1994;

[25] Ibid., page 80.

paragraph 4(a)(i) of the borrowing agreements with the Bank of Spain effective June 20, 1988 and February 14, 2000; and

paragraph 4(a)(i) of the borrowing agreement with the Swiss National Bank effective June 22, 1995, shall be amended to read as follows:

- the bond equivalent yield for six-month U.S. Treasury bills,
- the six-month euro interbank offered rate (Euribor),
- the bond equivalent yield on six-month Japanese treasury bills,
- the six-month interbank rate in the United Kingdom, and...

2. In the borrowing agreements with the Agence Française de Développement, all references to the text "euros (as the currency of France and Germany)" shall be changed to read "euros."

3. In the borrowing agreements and exchange of letters with the Japan Bank for International Cooperation, all references to "the percentage weight of the euro component of the SDR" made in regard to the former deutsche mark and French franc components of the SDR valuation basket shall be understood to mean solely "the percentage weight of the euro component of the SDR."

4. In the borrowing agreement with the Kreditanstalt für Wiederaufbau effective March 31, 1989:

Paragraph 4(a)(i) shall be amended to read as follows:

U.S. dollar–Libor, the euro–Euribor, Japanese yen–Libor, as well as pound sterling–Libor, as defined in the Annex to this agreement, and...

5. In the borrowing agreements with the Kreditanstalt für Wiederaufbau, and related Annexes, effective May 17, 1995 and June 19, 2000:

(i) Paragraph 4(a)(i) shall be amended to read as follows:

U.S. dollar rate on six-month certificates of deposit, the euro–Euribor, Japanese yen–Libor, as well as pound sterling–Libor, as defined in the Annex to this agreement; and...

(ii) Paragraph 1(b) of the Annex shall be amended to read as follows:

(b) **Euro–Euribor**:
means the rate at which euro interbank term deposits are offered for a period of six months within the European Monetary Union zone by one prime bank to another at 11:00 a.m. Brussels time.

(iii) Paragraph 1(c) of the Annex shall be deleted.

6. In the borrowing agreements with the Kreditanstalt für Wiederaufbau, all references to the text " the euro as the currency of Germany and France, respectively" shall be changed to read "euros."

Decision No. 12387-(00/130) PRGF
December 21, 2000

(n) PRGF Trust—Reserve Account—Review

Pursuant to Decision No. 10286-(93/23) ESAF[26], the Fund has reviewed the adequacy of the Reserve Account of the PRGF Trust, and determines that amounts held in the account are sufficient to meet all obligations which could give rise to a payment from the Reserve Account to lenders to the Loan Account of the PRGF Trust in the six months from April 1 to September 30, 2001.

Decision No. 12459-(01/31) PRGF
March 28, 2001

I. Purchases in Credit Tranches

(a) Surcharge on Purchases in Credit Tranches and Under Extended Fund Facility

1. The rate of charge under Article V, Section 8(b) on the Fund's combined holdings of a member's currency in excess of 200 percent of the member's quota in the Fund resulting from purchases in the credit tranches and under the extended Fund facility made after the date of this decision shall be 100 basis points per annum above the rate of charge referred to in Rule I–6(4) as adjusted for purposes of burden sharing, provided that the rate on such holdings in excess of 300 percent of the member's quota shall be 200 basis points per annum above the rate of charge referred to in Rule I–6(4) as adjusted for purposes of burden sharing.

2. This decision shall be reviewed after November 30, 2004.

Decision No. 12346-(00/117)
November 28, 2000

(b) Repurchases Under Emergency Assistance; Purchases in Credit Tranches and Compensatory Financing Facility—Repurchase Expectations

(See Section F above, subsection (b) for the full text of this decision)

J. Stand-By and Extended Arrangements

(a) Amendment of Guidelines on Corrective Action for Misreporting and Noncomplying Purchases Under Stand-By or Extended Arrangements

(See Section N below, subsection (a) for the full text of this decision)

(b) Completion of Reviews Under Stand-By and Extended Arrangements

The Fund shall not complete a review under a stand-by or extended arrangement unless and until all other conditions for the availability of an associated purchase have been met or waived.

Decision No. 12278-(00/86)
August 25, 2000

(c) Changes to Commitment Charge—Stand-By and Extended Arrangements

Rules I–8(a) and I–8(b) of the Rules and Regulations shall be amended to read as follows:

"(a) A charge shall be payable at the beginning of each twelve-month period ("the relevant period") of an arrangement as follows:

(i) ¼ of 1 percent per annum on amounts of up to 100 percent of the member's quota that could be purchased during the relevant period; and

[26] Ibid., page 359–61.

(ii) 1/10 of 1 percent per annum on amounts in excess of 100 percent of the member's quota that could be purchased during the relevant period.

(b) When a purchase is made under an arrangement, the amount of the charge paid shall be reduced, and a refund equal to the reduction shall be made, as follows:

(i) to the extent that purchases during the relevant period do not exceed 100 percent of the member's quota, the portion of the charge calculated in accordance with subparagraph (a)(i) above shall be reduced by the proportion that the amount of the purchase bears to the amount of the arrangement not exceeding 100 percent of the member's quota that could be purchased during the relevant period; and

(ii) to the extent that purchases during the relevant period exceeds 100 percent of the member's quota, the portion of the charge calculated in accordance with subparagraph (a)(ii) above shall be reduced by the proportion that the amount of the purchase bears to the amount of the arrangement exceeding 100 percent of the member's quota that could be purchased during the relevant period."

Decision No. 12347-(00/117)
November 28, 2000

K. Supplementary Reserve Facility

(a) Supplementary Reserve Facility and CCL—Amendments to Decision

Decision No. 11627-(97/123) SRF[27], adopted December 17, 1997, shall be amended as follows:

1. Paragraph 13 shall be amended to read as follows:
   "13. Through November 30, 2003, the Fund will be prepared to commit and provide financial assistance to a member under the terms and conditions specified in this section."
2. Paragraph 17 shall be amended to read as follows:
   "17. The Fund may commit resources under this section at any time under an arrangement, but will only make such resources available after the completion of an activation review under the arrangement when it finds that the member meets the conditions specified in paragraph 15. The arrangement will specify the total amount of resources committed under this section and the amount of such resources that will be made available upon the completion of the activation review. The availability of the rest of the committed resources under this section shall be subject to such phasing and conditionality as the Fund shall consider appropriate, normally at the time of a post-activation review. In addition, the arrangement will normally provide for the continued commitment of resources under this section beyond a specified date to be subject to the completion of a program review by the Fund. The Fund may commit resources under this section for a period of up to one year and, after it makes such resources available, may extend such period for up to one year from the date such resources are made available."
3. Paragraph 19 shall be amended to read as follows:
   "19. Paragraphs 6, 7, 10 and 11 of this decision shall apply to purchases made under this section."
4. Paragraph 20 shall be amended to read as follows:
   "20. During the first year from the date of the first purchase financed under this section, the rate of charge under Article V, Section 8(b) on holdings acquired as a result of purchases under this section shall be 150 basis points per annum above the rate of charge referred to in Rule I–6(4) as adjusted for purposes of burden sharing. Such rate shall be increased by 50 basis points at the end of that period and every six months thereafter, until the surcharge reaches 350 basis points, subject to the provisions of paragraph 21."
5. The following new paragraph 21 shall be added:
   "21. The provisions of Decision No. 8165-(85/189) G/TR,[28] December 30, 1985, except section IV, shall apply to overdue obligations arising under this section, subject to the following provision:
   The rate of charge on overdue repurchases shall be determined by the Fund but shall not be less than the maximum rate of charge specified in paragraph 20."
6. The following new Paragraph 22 shall be added:
   "22. This section and its operation will be reviewed no later than November 30, 2002."

Decision No. 12340-(00/117) SRF/CCL
November 28, 2000

(b) Surcharges on Purchases Under SRF and CCL, and in Credit Tranches and Under EFF—Disposition of Net Operating Income

For financial year 2002, after meeting the cost of administering the PRGF Trust, any remaining net operational income generated by the surcharges on purchases under the Supplemental Reserve Facility and the Contingent Credit Lines and the surcharges on purchases in the credit tranches and under the Extended Fund Facility shall be transferred, after the end of that financial year, to the General Reserve.

Decision No. 12467-(01/39) SRF/CCL
April 16, 2001

L. Guidelines for Early Repurchase—Revision

The Fund has reviewed the guidelines for early repurchase pursuant to Decision No. 6172-(79/101)[29], adopted June 28, 1979, and agrees that those guidelines should be revised to read as set out in Attachment II of EBS/01/11.
(EBS/01/11, 2/2/01)
Decision No. 12425-(01/14)
February 9, 2001

Attachment: Revised Guidelines for Early Repurchase
Members that make purchases in the General Resources Account are expected normally to repurchase as their balance of payments and reserve position improves. The Fund affirms the continued need for this general policy on early repurchase under the first sentence of Article V, Section 7(b) following the introduction in November 2000 of time-based repurchase expectations for purchases in the credit tranches and under

[27]Ibid., page 233–39.

[28]Ibid., page 282–84.

[29] Ibid., page 271–73.

the Extended Fund Facility and the Compensatory Financing Facility. The Fund encourages members to make voluntary advance repurchases in lieu of or in addition to early repurchases under this general policy.

The following provisions set forth guidelines for members regarding early repurchase under the first sentence of Article V, Section 7(b) when the balance of payments and reserve position of members improves. The guidelines apply to the Fund's holdings of currency that result from the purchases under Article V, Section 3 that are subject to repurchase under the provisions of the Articles and policies of the Fund.

1. A member's balance of payments and reserve position will be deemed normally to have improved sufficiently for early repurchases to be expected in accordance with these guidelines if the member's balance of payments and reserve position is judged sufficiently strong for the purposes of a quarterly designation plan and financial transactions plan as determined by the Fund from time to time in the light of the relevant factors. A member that makes a purchase in the credit tranches or under a special policy of the Fund will not be expected, however, to make early repurchases within six months of a purchase.

2. During the quarter following the decisions adopting the designation plan and financial transactions plan, it will be expected that a specified amount of the Fund's holdings of the member's currency will be repurchased.

3. Subject to paragraphs 4 and 5 below, the specified amount for the expected quarterly repurchase will be 1.5 percent of the member's gross reserves plus (minus) 5 percent of the increase (decrease) in gross reserves over the latest six-month period for which data are available ("latest gross reserves"). The quarterly amount will be subject to a limit of 4 percent of the member's latest gross reserves. A quarterly repurchase will be limited to an amount that will not (i) reduce the member's latest gross reserves below 250 percent of the member's quota, and (ii) exceed, together with the member's early repurchases during the preceding three quarters, 10 percent of these reserves.

4. The specified amount in accordance with paragraph 3 above will represent the minimum reduction in the Fund's holdings of the member's currency expected during the quarter. Repurchases by the member during the quarter will be included in calculating the reductions for this purpose. If the member's repurchases made during a quarter in advance of repurchase maturities exceed the minimum reduction expected during that quarter, the excess will give rise to a credit that will meet pro tanto the expectations of early repurchase for the next five quarters. At the end of a quarter the credit will be reduced by the larger of (i) the repurchase expectation for the quarter that is deemed to be satisfied by the credit, and (ii) the repurchase obligations that would have matured during the quarter but have been discharged by the advance repurchase.

5. If, during the two quarters prior to the date when a member is added to the list of members whose positions are considered sufficiently strong for the purposes of the quarterly designation plan and financial transactions plan, the member's repurchases in advance of maturity exceed the minimum reduction expected during those two quarters, a credit will be given in accordance with paragraph 4 above. Any credit still available when a member's balance of payments and reserve position is no longer considered sufficiently strong for the purposes of a quarterly designation plan and financial transactions plan will continue to apply in accordance with paragraph 4 above.

6. In each financial transactions plan the Managing Director will report on the observance by members of the guidelines for early repurchase.

Decision No. 6172-(79/101)
June 28, 1979
Amended February 9, 2001

M. Attribution of Repurchases Made to Meet Time-Based Repurchase Expectations

Decision No. 6831-(81/65)[30], adopted April 22, 1981, shall be amended as follows:

1. Paragraph 1(a) shall be amended to read as follows:

"(a) Subject to paragraphs (b), (c), (d) and (e) below a member shall be free to attribute a reduction in the Fund's holdings of its currency (i) to any obligation to repurchase, and (ii) to enlarge its reserve tranche."

2. The following new paragraphs 1(d) and 1(e) shall be added:

"(d) A reduction resulting from a repurchase made pursuant to a repurchase expectation under paragraph 1(b) of Decision No. 5703-(78/39)[31] shall be attributed to the member's repurchase obligation arising from the same purchase one year after the original date on which that repurchase expectation was to be met.

(e) A reduction resulting from a repurchase made pursuant to a repurchase expectation under paragraph 10(a) of Decision No. 4377-(74/114)[32] shall be attributed to the member's repurchase obligation arising from the same purchase three years after the original date on which that repurchase expectation was to be met."

Decision No. 12345-(00/117)
November 28, 2000

N. Guidelines on Corrective Action for Misreporting and Noncomplying Purchases

(a) Amendment of Guidelines on Corrective Action for Misreporting and Noncomplying Purchases Under Stand-By or Extended Arrangements

The Guidelines on Corrective Action for Misreporting and Noncomplying Purchases under Stand-By or Extended Arrangements (Decision No. 7842-(84/165)[33], adopted November 16, 1984) are hereby revised to read as set forth below.

Misreporting and Noncomplying Purchases in the General Resources Account—
Guidelines on Corrective Action

In some cases, it has been found that a member has made a purchase in the General Resources Account that it was not entitled to make under the terms of the arrangement or other decisions governing the purchase (a "noncomplying pur-

[30] Ibid., page 276–77.
[31] Ibid., page 273–76.
[32] Ibid., page 165–69.
[33] Ibid., page 63.

chase"). The purchase was permitted because, on the basis of the information available to it at the time, the Fund was satisfied that all performance criteria or other conditions applicable to the purchase under the terms of the relevant decision had been observed, but this information later proved to be incorrect. When such a case arises in the future, the member will be called upon to take corrective action regarding a noncomplying purchase, to the extent that it is still outstanding, either by repurchase or by the use of its currency in transactions and operations of the Fund, unless the Fund decides that the circumstances justify the member's continued use of the purchased resources. Steps should also be taken to improve the accuracy and completeness of the information to be reported to the Fund by the member in connection with its use of the Fund's general resources, and to define performance criteria and other applicable conditions in a manner that would facilitate accurate reporting. The Fund adopts the following guidelines, which shall apply to purchases made after the date of this decision:

1. Whenever evidence comes to the attention of the staff indicating that a performance criterion or other condition applicable to an outstanding purchase made in the General Resources Account may not have been observed, the Managing Director shall promptly inform the member concerned.

2. If, after consultation with the member, the Managing Director finds that, in fact, the performance criterion or other condition was not observed, the Managing Director shall promptly notify the member of this finding. At the same time, the Managing Director shall submit a report to the Executive Board together with recommendations.

3. In any case where the noncomplying purchase was made no more than four years prior to the date on which the Managing Director informed the member, as provided for in paragraph 1, the Executive Board may decide either (a) that the member shall be expected to repurchase from the Fund the outstanding amount of its currency resulting from the noncomplying purchase normally within a period of 30 days from the date of the Executive Board decision, or (b) that the nonobservance will be waived pursuant to paragraph 5.

4. Instead of repurchasing from the Fund the outstanding amount of its currency resulting from the noncomplying purchase as provided for in paragraph 3(a), the member may request the Fund to use an equivalent amount of its holdings of the member's currency in the Fund's transactions and operations, but if such use cannot be made within 20 days from the date of the Executive Board decision the member shall be expected to make a repurchase in accordance with paragraph 3(a).

5. A waiver under paragraph 3(b) will normally be granted only if the deviation from the relevant performance criterion or other condition was minor or temporary, or if, subsequent to the purchase, the member had adopted additional policy measures appropriate to achieve the objectives supported by the relevant decision.

6. If a repurchase pursuant to the expectation under paragraph 3(a) has not been effected, the Managing Director shall submit promptly a report to the Executive Board accompanied by a proposal on how to deal with this matter, in which the Managing Director may recommend that the Fund initiate action under Article V, Section 5 of the Articles.

7. Provision shall be made in Fund arrangements for the suspension of further purchases under an arrangement whenever a member fails to meet a repurchase expectation pursuant to these guidelines.

8. Nothing in these guidelines shall limit the power of the Fund to take, in cases of noncomplying purchases, other action that could be taken pursuant to the Fund's Articles and Rules.

Decision No. 12249-(00/77)
July 27, 2000

(b) Establishment of General Policy to Condition Decisions in General Resources Account on Accuracy of Information Regarding Implementation of Prior Actions

Any decision on the use of resources in the General Resources Account (including decisions approving an arrangement or an outright purchase, completing a review, or granting a waiver either of applicability or for the nonobservance of a performance criterion) will be made conditional upon the accuracy of information provided by the member regarding implementation of prior actions specified in the decision.

Decision No. 12250-(00/77)
July 27, 2000

(c) Establishment of General Policy to Condition Waiver Decisions in the General Resources Account on Accuracy of Information Regarding Performance Criteria

Any decision granting a waiver for the nonobservance of a performance criterion under an arrangement will be made conditional upon the accuracy of data or other information provided by the member to assess observance of the performance criterion in question.

Any decision waiving the applicability of a performance criterion under an arrangement will be made conditional upon (i) the accuracy of the member's representation that the information necessary to assess observance of the relevant performance criterion is unavailable, and (ii) the accuracy of data provided by the member to assess observance of the same performance criterion for a preceding period (if applicable for that period).

Decision No. 12251-(00/77)
July 27, 2000

(d) Amendment of the Provisions on Corrective Action for Misreporting and Noncomplying Disbursements Under PRGF

Appendix I of the Instrument to Establish the Poverty Reduction and Growth Facility (adopted November 20, 1998 in Decision 11832-(98/119) ESAF)[34] is hereby revised to read as set forth below.

Misreporting and Noncomplying Disbursements in Arrangements under the Poverty Reduction and Growth Facility—Provisions on Corrective Action

a. A noncomplying disbursement occurs when (i) the Trustee makes a disbursement to a member under an arrangement approved in accordance with the Instrument on the basis of a finding by the Trustee or the Managing Director that all applicable conditions established for that disburse-

[34] Ibid., page 67–68.

ment under the terms of the decisions on the arrangement have been observed, and (ii) that finding later proves to be incorrect. For the purposes of these provisions, a condition established under the terms of a decision on an arrangement means a condition specified in the arrangement, or in a decision approving the arrangement, completing a review, or granting a waiver of applicability or for the nonobservance of a performance criterion under the arrangement.

b. Whenever evidence comes to the attention of the staff of the Trustee indicating that a member may have received a noncomplying disbursement, the Managing Director shall promptly inform the member concerned.

c. If, after consultation with the member, the Managing Director determines that the member did receive a noncomplying disbursement, the Managing Director shall promptly notify the member and submit a report to the Executive Board together with recommendations.

d. In any case where the noncomplying disbursement was made no more than four years prior to the date on which the Managing Director informed the member, as provided for in paragraph (b), the Executive Board may decide either (i), that the member will be called upon to make an early repayment, or (ii) that the nonobservance will be waived.

e. If the decision of the Executive Board is to call upon the member to make an early repayment as provided for in paragraph (d)(i), the member will be expected to repay an amount equivalent to the noncomplying disbursement, together with any interest accrued thereon, normally within a period of 30 days from the date of the Executive Board decision.

f. A waiver under paragraph (d)(ii) will normally be granted only if the deviation from the relevant performance criterion or other condition was minor or temporary, or if, subsequent to the disbursement, the member had adopted additional measures appropriate to achieve the objectives of the program supported by the arrangement under which the disbursement was made.

g. If a member fails to meet a repayment expectation under these guidelines within the period established by the Executive Board, (i) the Managing Director shall promptly submit a report to the Executive Board together with a proposal on how to deal with the matter, and (ii) interest shall be charged on the amount subject to the repayment expectation at the rate applicable to overdue amounts under Section II, Paragraph 4 of the Instrument.

Decision No. 12252-(00/77)
July 27, 2000

(e) Establishment of General Policy to Condition Decisions Under PRGF on Accuracy of Information Regarding Implementation of Prior Actions

Any decision on the use of resources under the Poverty Reduction and Growth Facility (including decisions approving an arrangement, completing a review, or granting a waiver either of applicability or for the nonobservance of a performance criterion) will be made conditional upon the accuracy of information provided by the member regarding implementation of prior actions specified in the decision.

Decision No. 12253-(00/77)
July 27, 2000

(f) Establishment of General Policy to Condition Waiver Decisions Under PRGF on Accuracy of Information Regarding Performance Criteria

Any decision granting a waiver for the nonobservance of a performance criterion under an arrangement under the Poverty Reduction and Growth Facility will be made conditional upon the accuracy of data or other information provided by the member to assess observance of the performance criterion in question.

Any decision waiving the applicability of a performance criterion under an arrangement under the Poverty Reduction and Growth Facility will be made conditional upon (i) the accuracy of the member's representation that the information necessary to assess observance of the relevant performance criterion is unavailable, and (ii) the accuracy of data provided by the member to assess observance of the same performance criterion for a preceding period (if applicable for that period).

Decision No. 12254-(00/77)
July 27, 2000

O. Overdue Financial Obligations

(a) Strengthened Cooperative Strategy—Review

The Fund has reviewed progress under the strengthened cooperative strategy with respect to overdue financial obligations to the Fund as described in EBS/00/100 (6/7/00). The Fund reaffirms its support for the strengthened cooperative strategy and agrees to extend the availability of the rights approach until end-June 2001.

Decision No. 12220-(00/62)
June 21, 2000

(b) Modalities of Gold Pledge for Use of PRGF Trust Resources Under Rights Approach—Amendment

1. Decision No. 10286-(93/23) ESAF[35], February 22, 1993, shall be amended as follows: in paragraph 1, "by end-March and end-September" shall be substituted for "shortly before June 30 and December 30," to read as follows:

> "1. As long as loans from the Poverty Reduction and Growth Facility Trust (hereinafter the "PRGF Trust") to members for the financing of "rights" as defined by the Managing Director's Summing Up at EBM/90/97 of June 20, 1990 are outstanding, the Fund shall review the adequacy of the Reserve Account of the PRGF Trust (hereinafter the "Reserve Account") by end-March and end-September of each year."

2. This decision shall become effective when all lenders to the Loan Account of the PRGF Trust have consented to the amendment, or March 1, 2001, whichever is later.

Decision No. 12229-(00/66) PRGF
June 30, 2000

(c) Burden Sharing—Implementation in FY 2002

Section I. Principles of Burden Sharing

1. The financial consequences for the Fund which stem from the existence of overdue financial obligations shall be shared between debtor and creditor member countries.

2. The sharing shall be applied in a simultaneous and symmetrical fashion.

[35] Ibid., page 359–61.

Section II. Determination of the Rate of Charge
The rate of charge referred to in Rule I–6(4) shall be adjusted in accordance with the provisions of Section III of this decision and Section IV of Executive Board Decision No. 12189-(00/45),[36] adopted April 28, 2000.

Section III. Amount for Special Contingent Account–1

1. An amount of SDR 94 million shall be generated during financial year 2002 in accordance with the provisions of this Section, and shall be placed to the Special Contingent Account–1 referred to in Decision No. 9471-(90/98),[37] adopted June 20, 1990.

2. (a) In order to generate the amount to be placed to the Special Contingent Account–1 in accordance with paragraph 1 of this Section, notwithstanding Rule I–6(4)(a) and (b) and Rule I–10, the rate of charge referred to in Rule I–6(4) and, subject to the limitation in (b), the rate of remuneration prescribed in Rule I–10, shall be adjusted in accordance with the provisions of this paragraph so as to produce equal amounts of income.

(b) No adjustment in the rate of remuneration under this paragraph shall be carried to the point where the average remuneration coefficient would be reduced below 85 percent for an adjustment period.

(c) The adjustments under this paragraph shall be made as of May 1, 2001, August 1, 2001, November 1, 2001 and February 1, 2002; shortly after July 31 for the period May 1 to July 31; shortly after October 31 for the period from August 1 to October 31; shortly after January 31 for the period from November 1 to January 31; shortly after April 30 for the period from February 1 to April 30.

3. (a) Subject to paragraph 3 of Decision No. 8780-(88/12)[38], adopted January 29, 1988, the balances held in the Special Contingent Account–1 shall be distributed in accordance with the provisions of this paragraph to members that have paid additional charges or have received reduced remuneration as a result of the adjustment when there are no outstanding overdue charges and repurchases, or at such earlier time as the Fund may decide.

(b) Distributions under (a) shall be made in proportion to the amounts that have been paid or have not been received by each member as a result of the respective adjustments.

(c) If a member that is entitled to a payment under this paragraph has any overdue obligation to the Fund in the General Department at the time of payment, the member's claim under this paragraph shall be set off against the Fund's claim in accordance with Decision No. 8271-(86/74),[39] adopted April 30, 1986, or any subsequent decision of the Fund.

(d) Subject to paragraph 4 of Decision No. 8780-(88/12),[40] adopted January 29, 1988, if any loss is charged against the Special Contingent Account–1, it shall be recorded in accordance with the principles of proportionality set forth in (b).

[36] Ibid., page 331–33.
[37] Ibid., page 334–37.
[38] Ibid., page 292–94.
[39] Ibid., page 285–86.
[40] Ibid., page 292–94.

Section IV. Review
The operation of this decision shall be reviewed when the adjustment in the rate of remuneration reduces the remuneration coefficient to the limit set forth in paragraph 2(b) of Section III of this decision and Section IV of Executive Board Decision No. 12189-(00/45)[41], adopted April 28, 2000.

Decision No. 12465-(01/39)
April 16, 2001

P. Guidelines on Performance Criteria with Respect to Foreign Debt in Fund Arrangements—Change in Coverage of Debt Limits

Executive Board Decision No. 6230-(79/140)[42] (Guidelines on Performance Criteria with Respect to Foreign Borrowing), adopted August 3, 1979, as amended by Executive Board Decision No. 11096-(95/100)[43], adopted October 25, 1995, shall be amended as follows:

1. The terms "borrowing" and "loan" shall be replaced with "debt."

2. The guideline on the performance criteria with respect to foreign debt shall be amended to read as follows:

> "When the size and the rate of growth of external indebtedness is a relevant factor in the design of an adjustment program, a performance criterion relating to official and officially guaranteed foreign debt will be included in upper credit tranche arrangements. The criterion will include all forms of debt, including loans, suppliers' credits and leases, that constitute current, i.e., not contingent, liabilities, which are created under a contractual arrangement through the provision of value in the form of assets (including currency) or services, and which require the obligor to make one or more payments in the form of assets (including currency) or services, at some future point(s) in time; these payments discharge the principal and/or interest liabilities incurred under the contract. The criterion will include foreign debts with maturities of over one year, and, in appropriate cases and where specifically provided, other financial instruments that have the potential to create substantial external liabilities for governments. The criterion will usually be formulated in terms of debts contracted or authorized. However, in appropriate cases, it may be formulated in terms of net disbursements or net changes in the stock of external official and officially guaranteed debt. Flexibility will be exercised to ensure that the use of the performance criterion will not discourage capital flows of a concessional nature by excluding from the coverage of performance criteria debts defined as concessional on the basis of currency-specific discount rates based on the OECD commercial interest reference rates, and including a grant element of at least 35 percent, provided that a higher grant element may be required in exceptional cases. Normally, the performance criterion will include a subceiling on foreign debt with maturities of over one year and up to five years. Additional subceilings may also be included on debt with specified maturities beyond five years or with a specified grant element lower than 35 percent."

3. The following shall be added to the Guidelines as points 8 and 9:

[41] Ibid., page 331–33.
[42] Ibid., page 154–56.
[43] Ibid., page 154–56.

"8. In principle, a performance criterion on foreign debt will incorporate by reference the definition of debt set forth in point No. 9 below. Financial instruments that are not covered under the definition but have the potential to create substantial external liabilities for governments will be included in the performance criterion where appropriate, in which case they would be explicitly specified.

9. (a) For the purpose of this guideline, the term "debt" will be understood to mean a current, i.e., not contingent, liability, created under a contractual arrangement through the provision of value in the form of assets (including currency) or services, and which requires the obligor to make one or more payments in the form of assets (including currency) or services, at some future point(s) in time; these payments will discharge the principal and/or interest liabilities incurred under the contract. Debts can take a number of forms, the primary ones being as follows:

(i) loans, i.e., advances of money to the obligor by the lender made on the basis of an undertaking that the obligor will repay the funds in the future (including deposits, bonds, debentures, commercial loans, and buyers' credits) and temporary exchanges of assets that are equivalent to fully collateralized loans under which the obligor is required to repay the funds, and usually pay interest, by repurchasing the collateral from the buyer in the future (such as repurchase agreements and official swap arrangements);

(ii) suppliers' credits, i.e., contracts where the supplier permits the obligor to defer payments until some time after the date on which the goods are delivered or services are provided; and

(iii) leases, i.e., arrangements under which property is provided which the lessee has the right to use for one or more specified period(s) of time that are usually shorter than the total expected service life of the property, while the lessor retains the title to the property. For the purpose of the guideline, the debt is the present value (at the inception of the lease) of all lease payments expected to be made during the period of the agreement excluding those payments that cover the operation, repair, or maintenance of the property.

(b) Under the definition of debt set out in point 9(a) above, arrears, penalties, and judicially awarded damages arising from the failure to make payment under a contractual obligation that constitutes debt are debt. Failure to make payment on an obligation that is not considered debt under this definition (e.g., payment on delivery) will not give rise to debt."

Decision No. 12274-(00/85)
August 24, 2000

Q. Eleventh General Review of Quotas

(a) Period for Consent to Increases—Extension

The Executive Board approves the extension of the period for consent to quota increases under the Eleventh General Review.

Decision No. 12238-(00/71)
July 13, 2000

(b) Period for Consent to Increases in Quotas

Pursuant to Paragraph 4 of the Resolution of the Board of Governors No. 53–2, "Increase in Quotas of Fund Members—Eleventh General Review," the Executive Board decides that notices of consent from members to increases in their quotas must be received in the Fund by 6:00 p.m., Washington time, on July 31, 2001.

Decision No. 12413-(01/6)
January 16, 2001

R. Transparency and Fund Policies

(a) Continuation of Publication of Article IV Consultation Staff Reports Under Rules of Pilot Project

Pending the adoption of a decision pursuant to the Summing Up by the Chairman on the Review of the Pilot Project for Voluntary Release of Article IV Staff Reports and Other Issues in Fund Transparency (SUR/00/85, 9/6/00), the publication of Article IV consultation staff reports shall remain possible under the same rules set out in the pilot program established by Decision No. 11973-(99/58)[44], adopted June 3, 1999.

Decision No. 12317-(00/102)
October 18, 2000

(b) Publication Policies

1. The Managing Director shall arrange for publication by the Fund of the documents on the attached list, subject to the consent of the member concerned in the case of Documents 1–11, 13, and 16–17 and to the authorization of the World Bank in the case of Documents 6 and 11. For purposes of this decision: (i) Documents 1–4, 6, 9–10, 11, 13, and 17 will be referred to as "Country Documents"; (ii) Documents 5, 7–8, and 16 will be referred to as "Country Policy Intentions Documents"; and (iii) Documents 14 and 15 will be referred to as "Fund Policy Documents."

2. The Executive Board encourages each member to consent, where required, to the publication by the Fund of a document under this decision. It is recognized that for some members such publication would be a longer term objective.

3. In the case of Documents 5–8 and 11, which pertain to a member's use of Fund resources, a member's consent for Fund publication shall be voluntary but presumed. Such presumption means that if, in a particular case, a member does not wish to consent to Fund publication of a document, the member will need to notify its decision and should provide an explanation, which may be done through an Executive Director appointed, elected, or designated by the member, before the Executive Board takes a decision relating to the member's use of Fund resources. In the case of a Chairman's Statement (Document 10), if the member does not consent to its publication by the Fund, a brief factual statement describing the Executive Board's decision relating to the member's use of Fund resources (including any information on waivers, HIPC initiative decisions, and endorsements of Documents 5) will be released instead. In the cases of Documents 1–4, 9, 13, and 16–17, publication shall be voluntary.

[44] Ibid., page 501.

4. In the case of a member's Poverty Reduction Strategy Paper (PRSP), Interim PRSP, or PRSP progress report (Document 5), the Managing Director will not recommend its endorsement by the Executive Board if the member concerned does not consent to its publication.

5. For the purposes of paragraph 1, a member's actual consent shall normally be communicated to the Secretary of the Fund. Such consent may be communicated by the Executive Director elected, appointed, or designated by the member.

6. In respect of documents circulated to the Executive Board for which publication requires a member's consent, the Secretary's cover note will indicate whether a communication has been received from the member in this regard and, if so, the member's intentions.

Member's Statement Regarding Fund Staff Reports

7. If a Fund staff report (Documents 1, 9, and 17) on a member is to be published under this decision, the member concerned shall be given the opportunity to provide a statement regarding the staff report and the Executive Board assessment. Such statement shall be communicated to the Fund and published together with the staff report.

Deletions

8. Prior to publication of a Country Document, or a certain Country Policy Intentions Document (Documents 7–8) that has been the basis of a Fund decision, or Document 16, the member concerned may propose deletions to the Managing Director. In the case of a serious disagreement between the Managing Director and the member, the Managing Director, or the Executive Director elected, appointed, or designated by that member, may refer the matter to the Executive Board for its consideration. Deletions should be limited to highly market-sensitive information, mainly exchange rate and interest rate matters. In particular, deletions will not apply to information in the public domain or politically sensitive information that is not highly market sensitive. In the case of Documents 7–9 and 16, performance criteria (if applicable) and structural benchmarks may not be deleted.

9. Deletions will not generally apply to a PRSP, an Interim PRSP, or a PRSP progress report that has been the basis of a Fund decision.

Chairman's Statements in Respect of Use of Fund Resources

10. After the Executive Board adopts a decision regarding a member's use of Fund resources (including a decision completing a review under a Fund arrangement), or completes a discussion on a member's participation in the HIPC Initiative, PRSP, Interim PRSP, or PRSP progress report, a Chairman's statement on the discussion, emphasizing the key points made by Executive Directors, will be released to the public. Where relevant, the Chairman's statement will contain a summary of HIPC Initiative decisions pertaining to the member and the Executive Board's views on the member's PRSP, Interim PRSP, or PRSP progress report. Waivers for nonobservance, or of applicability, of performance criteria, if any, will be mentioned in the press release containing the Chairman's statement. Before the statement is released, it will be read by the Chairman to the Executive Board and Executive Directors will have an opportunity to comment at that time. The Executive Director elected, appointed or designated by the member concerned will have the opportunity to review the Chairman's statement, to propose very minor revisions, if any, and to consent to its publication immediately after the Executive Board meeting. Notwithstanding the above, no Chairman's Statement released under this paragraph shall contain any reference to a discussion or decision pertaining to: (i) a member's overdue financial obligations to the Fund; or (ii) a request to amend a repurchase expectation schedule pursuant to paragraph 1(b) of Decision No. 5703-(78/39)[45] or paragraph 10(a) of Decision No. 4377-(74/114)[46]. In the case of an Executive Board meeting pertaining solely to a discussion or decision described in either (i) or (ii) above, no Chairman's statement will be released.

Fund Policy Documents

11. After the Executive Board meets on policy issues, it may decide to publish the staff report considered at the meeting (Document 14) and/or a Public Information Notice (PIN, Document 15) on the discussion. The factors on which this decision shall be based shall include whether the discussions have reached completion or, if not completed, whether informing the public of the state of the discussions would be useful. The staff shall make a recommendation on the publication of a staff policy paper and/or a PIN on its cover. A PIN on policy discussions will be based on the decision that may have been adopted by the Executive Board or the Chairman's summing-up of the discussions. It will also include a short section setting out background information.

Timing and Means of Fund Publication

12. Documents may be published under this decision only after their consideration by the Executive Board, except for: (i) PRSPs, Interim PRSPs, or PRSP progress reports; (ii) documents circulated to the Executive Board for information only; and (iii) Reports on Observance of Standards and Codes (ROSCs). Documents under items (i) and (ii) may be published immediately after circulation to the Executive Board. Documents under item (iii) may be published after notifying the Executive Board of the intention to publish.

13. Publication by the Fund under this decision shall mean normally publication on its website but may include publication through other media.

Repeal of Superseded Decisions

14. The following decisions are repealed: (i) "Use of Fund Resources – Release of Chairman's Statement," Decision No. 11971-(99/58), adopted June 3, 1999; (ii) "Public Information Notices for Policy Matters," Decision No. 11972-(99/58), adopted June 3, 1999; (iii) "Publication of Letters of Intent, Memoranda of Economic and Financial Policies and Policy Framework Papers," Decision No. 11974-(99/58), adopted June 3, 1999; and (iv) "Release of Information – Reports on Recent Economic Developments and Statistical Appendices and Annexes," Decision No. A–10138-(94/61), adopted July 11, 1994. The decision set forth in EBD/98/64 (6/19/98), which was approved on a lapse-of-time basis on June 24, 1998, is repealed to the extent that it relates to the publication of the final Decision and Completion Point documents under the HIPC Initiative.

[45] Ibid., page 273–76.

[46] Ibid., page 165–69.

Article XII, Section 8

15. Nothing in this decision shall be construed to be inconsistent with the power of the Fund to decide under Article XII, Section 8, by a seventy percent majority of the total voting power, to publish a report made to a member regarding its monetary or economic conditions and developments which directly tend to produce a serious disequilibrium in the international balance of payments of members.

Review

16. This decision shall be reviewed in light of experience not later than 18 months from the date of its adoption.

Decision No. 12405-(01/2)
January 4, 2001

Attachment I: List of Documents Covered by the Decision

I. Surveillance and Supporting Documents

1. Article IV and Combined Article IV/Use of Fund Resources Staff Reports
2. Recent Economic Developments Reports, Selected Issues Papers, Statistical Appendices
3. Reports on Observance of Standards and Codes (ROSCs)
4. Public Information Notices (PINs) following Article IV consultations and regional surveillance discussions

II. Use of Fund Resources by a Members

5. Poverty Reduction Strategy Papers (PRSPs), Interim PRSPs, and PRSP Progress Reports
6. Joint Fund/World Bank Staff Assessments of PRSPs, Interim PRSPs, and PRSP Progress Reports
7. Letters of Intent and Memoranda of Economic and Financial Policies (LOIs/MEFPs)
8. Technical Memoranda of Understanding (TMUs) with policy content
9. Use of Fund Resources and Post-Program Monitoring Staff Reports (excluding staff reports dealing solely with a member's overdue financial obligations to the Fund)
10. Chairman's Statements
11. Preliminary, decision point, and completion point documents under the HIPC Initiative
12. Statements on Fund decisions on waivers of applicability, or for nonobservance, of performance criteria
13. PINs following Executive Board discussions on post-program monitoring

III. Fund Policy Documents

14. Fund Policy issues papers
15. PINs following Executive Board discussions on policy issues

IV. Other Documents

16. LOIs/MEFPs for Staff Monitored Programs (SMPs)
17. Stand-alone Staff Reports on SMPs

Attachment II: Some Modalities for the Publication of Staff Reports and Other Selected Documents

These modalities provide specific guidelines for the implementation of the key elements of the Fund's publication policies.[47] The proposed procedures also reflect the general principles for publication endorsed by the Executive Board and presented in the document "Guiding Principles for the IMF's Publication Policy." Such principles aim in particular at preserving the candor of the staff reports to the Executive Board and guarding against a trend toward negotiated documents. Consistent with the Executive Board request that publication policies be continuously monitored and reviewed, some of the modalities presented below also aim at gathering information for this purpose.

1. Notification of the Decision to Release the Staff Report on Article IV Consultations or Use of Fund Resources

At the time the staff report is circulated to the Executive Board, the authorities' publication intentions would be noted in the Secretary's cover memorandum for the information of Executive Directors. This notification on the Secretary's cover memorandum would take one of the following forms:

- "As of the time that this paper is circulated to the Board, the Secretary's Department has not received a communication from the authorities of [Country X] indicating whether or not they consent to the Fund's publication of this paper; such communication may be received after the authorities have had an opportunity to read the paper."
- "As of the time that this paper is circulated to the Board, the Secretary's Department has received a communication from the authorities of [Country X] indicating that they consent to the Fund's publication of this paper."
- "As of the time that this paper is circulated to the Board, the Secretary's Department has received a communication from the authorities of [Country X] indicating that they do not consent to the Fund's publication of this paper."

The authorities could change their intentions on public release at any time up to publication notwithstanding having given prior consent. While the intention not to proceed with publication (i.e., the change in intentions) would be communicated to the Board, there would be no public announcement of these developments—although the authorities' themselves could make their initial intention public. A member's decision to consent to publication of the staff report after the Executive Board meeting would not be ruled out, though the general expectation would be to indicate the authorities' decision on publication to Executive Directors in advance of the Board discussion. The Executive Board would be notified of a member's decision to consent to publication of the staff report after the Executive Board discussion.

2. Policy Against Sharing Draft Staff Reports

To guard against a trend toward negotiated documents, staff would not provide drafts of staff reports to country authorities, including the Executive Director, before the reports are issued to the Executive Board, and country authorities and Executive Directors would not seek such opportunities for review.

[47] See "Summing Up by the Chairman—Review of the Pilot Project for Voluntary Release of Article IV Staff Reports and Other Issues in Fund Transparency" (SUR/00/85, 9/6/2000).

3. Corrections to Staff Reports

Corrections to staff reports would be limited to factual matters consistent with information available at the time the staff report was issued or with descriptions of the authorities' own views. In this regard, staff will take care to ensure that the views of counterparts among members' authorities are properly characterized as official views of authorities, views of institutions, or otherwise, as appropriate. Corrections should not be used as a mechanism to update the information in staff reports to reflect developments subsequent to the circulation of the staff report and staff supplements (see paragraph 6). Material containing the analysis of economic developments and trends, the policy assessment and the staff appraisal, which are the responsibilities of the staff, would not be subject to corrections once the staff report is issued.

4. Treatment of Highly Market Sensitive Material

The Executive Board adopted a uniform deletions policy for staff reports and a range of published Country Documents and Country Policy Intentions Documents. Under the policy, a member may propose the deletion of highly market sensitive information—mainly views on exchange rate and interest rate matters—from a document prior to its publication. Facts that are already in the public domain,[48] as well as politically sensitive information that is not highly market sensitive and, for Country Policy Intentions Documents, performance criteria and structural benchmarks, would not be candidates for deletion.[49] Case-by-case decisions would be made by management on deletions proposed by the authorities or an Executive Director on their behalf. In cases of serious disagreements between management and the authorities on a proposed modification to a document, or for cases deemed useful to inform the Executive Board's thinking on the deletions policy, the matter could be brought to the Executive Board by the Managing Director or by Executive Directors—e.g., in their BUFF statement—for consideration.

5. Informing the Board of Authorized Deletions/-Corrections Requested by the Authorities

Evenhanded and transparent implementation of the agreed deletions and corrections policy requires clear rules of circulation of information to the Executive Board. In this regard, authorized deletions and corrections would be circulated to the Executive Board as close to the Executive Board discussion as possible—preferably in advance of the meeting. It would be expected that the rationale underpinning these modifications would be provided in the Secretary's memoranda on deletions and corrections to the members of the Executive Board. In addition, as requested by Executive Directors, staff would circulate to the Executive Board a redlined version of the relevant sections of the document, to provide context for the deletions and corrections. Finally, the Secretary would continue to circulate to Executive Board members separate memoranda distinguishing deletions and corrections.[50] These procedures would also provide information for the review, requested by the Executive Board, of the application of deletions and corrections policy to be considered by the Executive Board before the Spring 2001 Meetings.

6. Updates to Staff Reports

New information available after the staff discussions with the authorities and circulation of the staff report could require updates of factual material or modifications of staff assessments on the basis of that material. Updates to staff reports would be limited to staff supplements or statements circulated to the Executive Board, rather than direct modifications to the content of the staff report after it has been circulated to the Executive Board, as follows: (i) supplements to the staff report—for new information available one day or more prior to the Board meeting, and (ii) staff statements—for information available the day of the Executive Board meeting. Staff statements and supplements would explicitly state how the new information affects the thrust of the staff appraisal.[51] The staff would inform the Executive Director or the country concerned when supplements or staff statements are to be circulated. Supplements and staff statements would be published on the Fund's website with the staff report. In addition, the introductory paragraph of the cover note for the package published would clearly indicate the timing of the staff discussions with the authorities, underscoring that the staff report and other documents were based on information available at that time they were issued. It would also indicate the date of the Executive Board discussion.

7. The Authorities' Statement

The authorities would be free to provide additional or updated information and comment on any of the analysis and/or conclusions of the report and the Executive Board assessment in the statement by the authorities—a so-called "right of reply" which could be the Executive Director's BUFF statement or another document from the authorities. This statement, with the authorities' consent, would be published together with the staff report.

8. Timing of Release

Chairman's Statements will continue to be quick release news instruments. For all other documents, the Fund's policy would be to encourage prompt release, recognizing circumstances of individual members. As an indicative time limit for staff reports, the Executive Director would seek to obtain the authorities' consent for release on the Fund's website within ten working days of the Executive Board's discussion. This objective is consistent with the policy for the timing of the publication of Public Information Notices and staff reports under the pilot project. In cases where publication of a staff report is embargoed or delayed, the PIN should nevertheless be published within ten working days normally. Documents would not be posted on the Fund's website in advance of Executive Board discussion of the document, with the exception of Poverty Reduction Strategy Papers (PRSPs), Interim PRSPs, and PRSP progress reports, which are to be posted on the Fund website

[48] That is, information which might otherwise be considered as market sensitive but which has already been made publicly available by the authorities.

[49] The general practice since June 1999, endorsed by the Board, has been for LOIs/MEFPs to be published with all performance criteria and structural benchmarks.

[50] As is current practice with memoranda on deletions, management and heads of departments would continue to be copied.

[51] See memo on "Country Information Updates and Publication of Article IV Staff Reports," circulated by the Secretary to Executive Directors on May 12, 2000.

immediately after circulation to the Executive Board.[52] Reports on Observance of Standards and Codes (ROSCs) may be published after notifying the Executive Board.

9. Publication of Staff Reports on the Fund's Website

The cover page for the staff report packages published on the Fund's website would continue to reference all documents comprising the package and would also reference other relevant documents. The packages would include the following documents:

stand-alone Article IV staff reports will be published with the staff supplement and/or statement, the PIN and the statement by the authorities, and cross-referenced to other relevant published documents (e.g., RED, Selected Issues Paper, Statistical Appendix, ROSC documents and mission concluding statements);

stand-alone UFR staff reports will be published with the staff supplement and/or statement, and statement by the authorities, and the Press Release or News Brief containing the Chairman's Statement and cross-referenced to the relevant published documents (e.g., the LOI/MEFP and PRSP, Interim PRSP, or PRSP progress report);

combined Article IV/UFR staff reports will be published with the staff supplement and/or statement, the PIN and the statement by the authorities, and cross-referenced to other relevant published documents (e.g., RED, Selected Issues Paper, Statistical Appendix and ROSC documents, LOI/MEFP, and PRSP, mission concluding statement, and Interim PRSP or PRSP progress report).

10. Website Cross-References and Languages

Staff would continue to investigate options to facilitate access to documents on the Fund's website with the objective to establish systematic links between relevant documents. This would involve significant resource implications which, together with the costs of implementing the various transparency initiatives agreed, would be taken up in the context of the next budget review exercise. Options for publication of documents in languages other than English would also be considered by the Executive Board in the period ahead.

11. Other country documents

In general, other Fund staff documents relating to country matters are the intellectual property of the Fund and, if they are not Executive Board documents, may be published if the Managing Director approves and the member concerned consents. In the specific case of mission concluding statements, management approval is granted generally, not on a case-by-case basis.

[52] Unlike PRSPs, Interim PRSPs and PRSP progress reports, LOIs and MEFPs are not proposed to be published by the Fund upon circulation to the Executive Board. The reason is that these documents contain policy intentions which form the basis for the Executive Board's decision to provide Fund resources to the member. As such, it would be odd for the Fund to publish an LOI/MEFP before the Executive Board has had a chance to consider the documents, since that could suggest a pre-judgment of the outcome of the Board meeting. For that reason, LOIs and MEFPs are to be published only after consideration by the Board. However, the member is free to publish these documents at any time, since they belong to the member.

S. Cooperation with Investigations on Fund Activities by Auditing Institutions of Members

The Executive Board of the International Monetary Fund adopts the following procedures to cooperate, upon request, with investigating agencies of members for the preparation of reports on the Fund and its activities. In keeping with the multilateral character of the Fund and in light of the many existing mechanisms to assess the Fund and its activities, the Executive Board expects that restraint will be exercised in requesting such investigations.

1. All requests from official investigating agencies will be notified to the Executive Board at least two weeks before the commencement of any cooperation with the agency pursuant to the request. The notification will include the full text of the terms of reference of the enquiry and any special features of the enquiry. Executive Directors will have an opportunity to comment on all aspects of the notification, as they deem suitable.

2. Management and staff will be prepared to meet a request if it is channeled through an Executive Director's office and provides:

(i) a precise description of the terms of reference of the enquiry; and

(ii) written assurances that:

- confidential information provided in the course of the enquiry will not be disclosed;
- management and staff will be given an opportunity to review any report resulting from the enquiry before its circulation outside the agency to ascertain that no confidential information is being disclosed in the report and that the factual information is correct; and
- the views of management and staff will be included in the report in an acceptable manner.

3. In principle only documents and information available to the Executive Board will be made available to the agency; the consent of Executive Directors whose statements are involved should be requested before transmitting grays or Executive Board minutes to the agency. Requests by the agency for access to additional documents and information (other than those relating to the Fund's internal advisory procedures) will be submitted to the Executive Board for approval if management supports the request. The Executive Board will not approve the request unless it has reviewed the relevant document or information; the procedures for the review will ensure the confidentiality of the document or information.

4. The Executive Board will be informed of requests which are denied by management under paragraph 2 or 3. In such cases, management or the relevant Executive Director may consult with the Executive Board.

5. All published reports resulting from such investigations will be circulated to the Executive Board for information, together with an assessment of the staff resources used by the Fund in the enquiry.

6. If, in the judgment of management, an investigative agency did not respect the written assurances provided in accordance with paragraph 2(ii), it shall so inform the Executive Board and propose any remedial action it considers necessary.

7. These procedures will be reviewed not later than January 31, 2003.

Decision No. 12424-(01/13)
February 5, 2001

APPENDIX IV

IMF Relations with Other International Organizations

The IMF increased its efforts during FY2001 to refocus its operations, promote international financial stability, and help its member countries seize the opportunities offered by globalization. Key to this effort was a reassessment of the IMF's relationship with other international institutions and a clarification of their division of labor. The goal has been to strengthen collaboration through an alignment of policies and improve the effectiveness, and sustain the impact, of their combined operations. These agencies include the World Bank, the United Nations (UN) and its specialized agencies, the World Trade Organization (WTO), the Organization for Economic Cooperation and Development (OECD), the Bank for International Settlements (BIS), regional development banks, and intergovernmental groups.

Regional Representation and Liaison with Intergovernmental Groups

A significant part of the IMF's relations with international organizations is handled by the IMF's Office in Europe (Paris), the Office in Geneva, and the Regional Office for Asia and the Pacific (Tokyo).

The Office in Europe interacts with regional and international institutions in Europe and provides support for the IMF's multilateral and regional surveillance in Europe. Its staff members regularly attend meetings of the OECD in Paris, especially the Economic Policy Committee (EPC), the Economic and Development Review Committee (EDRC), and the Development Assistance Committee (DAC). Both Paris Office staff and Washington-based staff attend meetings of other specialized committees and working groups of the OECD, while the Economic Counsellor customarily attends meetings of the Working Party Three of the EPC. Staff's interaction with the OECD is intended to ensure a two-way flow of information on economic analysis and policy assessments, for the benefit of both the IMF and the OECD. Paris Office staff also keep in contact with European Union institutions in Brussels and Frankfurt, as well as the Bank for International Settlements in Basel. The Managing Director attended the regular BIS meetings in July 2000, and again in January 2001. Finally, Paris Office staff also participate in the Secretariat of the Group of Ten and coordinate closely with the World Bank's office in Europe in the IMF's growing outreach and external communication efforts in Europe.

The Office in Geneva monitors, analyzes, and reports on the activities of Geneva-based socioeconomic agencies, with particular emphasis on the multilateral trading system, along with trade-related developments in the European Union. These institutions include the WTO, the International Labor Organization (ILO), the UN Conference on Trade and Development (UNCTAD), the UN High Commissioner for Refugees (UNHCR), the UN Office of the High Commissioner for Human Rights (OHCHR), the World Health Organization (WHO), the UN Economic Commission for Europe (ECE), and the Inter-Parliamentary Union.

The IMF's Office for Asia and the Pacific is responsible for enhancing IMF surveillance of Asian economies and promoting the IMF's initiatives in the region. The Office works closely with regional groupings, such as the Asia-Pacific Economic Cooperation (APEC) forum, the Association of South East Asian Nations (ASEAN), the South Pacific Forum (FORUM), the Pacific Islands Conference of Leaders (PIC), and the Manila Framework Group. The Office also maintains close contact with the Asian Development Bank (AsDB) and the UN Economic and Social Commission of Asia and the Pacific (ESCAP), as well as with the World Bank's Office in Japan. It also facilitates the IMF's participation in the Consultative Group meetings of donor nations held in the Asia and Pacific region.

During FY2001, the IMF continued to take part in the meetings and activities of various intergovernmental groups, including the Group of Seven (G-7), the Group of Ten (G-10), the Group of Twenty (G-20), the Group of Twenty-Four (G-24), and the Financial Stability Forum (FSF). The Managing Director of the IMF attended the second meeting of the G-20, held in Montreal, on October 25, 2000. Attending with the Managing Director, the IMF's Economic Counsellor offered opening remarks for the session on the world's economy. On February 17, 2001, the Managing Director met with finance ministers and central bank governors of the G-7 countries in Palermo to review recent economic developments. The President of the World Bank was also present to discuss reform of the international financial institutions, as well as issues related to implementing the enhanced Initiative for Heavily Indebted Poor Countries (HIPC Initiative) and efforts to combat financial abuse, including money laundering.

The Managing Director met with the chairman of the FSF on July 9, 2000, in Basel for an introductory exchange of views on FSF and other related issues. Subsequently, the chairman of the FSF participated as an observer at the IMF's September 2000 and April 2001 meetings of the International Monetary and Financial Committee and the IMF–World Bank Conference on International Standards. As a member of the FSF, the IMF takes the lead in developing, organizing, and carrying out assessments of offshore financial centers' adherence to international standards.

Collaboration with the World Bank

The challenges facing the global economy—from preventing and resolving financial crises to addressing the root causes of poverty—require an unprecedented degree of cooperation between the two Bretton Woods institutions. Founded in 1944, the World Bank and the IMF have strong and lasting historic ties. As mandated in their respective Articles of Agreements and in the joint 1989 Concordat, each plays an important, complementary role in ensuring global economic growth and stability. Senior staff of both institutions consult periodically and both institutions participate together on missions, attend joint meetings, and share documents.

This collaboration at the staff level, both in policy advice and on operational matters, is supported by a continuing dialogue between IMF and Bank management. On September 5, 2000, the Managing Director of the IMF and the President of the World Bank issued a joint statement entitled "An Enhanced Partnership for Sustainable Growth and Poverty Reduction." The statement presents a shared vision and outlines the principles for strengthening cooperation. It clarifies the respective roles of the two institutions, underlining the importance of focusing on core mandates and competencies. One measure of this enhanced partnership was the first joint visit to Africa by the Managing Director and the President in February 2001 (see Box 5.3).

With the goal of expanding information sharing and increasing work program coordination, the Bank-IMF Financial Sector Liaison Committee (FSLC), created in 1998, has formulated guidelines for collaboration between the Bank and the IMF in financial sector work. One initiative of the committee, the Financial Sector Assessment Program (FSAP), launched as a pilot project in May 1999 and renewed in FY2001 (see Chapter 3), seeks to provide better coverage and analysis of member countries' financial systems through closer Bank-IMF collaboration. The IMF and Bank also collaborate on a related initiative, which promotes the use of international standards and codes and undertakes assessments of members' observance of certain standards; the IMF takes the lead in some areas and the Bank in others.

The Bank and IMF also collaborate in the areas of growth, poverty reduction, and debt relief. The Joint Implementation Committee (JIC), formed at the beginning of FY2001, coordinates work on two high-priority joint Bank-IMF initiatives, the enhanced HIPC Initiative and the Poverty Reduction Strategy Paper (PRSP) process. (For more on Bank-Fund collaboration in this area, see Chapter 5.)

Bank and IMF staff have carried out a series of related exercises to facilitate the implementation of the new approach. For example, at the end of FY2001, they were engaged in detailed assessments of the performance of public expenditure management systems in 25 HIPCs to identify strengths and weaknessess of those systems, with a view to developing action plans to strengthen such capacity. The Joint Implementation Committee has also established a Working Group on social impact analysis in countries participating in the PRSP process. The group is developing a work program to take stock of existing social impact analysis programs in a sample of countries participating in the PRSP process and to launch a number of pilot programs during the remainder of the calendar year. Bank and IMF staff have also collaborated on the need to streamline conditionality by focusing on a few key measures that are central to the success of a country's strategy and by limiting conditionality of Bank and IMF-supported programs to those areas in which each institution has particular expertise and competence.

To improve risk management and governance in the public sector and help governments reduce their external vulnerability, the Bank and the IMF have prepared and released a set of *Guidelines for Public Debt Management*. Other issues of common concern include efforts to combat money laundering, provide help to postconflict countries, and achieve International Development Goals.

Relations with the United Nations

The IMF continued close collaboration with the United Nations during FY2001, through the IMF Special Representative to the UN and through other extensive institutional contacts. The mandate of the Special Representative, operating out of the Office at the United Nations in New York, is to foster communications and cooperation between the IMF and the UN. The most prominent functions of the UN Office include making the IMF's views known, providing input for the deliberations at the UN on IMF-related issues, keeping the IMF informed of major developments within the UN system, and facilitating cooperation between the institutions.

A Special Session of the UN General Assembly was held in Geneva June 26–29, 2000, to review the implementation of the outcome of the World Summit for Social Development in Copenhagen (1995) and to consider the further initiatives. IMF staff attended the Special Session and contributed to the UN Follow-Up Report on the Social Summit. The UN Secretary General also took the opportunity of the Special Session to launch the report, *A Better World for All,* co-authored by the IMF, OECD, UN, and World Bank.

During the regular session of the Economic and Social Council (ECOSOC), a Deputy Managing Director participated in the High-Level segment held at UN headquarters on July 5–7, 2000. The meeting allowed an exchange of views on current issues facing the global economy and provided a forum for promoting the positive influence of information and communication technologies on development.

Subsequently, as noted in the report of the IMF Special Representative on the 2000 session of the UN General Assembly (held in New York from September 5 to December 23, 2000), the Assembly encouraged a deepened dialogue between ECOSOC and the Bretton Woods institutions, including through a High-Level Meeting between the ECOSOC, the IMF, and the World Bank after the 2001 spring meetings of the IMFC and the Development Committee.

In March 2002, a conference on Financing for Development will be held in Mexico. The IMF accepted the UN's invitation to become involved in preparations for the event. During FY2001, it contributed to the preparatory work on several levels, including through the involvement of the IMF's management, staff, and the Executive Board (for more details, see Box 5.1).

Relations with the World Trade Organization

Collaboration between the IMF and World Trade Organization takes place formally as well as informally, as outlined in their Cooperation Agreement, signed in December 1996. Under the Agreement, the IMF has observer status in WTO meetings, regularly attends formal meetings of most WTO bodies, and engages in the consultations of the Committee on Balance of Payments Restrictions. During FY2001, the Managing Director of the IMF met with the Director-General of the WTO on several occasions. They discussed cooperation in launching a new round of trade negotiations and improving coordination of agencies' policy advice and technical assistance. They also discussed the HIPC Initiative and examined the need to improve market access for exports of least-developed countries (LDCs). Additionally, the WTO Secretariat and the IMF staff are in frequent contact to avoid any inconsistency in policy advice.

The IMF is working with other core agencies to improve the effectiveness of the Integrated Framework for Trade-Related Technical Assistance for Least-Developed Countries. The Integrated Framework is a cooperative interagency initiative designed to strengthened the overall capacity of these countries to respond to the challenges and opportunities offered by the world trading system. In 2001, a donor-supported pilot scheme was initiated to assist several least-developed countries to mainstream trade into their development strategies within the context of the PRSP process.

In January 2001, both IMF and World Bank staff took part in an informal WTO General Council meeting. Examining the interaction between trade and the structural, macroeconomic, financial, and development aspects of economic policymaking, the General Council reviewed the WTO's institutional cooperation with the IMF and the Bank to ensure consistency of and mutual support for policies.

Cooperation with Regional Development Banks

Whether working to prevent a crisis, reduce poverty, or strengthen the global financial system, the IMF cooperates closely with the world's multilateral and regional developments banks. This collaboration includes formulation and implementation of policies in the economic and financial areas, release of information, and exchange of staff visits. The IMF and multilateral development banks have also established several technical-level working groups to enhance collaboration, build coherence, and harmonize policies and procedures. These groups address issues such as financial sector reform, financial management, governance and corruption, poverty reduction, and gender issues.

The IMF also collaborates with the regional development banks individually. In FY2001, the IMF worked with the Asian Development Bank to strengthen East Asian financial cooperation, with the European Bank for Reconstruction and Development (EBRD) to stabilize the economic situation in South-Eastern Europe, with the Inter-American Development Bank (IDB) to address the crisis in Argentina, and with the African Development Bank (AfDB) to arrange meetings with African Heads of State in Bamako and Dar es Salaam. In addition, IMF staff regularly attend meetings, seminars, and forums sponsored by other regional, economic, and financial organizations throughout the world. Representatives of multilateral creditors are invited to attend country-specific IMF Board discussions of HIPC matters. Enhancements to the PRGF-HIPC programs, instituted in FY2000, strengthen the link between debt relief and poverty reduction and point to the need for continuing cooperation.

At the request of the Group of Eight (G-8), in August 2000 the IMF, World Bank, and regional development banks co-authored a report for the G-8 Okinawa Summit entitled the *Global Poverty Report 2000*. The group is working on *Global Poverty Report 2001* as a follow-up to this exercise.

Role of IMF Management

As the rapid pace of globalization continues, issues affecting the strengthening of the world's financial system require increasing attention from IMF management, and close cooperation among the international financial institutions has become more important. IMF management plays a key role in promoting collaboration among financial, trade, and development organizations.

On May 30, 2000, the Managing Director addressed the International Monetary Conference in Paris where he spoke to leaders of the private financial sector on the future role of the IMF—outlining this vision of a more focused IMF. At the National Press Club in Washington on August 7, 2000, he expanded on his vision for the IMF in a changing world. The Managing Director spoke at the *Africa Forum 2000*, hosted by the Bank-IMF Africa Club, in Washington on October 30, 2000, about the importance of promoting private sector involvement and development in Africa. On November 6, 2000, he attended the Conference on "Completing Transition: The Main Challenges," organized by the Austrian National Bank, in Vienna, where he spoke of the continuing challenge of transition and convergence 10 years after the fall of communism. At a meeting with European Union Parliamentary Committees in Brussels on November 7, 2000, the Managing Director reviewed the ongoing process of reform within the international monetary system. In Kobe, for the Asia-Europe Meeting (ASEM) of Finance Ministers, he offered his perspective on the challenges that a globalized financial system poses for exchange rate policy. The Managing Director, together with the President of the World Bank, attended meetings of the African Heads of State in Bamako, Mali, and Dar es Salaam, Tanzania, from February 18–25, 2001, where he focused on the major issues confronting Africa today. At the Conference on Child Poverty, Education, and Health in London on February 26, 2001, the Managing Director welcomed a commitment to breaking the cycle of world poverty. On March 7, 2001, at the Bank-IMF Conference on International Standards and Codes in Washington, the Managing Director emphasized that standards and codes are an important tool for achieving sustained growth and financial stability. In a meeting with members of the Deutsche Bundestag in Berlin on April 2, 2001, he addressed the challenges of globalization and highlighted the role of the IMF in promoting macroeconomic stability through crisis prevention and poverty reduction.

Among the many conferences, meetings, and seminars attended by the IMF's Deputy Managing Directors were the above-mentioned High-Level Meeting of the ECOSOC in New York on July 5, 2000; the APEC Finance Ministers' Meeting in Brunei Darussalam from September 7–10, 2000; and the Latin American and Caribbean Economic Association (LACEA) 2000 Conference in Rio de Janeiro on October 12, 2000.

APPENDIX V

External Relations

In FY2001, the IMF took further steps to increase the information provided to the public on its own activities and policies. It released a record number of documents to the public via its website, opened a new IMF Center for visitors at IMF headquarters, maintained extensive contacts with the media and representatives of civil society, and issued scores of books and periodicals, as well as several videos. As part of the push to provide critical information to financial markets and to better explain the IMF's activities, the Executive Board in August 2000 reviewed the transparency initiatives undertaken by the IMF since mid-1999 (see Chapter 3) and agreed to a Statement of Guiding Principles for the IMF's publication policy.

New IMF Policy on Publication of Documents

The Executive Board's statement recognizes that improved provision of information to the markets and the broader public by the public and private sectors is a central element of the reform of the international financial system. In this vein, greater transparency of the IMF's assessments of economic developments in member countries and the authorities' policy commitments aims at:

- encouraging more widespread analysis of the countries' policies by the public;
- enhancing the accountability of policymakers and the credibility of policies; and
- promoting consensus-building on domestic policy.

The release of the IMF's views on macroeconomic developments in member countries could also:

- provide more regular mechanisms for the exchange of views on macroeconomic developments between the representatives of private financial institutions and country authorities as well as between the staff and market participants;
- contribute to the substance and effectiveness of such discussions, and could inform financial markets by providing information to improve risk assessment, thereby facilitating orderly and efficient markets; and
- help ensure the highest quality of the IMF's analysis and of its reports by exposing its advice to public scrutiny and debate.

In recent years, the IMF has come a long way in increasing the transparency of its own activities as well as of the policies of its members. In particular, it has published a growing number of Country Documents (e.g., Public Information Notices and Article IV staff reports) and Country Policy Intentions Documents (e.g., Letters of Intent, Memoranda of Economic and Financial Policies, and Poverty Reduction Strategy Papers) (see Table V.1).[1] The IMF has also continued efforts to explain its work better, to continue dialogue with the public on its activities, and to be more transparent with regard to its internal policies and operations. Specifically, the IMF carried out external evaluations of the Enhanced Structural Adjustment Facility (now Poverty Reduction and Growth Facility) and of IMF surveillance and IMF research; carried out consultations with nongovernmental organizations (NGOs) and members of civil society as part of the comprehensive review of the HIPC Initiative; released key internal reports on IMF policies and operations, including papers and Executive Board discussions on the Asian crisis and the link between debt relief and poverty reduction; and posted preliminary standards and codes for public comment. Furthermore, the IMF now releases more financial information about itself by providing timely information on members' financial position with the IMF, key IMF financial statistics, as well as the IMF's liquidity position and quarterly financial transactions. Lastly, the IMF has expanded substantially public access to its archives.

To further enhance the transparency of its operations and of the policies of its members, the IMF has adopted a policy of publication on a voluntary basis—that is, if the relevant member country so wishes—of staff reports and other Country Documents as well as Country Policy Intentions Documents. The IMF will encourage, in principle, the publication of these documents while considering the need to accommodate the specific circumstances of each country, including those relating to different institutional and political contexts. The IMF thus recognizes that for some members, publication may be a longer-term objective. Within this framework, publication of a member's Country Policy Intentions Documents would be presumed (see also Chapter 3).[2]

The IMF's publication policy for staff reports and other Country Documents will be guided by some key principles.

[1] "Country Documents" are documents prepared by the IMF. "Country Policy Intentions Documents" are documents produced by a member country and set out its intentions for policies to be supported by the use of IMF resources, or for staff-monitored policy programs.

[2] "Presumption of publication" means that if, in a particular case, a member does not intend to consent to IMF publication of a relevant document, the member will provide an explanation of its position, which may be transmitted through the Executive Director elected, appointed, or designated by the member before the Executive Board makes a decision relating to the member's use of IMF resources.

1. Continuing efforts are needed to maintain staff reports as candid and comprehensive reports, and to avoid the slippery slope of negotiated staff reports:

- staff will take care to ensure that the views of counterparts in member countries are properly characterized as official views of authorities, views of institutions, personal views and assessments, or otherwise, as appropriate;
- use of IMF resources staff reports would continue to include assessments of risks, consistent with both the need for the IMF to pay particular attention to the ability of the member to repay and, more generally, the recommendation for use of IMF resources;
- staff are not to provide drafts of staff reports to country authorities or Executive Directors before the reports are issued to the Executive Board, and Executive Directors will not seek such opportunities for review;
- updates to staff reports will be handled through staff supplements or statements circulated to the Executive Board, rather than through direct modifications to the content of staff reports after they have been circulated to the Executive Board;
- corrections to staff reports are to be limited to factual matters consistent with the information available at the time the staff report was issued and to descriptions of the authorities' own views. The analysis of economic developments and trends, the policy assessment, and the staff appraisal in the staff report are the responsibilities of the staff and not subject to correction once issued;
- to ensure evenhanded treatment of all members, a uniform deletions policy will apply to all staff reports as well as other Country Documents and Country Policy Intentions Documents: deletions will be minimal and limited to highly market-sensitive information. The Executive Board would be advised of the deletions agreed by the management and of the basis for such decisions;
- a Public Information Notice or Chairman's Statement reflecting the views of the Executive Board shall also be published with the staff report; and
- country authorities shall have the right to have their response to the staff report and the Executive Board assessment included as part of the published package.

2. All staff reports, as well as other Country Documents and Country Policy Intentions Documents, will be published with an explanation of the nature of the documents being published, clearly distinguishing between documents of the authorities, those presenting Executive Board views, and staff assessments. More generally, staff will work to improve the presentation and clarity of the IMF's views to an outside audience by using clearer and more straightforward language in documents.

3. The timing of publication of documents is another major aspect of a reliable and consistent publication policy. Chairman's Statements will continue to be quick-release news instruments. For all other documents, the IMF's policy would be to encourage prompt release, recognizing the circumstances of individual members.

4. Progress achieved in the implementation of these transparency policies will be monitored continuously and reviewed periodically. In particular, close attention will be paid to ensuring that an appropriate balance between transparency and confidentiality in the dialogue between the IMF and its members is preserved. The first review by the Executive Board will take place after 18 months.

Other Developments in External Communications

In addition to promoting transparency through its policy on publication of documents, the IMF sought to enhance its communications with the public in a variety of other ways, including:

- Regular press briefings by the Director of the External Relations Department, roughly every two weeks, with transcripts posted on the IMF's website.
- Numerous contacts with the media and NGOs, especially before and during the 2001 Annual Meetings in Prague, which was attended by a record number of journalists. Also, the IMF participated in a record number of meetings with representatives from civil society.
- The launch of a web-based e-mail notification service, which has attracted 16,000 subscribers, and the positioning of the IMF website, which averages 4 million visitors a month, as the primary means for releasing IMF documents to the public.
- The operation of a robust publications program, which issued scores of titles, including the *World Economic Outlook* and *International Capital Markets* reports, *IMF Staff Papers, the Annual Report on Exchange Arrangements and Exchange Restrictions,* Occasional Papers, books, manuals, and pamphlets, and also two periodicals: *Finance and Development*, a quarterly magazine on issues in the international economy, and *IMF Survey*, a biweekly newsletter on the activities of the IMF (see Table V.2).
- Web publication of quarterly reports on emerging market financing.
- Increased communication with the public through speeches, letters to the editor, op-ed articles, and *Issues Briefs*—summaries of pressing issues facing the IMF and the global economy that are published both on the website and in hard copy—as well as *Fact Sheets.*
- The production of videos, including "Millennium," an award-winning film on the world monetary system, and a series of public service announcements explaining the role of the IMF. (The videos are available for viewing at *http://www.imf.org/external/mmedia/index.asp*).
- An active community relations program that, among other things, disbursed $570,000 through the IMF's civic program to support local and international charities and sponsored 3,200 hours of community service by IMF staff. In addition, the annual United Way drive raised a record $470,000 in 2000.

Opening of IMF Center

A new IMF Center, with a street-level entrance, opened to the public in November 2000. It features exhibits, a bookstore, a mini-theatre, and an auditorium that hosts the IMF's Economic Forums series, briefings by IMF staff, and other events for the public. The Center's permanent museum-style display traces the history of the international monetary system and the story of the IMF. The official opening took place on November 30, 2000; IMF Managing Director Horst Köhler and Washington, D.C., Mayor Anthony Williams headed a guest list of 900.

Table V.1
Publication Policies for Selected IMF and Member Documents

Document	Decision
Surveillance	
Concluding Statements of Article IV Missions	Voluntary[1]
Article IV Staff Reports and Combined Article IV/UFR Staff Reports[2]	Voluntary
Recent Economic Developments, Selected Issues Papers, Statistical Appendices	Voluntary
Financial System Stability Assessments (FSSAs)	Voluntary
Reports on Observance of Standards and Codes (ROSCs)	Voluntary
Public Information Notices (PINs) following Article IV Consultations	Voluntary
PINs following Board discussions on regional surveillance	Voluntary
Use of Fund Resources	
Poverty Reduction Strategy Papers (PRSPs) and Interim PRSPs	Presumed. The staff, however, would not recommend Board endorsement of a PRSP unless it was published.
Joint Staff Assessments (JSAs) of PRSPs	Presumed
Letters of Intent/Memoranda of Economic and Financial Policies (LOIs/MEFPs)	Presumed
Technical Memoranda of Understanding (TMUs) with policy content	Presumed
Use of Fund Resources Staff Reports	Voluntary
Chairman's Statements	Presumed
HIPC Summing Up	Presumed—Combined into Chairman's Statement.
HIPC Initiative Papers	Presumed
Post Program Monitoring (PPM) staff reports and PINs	Voluntary
Decision on waivers of non-observance or applicability of performance criteria	Presumed—Referenced in Chairman's Statement.[3]
Policy and Other Documents	
Board Papers on policy issues	Based on whether the discussion has reached completion or the point where informing the public is deemed useful.
PINs following Board discussions on policy issues	Based on whether the discussion has reached completion or the point where informing the public is deemed useful.
Staff Visit Concluding Statements	Voluntary
Staff-Monitored Programs (SMPs):	
Mission Team Assessments on SMPs	Voluntary
Mission Concluding Statements	Voluntary
Staff-Monitored Program LOIs/MEFPs	Voluntary
Stand-Alone Staff Reports	Voluntary

[1] With the agreement of the member country concerned.
[2] Including staff reports for interim discussions with the authorities issued to the Executive Board for information.
[3] In the rare case of a request for a waiver by the authorities on a lapse-of-time basis, the public would be informed of the nature and purpose of the waiver, and Board decision taken, in a press release.

Table V.2
Publications and Videos Issued, Financial Year Ended April 30, 2001

*Available in English and selected other languages in full text on the IMF's website (www.imf.org).

Reports and Other Documents

*Annual Report of the Executive Board for the Financial Year Ended April 30, 2000.**
(English, French, German, and Spanish). Free.

Annual Report on Exchange Arrangements and Exchange Restrictions, 2000.
$95; $47.50 to full-time university faculty members and students.

Summary Proceedings of the Fifty-Fourth Meeting of the Board of Governors (2000).* Free.

*The IMF Committee on Balance of Payments Statistics, Annual Report, 2000.** Free.

Selected Decisions and Selected Documents of the International Monetary Fund. Free.

By-Laws, Rules and Regulations, Fifty-Seventh Edition. (English, French, and Spanish). Free.

IMF Financial Statement, Quarters ended April 30, 2000; October 31, 2000; January 31, 2001. Free.

Periodic Publications

Balance of Payments Statistics Yearbook
Vol. 51, 2000. A two-part yearbook. $78 a year.

Direction of Trade Statistics
Quarterly, with yearbook. $128 a year; $89 to full-time university faculty members and students. $45 for yearbook only.

*Finance and Development**
Quarterly (Arabic, Chinese, English, French, and Spanish). Free by subscription. Airspeed delivery, $20. Individual copies $10.

Government Finance Statistics Yearbook
Vol. 25, 2000. $65

International Financial Statistics
Monthly, with yearbook (English, French, and Spanish). $286 a year; $199 to full-time university faculty members and students. $72 for yearbook only. *International Financial Statistics* is also available on CD-ROM; price information is available on request.

International Economic Policy Review, Vol. 2, 2000. $20

*IMF Staff Papers**
Three times a year. $56 a year; $28 to full-time university faculty members and students.

*IMF Research Bulletin**
Quarterly. Free.

*IMF Survey**
Twice monthly, once in December (English, French, and Spanish). Private firms and individuals are charged an annual rate of $79. Annual bound editions available for $89: Vol. 29-2000 (English), Vol. 28-1999 (English), Vol. 28-1999 (French), and Vol. 28-1999 (Spanish).

Occasional Papers

No. 192. *Macroprudential Indicators of Financial System Soundness,* by a staff team led by Owen Evans, Alfredo M. Leone, Mahinder Gill, and Paul Hilbers. 2000.

No. 193. *Exchange Rate Regimes in an Increasingly Integrated World Economy,* by Michael Mussa, Paul Masson, Alexander Swoboda, Esteban Jadresic, Paolo Mauro, and Andy Berg. 2000.

No. 194. *Fiscal and Macroeconomic Impact of Privatization,* by Jeffrey Davis, Rolando Ossowski, Thomas Richardson, and Steven Barnett. 2000.

No. 195. *The Eastern Caribbean Currency Union: Institutions, Performance, and Policy Issues,* by Frits van Beek, José Roberto Rosales, Mayra Zermeño, Ruby Randall, and Jorge Shepherd. 2000.

No. 196. *Trade and Trade Policies in Eastern and Southern Africa,* by a staff team led by Arvind Subramanian, with Enrique Gelbard, Richard Harmsen, Katrin Elborgh-Woytek, and Piroska Nagy. 2000.

No. 197. *Deposit Insurance: Actual and Good Practices,* by Gillian G.H. Garcia. 2000.

No. 198. *Setting Up Treasuries in the Baltics, Russia, and Other Countries of the Former Soviet Union: An Assessment of IMF Technical Assistance,* by Barry H. Potter and Jack Diamond. 2000.

No. 199. *Ghana: Economic Development in a Democratic Environment,* by Sérgio Pereira Leite, Anthony Pellechio, Luisa Zanforlin, Girma Begashaw, Stefania Fabrizio, and Joachim Harnack. 2000.

No. 200. *Pension Reform in the Baltics: Issues and Prospects,* by Jerald Schiff, Niko Hobdari, Axel Schimmelpfennig, and Roman Zytek. 2000.

No. 201. *Developments and Challenges in the Caribbean Region,* by Samuel Iteam, Simon Cueva, Erik Lundback, Janet Stoctsky, and Stephen Tokarick. 2000.

No. 202. *Adopting Inflation Targeting: Practical Issues for Emerging Market Countries,* by Andrea Schaechter, Mark R. Stone, and Mark Zelmer. 2000.

No. 203. *Modern Banking and OTC Derivatives Markets: The Transformation of Global Finance and Its Implications for Systemic Risk,* by Garry Schinasi, R. Sean Craig, Burkhard Drees, and Charles Kramer. 2001.

No. 204. *Monetary Union in West Africa (ECOWAS): Is It Desirable and How Could It Be Achieved?* by Paul Masson and Catherine Pattillo. 2001.

No. 205. *Stabilization and Savings Funds for Nonrenewable Resources,* by Jeffrey M. Davis, Rolando J. Ossowski, James Daniel, and Steven A. Barnett. 2001.

Recent Occasional Papers are available for $20 each, with a price of $17.50 each to full-time university faculty members and students.

World Economic and Financial Surveys

*World Economic Outlook**
A Survey by the Staff of the International Monetary Fund.
Twice a year (May and October) (Arabic, English, French, and Spanish).
$42; $35 to full-time university faculty members and students.

World Economic Outlook: Supporting Studies
$25; $20 to full-time university faculty members and students.

*International Capital Markets: Developments, Prospects, and Key Policy Issues**
By a staff team led by Donald J. Mathieson and Garry J. Schinasi.
$42; $35 to full-time university faculty members and students.

Books and Seminar Volumes

*A Better World for All: Progress Toward the International Development Goals**
Prepared by the staff of the IMF, World Bank, OECD, and IDB.
(French, English, and Spanish).
Free.

A Decade of Transition: Achievements and Challenges
Edited by Oleh Havrylyshyn and Saleh M. Nsouli. $26

East Timor: Establishing the Foundations of Sound Macroeconomic Management
Edited by Luis M. Valdivieso, Toshihide Endo, Luis V. Mendonça, Shamsuddin Tareq, and Alejandro López-Mejía. $18

External Debt and Capital Flight in Sub-Saharan Africa
S. Ibi Ajayi and Mohsin S. Khan. $26

Historical Dictionary of the International Monetary Fund
Norman K. Humphreys. $60

India at the Crossroads: Sustaining Growth and Reducing Poverty
Edited by Tim Callen, Patricia Reynolds, and Christopher Towe. $27

Inflation Targeting in Practice: Strategic and Operational Issues and Application to Emerging Market Economies
Edited by Mario I. Blejer, Alain Ize, Alfredo M. Leone, and Sergio Werlang. $24.50

Inflation Targeting in Transition Economies: The Case of the Czech Republic. Edited by Warren Coats. Free.

Kosovo: Macroeconomic Issues and Fiscal Sustainability
Edited by Robert J. Corker, Dawn E. Rehm, and Kristina Kostial. $18

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

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

PRESS COMMUNIQUÉS

Second Meeting, Prague, Czech Republic, September 24, 2000

1. The International Monetary and Financial Committee (IMFC) held its second meeting in Prague on September 24, 2000, under the Chairmanship of Mr. Gordon Brown, Chancellor of the Exchequer of the United Kingdom. It welcomes Mr. Horst Köhler as the new Managing Director and looks forward to working with him on the continuing reform of the Fund and the strengthening of the international financial architecture.

World Economic Outlook

2. The Committee welcomes the strengthening of global economic growth this year to the highest rate in 12 years. Economies in all major regions of the world have grown, and inflation remains generally under control.

3. While the overall outlook is positive, the Committee remains mindful of the significant remaining risks associated with the continuing economic and financial imbalances in the global economy. These potential challenges include imbalances in external accounts and the possible risk from misalignments in exchange rates and high levels of equity valuations in the major currency areas. The Committee considers that it will therefore be important to remain vigilant against inflationary pressures in the United States, and that national savings should increase; to pursue policies in Japan that are strongly supportive of self-sustained domestic demand-led recovery; and to intensify the momentum of growth-supporting structural reforms in the European Union and in other advanced countries. In almost all developing and emerging market countries, continued progress with structural reforms—in particular through strengthening their financial sectors—is required to strengthen prospects for sustained economic growth. The Committee also expresses concern that, despite the strength of the global recovery, poverty remains unacceptably high, and many poor countries continue to face serious economic problems.

4. The Committee welcomes the gradual improvement in the last year in the terms and conditions of market access for emerging market countries, reflecting the better fundamentals in these markets. However, flows remain below pre-crisis levels, at higher spreads, and continue to show significant volatility, and market access remains extremely limited for some emerging markets.

5. The Committee is concerned that current oil prices, if sustained, could hamper global growth, add to inflationary pressures, and adversely affect prospects for many countries. It notes in particular the effect on the poorest countries and those highly dependent on oil imports. The Committee agrees on the desirability of stability in oil markets around reasonable long-term prices. It notes the recent U.S. decision to mobilize reserves and notes that some other industrial countries may be in a position to examine the possibility of doing so to help achieve greater stability. The Committee welcomes the steps the oil-producing countries have taken this year to increase production and calls on them to take further steps to create conditions in oil markets conducive to healthy global growth. The Committee looks forward to improved dialogue between oil producers and consumers to promote greater oil market stability.

6. The Committee notes that, in the ten years since the launch of the transition to market economies in eastern Europe and the former Soviet Union, much has been achieved. But the process has been difficult and remains far from complete, and progress has varied across countries. The Committee underlines that a key lesson from this experience is that transition economies that have made the greatest progress in establishing macroeconomic stability and implementing structural and institutional reforms have also achieved the best economic performance.

The Future Role of the IMF

7. The Committee strongly supports the objective of making globalization work for the benefit of all. In this respect, it endorses the Managing Director's vision of the future role of the IMF, and looks forward to working with him on continuing reform of the Fund and strengthening the international architecture. While each country's own actions will inevitably be the most important determinant of its economic progress, all members of the international community have essential roles in supporting and facilitating these individual efforts. The international community must place renewed emphasis on promoting broadly shared prosperity, sustained growth, and poverty reduction. With its broad mandate and universal membership, the Fund, in partnership with the World Bank,

is uniquely placed to serve its members, including the poorest countries, by contributing to this global effort.

8. The Committee notes the advances in applying the lessons of recent financial crises to the work of the IMF and the policies of its members. Many concrete steps have been taken or are under way to improve the functioning of the international financial system, and to strengthen its capacity for preventing and managing financial crises. As a result, the international community has made progress toward dealing with difficult situations and managing their external repercussions.

9. But continued efforts for change will be necessary. The Committee calls upon the IMF, in particular, and the international community, as a whole, to continue to strengthen their efforts to reduce vulnerability and to avoid crises, and when crises do occur, to reduce their spillover effects. These efforts will need to focus on:

- broadening and strengthening the Fund's surveillance of the domestic economic policies of all members and of the international financial system, including regional dimensions;
- continued promotion, development, and voluntary implementation, in a fully participatory way, of internationally agreed codes and standards, in cooperation with other bodies, as appropriate, supported by enhanced technical assistance; and
- constructive engagement of the private sector by the official sector.

10. The Committee reiterates that the Fund has a central role to play in bringing together the efforts of other global institutions to strengthen the international financial system in helping to ensure that all countries can benefit from globalization. It agrees that the Fund can best contribute to this global effort and strengthen its overall effectiveness by:

- continuing to deepen its collaboration with other agencies and bodies. In that regard, it welcomes the initiatives of the Managing Director and the President of the World Bank to strengthen cooperation and complementarity between the two institutions;
- promoting, within the context of the Fund's mandate, international financial and macroeconomic stability and growth of member countries, the Fund must sharpen the focus of work in its core areas of responsibility: macroeconomic stabilization and adjustment; monetary, exchange rate, and fiscal policies and their associated institutional and structural aspects; and financial sector issues, especially systemic issues relating to the functioning of domestic and international financial markets.

11. The Committee stresses the importance of national ownership of Fund-supported programs for their sustained implementation. The Committee urges the Executive Board to take forward its review of all aspects of the policy conditionality associated with Fund financing in order to ensure that, while not weakening that conditionality, it focuses on the most essential issues; enhances the effectiveness of Fund-supported programs; and pays due respect to members' specific circumstances and their implementation capacities.

The Poverty Reduction and Growth Facility (PRGF) and the Enhanced Initiative for Heavily Indebted Poor Countries (HIPC)

12. The Committee affirms the Fund's enhanced role in poor countries. It considers that a lasting breakthrough in combating world poverty can only be achieved if the poorest countries are able, with the support of the international community, to build the fundamentals for sustained growth. Macroeconomic stability and structural reform will provide the conditions for private sector investment and growth and will, over time, allow countries to access international capital markets. The Committee also considers that international trade is critical for development and poverty reduction. To help ensure that the fruits of globalization are shared by all, it will be crucial that access of developing countries, particularly the poorest, to industrial country markets continues to improve. Industrial countries should increase their official development assistance. The Committee encourages developing countries, for their part, to follow policies consistent with domestic macroeconomic stability and competitiveness in international markets; continue to reduce trade barriers; and implement other appropriately sequenced outward-oriented reforms that promote poverty-reducing growth, investment in human capital, particularly health and education, and development.

13. The PRGF provides an essential framework, together with complementary assistance from the World Bank, for supporting countries' own growth strategies and for enabling HIPC debt relief to be translated into poverty reduction.

14. The Committee endorses the Progress Reports on the HIPC Initiative and Poverty Reduction Strategy Papers (PRSPs). It welcomes the progress made in developing country-owned poverty reduction strategies, including through the preparation of PRSPs, which now underpin the work of the Fund and World Bank in low-income countries. It also welcomes the progress in implementing the enhanced HIPC Initiative, and the commitment of the Fund and the Bank to do everything possible to bring 20 countries to their Decision Point by the end of 2000 to ensure that debt relief is provided in the context of a strong commitment to growth and poverty reduction. Recent shocks in terms of trade must not jeopardize this objective. The Fund, through its facilities, may need to respond flexibly to the needs of members that arise from a sustained period of high oil prices. Our efforts should be supported by increased technical assistance. The Committee urges members to work together and meet their commitments to full financing of the HIPC Initiative and the PRGF as soon as possible. It also urges all creditors to participate in the HIPC framework, while recognizing the special needs of particular creditors. The Committee looks forward to a productive discussion of the enhanced HIPC Initiative and the PRSP process at its joint meeting with the Development Committee.

Strengthening the International Financial Architecture and Reform of the Fund

Review of Fund Facilities

15. Following the Executive Board's wide-ranging review of the IMF's nonconcessional financial facilities, the Committee welcomes the agreement reached on modifications that are intended to enhance the precautionary nature of the Contingent Credit Line (CCL) and to preserve the revolving nature of the Fund's resources.

- The CCL has been modified, within its existing eligibility criteria, to make it a more effective instrument for preventing crises and resisting contagion for countries pursuing sound policies.

- The terms of stand-by arrangements and the Extended Fund Facility (EFF) have been adapted to encourage countries to avoid reliance on Fund resources for unduly long periods or in unduly large amounts.
- It has been reaffirmed that the EFF should be confined to cases where longer-term financing is clearly required.
- It has been agreed that enhanced post-program monitoring could be useful, especially when credit outstanding exceeds a certain threshold level.

Enhancing Fund Surveillance, and Promoting Stability and Transparency in the Financial Sector

16. The Committee considers that Fund surveillance should be strengthened further and welcomes the recent initiatives in a range of areas. It reaffirms the role of the Article IV process as the appropriate framework within which to organize and discuss with members the results of work in these areas. Strengthened surveillance will help the Fund and its members to identify vulnerabilities and to anticipate threats to the financial stability of member countries. In this respect, it welcomes the continuing efforts to improve the Fund's understanding of its members' economies; the quality and availability of economic and financial data; Financial System Stability Assessments (FSSAs) derived from the joint Fund-World Bank Financial Sector Assessment Program (FSAP); Reports on Observance of Standards and Codes (ROSCs); and vulnerability indicators and early warning systems. It welcomes the joint Bank-Fund work on debt management guidelines, as well as the Fund's work on sound reserves management practices, and its role in assessing offshore financial centers.

17. The Committee recognizes that the Fund has to play its role as part of the international efforts to protect the integrity of the international financial system against abuse, including through its efforts to promote sound financial sectors and good governance. It asks that the Fund explore incorporating work on financial abuse, particularly with respect to international efforts to fight against money laundering, into its various activities, as relevant and appropriate. It calls on the Fund to prepare a joint paper with the World Bank on their respective roles in combating money laundering and financial crime, and in protecting the international financial system, for discussion by their Boards before the Spring meetings and asks them to report to the Spring IMFC/Development Committee meetings on the status of their efforts.

18. The Committee is encouraged by the experience so far in preparing ROSCs and looks forward to the review later this year of the experience with assessing the implementation of standards. It notes their crucial role in helping countries to improve economic policies, identifying priorities for institutional and structural reform, and in promoting the flow of important information to markets. The Committee looks forward to the next review of the FSAP. It encourages members to participate in these initiatives.

19. The Committee notes that three issues at the core of the Fund's mandate also require further consideration: exchange rate arrangements; the sequencing of financial sector development and capital account liberalization; and the monitoring and analysis of developments in international capital markets. The Committee encourages the Fund to deepen its work on international financial markets, including by improving its understanding of market dynamics and cross-border capital flows. It also urges the Fund to continue exploring ways of engaging more constructively the private sector on these matters, and welcomes the formation of the Capital Markets Consultative Group.

20. In the context of ongoing efforts to enhance the transparency and openness of the Fund, the Committee welcomes the Executive Board's agreement to adopt a general policy of voluntary publication of Article IV and use of Fund resources staff reports and other country papers. It encourages members to move in principle toward publication of these documents.

Private Sector Involvement

21. The Committee endorses the report by the Managing Director on the involvement of the private sector in crisis prevention and management. It welcomes the progress on developing a framework for involving private creditors in the resolution of crises. The Committee notes that this approach strikes a balance between the clarity needed to guide market expectations and the operational flexibility, anchored in clear principles, needed to allow the most effective response in each case. The Committee notes that Fund resources are limited and that extraordinary access should be exceptional; further, neither creditors nor debtors should expect to be protected from adverse outcomes by official action.

22. The Committee agrees that the operational framework for private sector involvement must rely as much as possible on market-oriented solutions and voluntary approaches. The approach adopted by the international community should be based on the IMF's assessment of a country's underlying payment capacity and prospects of regaining market access. In some cases, the combination of catalytic official financing and policy adjustment should allow the country to regain full market access quickly. The Committee agrees that reliance on the catalytic approach at high levels of access presumes substantial justification, both in terms of its likely effectiveness and of the risks of alternative approaches. In other cases, emphasis should be placed on encouraging voluntary approaches, as needed, to overcome creditor coordination problems. In yet 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. This includes the possibility that, in certain extreme cases, a temporary payments suspension or standstill may be unavoidable. The Fund should continue to be prepared to provide financial support to a member's adjustment program despite arrears to private creditors, provided the country is seeking to work cooperatively and in good faith with its private creditors and is meeting other program requirements. The Committee urges progress in the application of the framework agreed in April 2000, and in further work to refine the analytical basis for the required judgments, and it looks forward to a progress report by its next meeting.

Good Governance and the Fund

23. The Committee views with concern a number of recent cases of misreporting to the Fund and stresses the importance

of the steps being taken to improve the reliability of the information the Fund uses. It welcomes the application of the new safeguards assessment procedure to all new Fund arrangements, which will provide assurances of adequate control, reporting, and auditing procedures in borrowing countries.

24. The Committee strongly welcomes the Executive Board's decision to establish an independent evaluation office (EVO), including the agreement to publish promptly its work program, and the strong presumption that its reports would be published promptly. The creation of this office will help the Fund to improve its future operations, and will enhance its accountability. It urges that the EVO become operational before the Spring 2001 meeting of the IMFC, and looks forward to receiving regular reports on the EVO's work.

25. Quotas should reflect developments in the international economy. The Committee takes note of the Executive Board discussion of the work of the quota formulae group, and looks forward to the Board's continued work on this issue.

26. The Committee takes note of the work of the Working Group to Review the Process of Selection of the Managing Director, which is being carried out in tandem with similar work in the World Bank on the Process of Selection of the President, and notes that the two groups will report together.

27. The Committee considers that the most valuable asset of the IMF is its outstanding staff, and the Committee highly values the staff's professionalism and dedication in executing the responsibilities of the Fund effectively and efficiently.

28. The Committee expresses its sincere appreciation for the excellent hospitality and support provided by the Czech authorities and the people of the Czech Republic.

Next Meeting of the Committee

29. The next meeting of the IMFC will be held in Washington, D.C., on April 29, 2001.

Annex: International Monetary and Financial Committee Attendance
September 24, 2000

Chairman
Gordon Brown

Managing Director
Horst Köhler

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)
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)
Dai Xianglong, Governor, People's Bank of China
Dato' Shafie Mohd. Salleh, Deputy Minister of Finance, Malaysia
(Alternate for Tun Daim Zainuddin, Minister of Finance, Malaysia)
Rodrigo de Rato Figaredo, Second Vice President and Minister of Economy, Spain
Makhtar Diop, Minister of Economy and Finance, Senegal
(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
Abdelouahab Keramane, Governor, Banque d'Algérie
Mohammed K. Khirbash, Minister of State for Finance and Industry, United Arab Emirates
Aleksei Kudrin, Deputy Chairman of the Government and Minister of Finance, Russian Federation
José Luis Machinea, Minister of Economy, Argentina
Pedro Sampaio Malan, Minister of Finance, Brazil
Paul Martin, Minister of Finance, Canada
Masaru Hayami, Governor, Bank of Japan
(Alternate for Kiichi Miyazawa, Minister of Finance, Japan)
Mrs. Linah K. Mohohlo, Governor, Bank of Botswana
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
Vincenzo Visco, Minister of the Treasury, Budget and Economic Planning, Italy
Gerrit Zalm, Minister of Finance, Netherlands

Observers
Yilmaz Akyuz, Chief, Macro-Economics and Development Policies, United Nations Conference on Trade and Development (UNCTAD)
Andrew D. Crockett, Chairman, Financial Stability Forum (FSF)
Willem F. Duisenberg, President, European Central Bank (ECB)
André Icard, Assistant General Manager, Bank for International Settlements (BIS)
Donald J. Johnston, Secretary-General, Organization for Economic Cooperation and Development (OECD)
Ian Kinniburgh, Director, Development Policy Analysis Division, Department of Economic and Social Affairs, United Nations (UN)
Eddy Lee, Director, International Policy Group, International Labor Organization (ILO)
Michael Moore, Director-General, World Trade Organization (WTO)
Yashwant Sinha, Chairman, Joint Development Committee
Pedro Solbes Mira, Commissioner in charge of Economic and Monetary Affairs, European Commission
James D. Wolfensohn, President, World Bank

Third Meeting, Washington, D.C., April 29, 2001

1. The International Monetary and Financial Committee held its third meeting in Washington, D.C., on April 29, 2001, under the Chairmanship of Mr. Gordon Brown, Chancellor of the Exchequer of the United Kingdom.

The World Economy

2. In the increasingly interconnected global economy, we will continue to promote international economic cooperation and work together, adopting a forward looking approach to meeting our common objective of open trade for greater

global prosperity, maintaining the momentum for reform in the international financial system, strengthening our economies through structural reform, maintaining sound macroeconomic conditions for strong non-inflationary growth, and encouraging poverty reduction and growth in the poorest countries.

3. The Committee agrees that short-term prospects for global growth have weakened significantly since its September 2000 meeting in Prague. The Committee considers it likely that the slowdown in global growth will be short-lived, though it notes that the downside risks have increased. Underlying inflationary pressures generally remain subdued.

4. Against this background, the Committee stresses the need for policymakers in the advanced economies to remain vigilant and forward looking:

- In the United States—which has provided important support for the growth of the world economy in recent years—there has been a marked deceleration of activity. The significant easing of monetary policy in recent months is timely and welcome, and monetary policy should remain directed at restoring growth potential while maintaining price stability. The Committee considers that timely fiscal policy measures would also provide support to economic growth.
- In view of the persistence of slow growth in Japan, the Committee welcomes the recent introduction of a new monetary policy framework, and underscores the importance of the authorities' commitment to an expansionary policy stance until the risk of deflation is eliminated. Given the high level of public debt, the gradual fiscal consolidation currently under way remains appropriate. Prospects for a return to sustained growth depend most critically on determined action to address structural weaknesses, especially in the financial and corporate sectors.
- In this context, growth in the euro area remains relatively well sustained, although a slowing in activity is under way. The Committee agrees that policies should continue to support confidence and strengthen growth potential. Fiscal policy needs to continue to be geared toward fiscal consolidation in the medium term. Tax reforms should contribute to enhanced economic efficiency. The Committee underscores the importance of a further deepening and acceleration of structural reforms, especially in labor and product markets and in strengthening pension systems, for boosting longer-term growth potential.

5. The Committee notes that other countries are being adversely affected by both the slowdown in growth in the advanced economies and the deterioration of conditions in international financial markets. The Committee, however, notes that growth is expected to be relatively well maintained in India and China. The Committee welcomes the steps taken by many emerging market economies in recent years to reduce external and financial sector vulnerabilities, including by adopting sustainable exchange rate regimes and prudent debt and reserve management policies. In view of the present fragility of external financing conditions, the prospects for emerging market economies depend critically on maintaining investor confidence, which, the Committee agrees, will require pursuing prudent macroeconomic policies and pressing ahead with corporate, financial, and institutional reforms. The Committee welcomes the recent comprehensive set of measures being implemented by the Argentine government to improve the underlying fiscal position and provide a strong basis for the sustained recovery of the economy, in line with the objectives of the IMF-supported program that is in place. It considers that these measures are an important and decisive step to boost confidence. The Committee also welcomes the comprehensive strategy of bank restructuring, fiscal consolidation, and structural reform initiated by the Turkish authorities. The Committee considers these policies, together with the provision of the needed external financing by the Fund and the Bank, provide the basis for the reestablishment of financial stability and sustained disinflation with growth, and merit the support of the international community and the private sector. The Committee looks forward to a rigorous implementation of all the necessary measures. The Committee welcomes the additional financing proposed by the Managing Director to support those policies, and looks forward to the forthcoming Executive Board discussions of these topics.

6. The Committee expresses particular concern that the slowdown in global growth risks adversely affecting the Fund's poorest member countries. The Committee stresses that developing countries need to pursue sound and stable policies and to build strong institutions as part of a commitment to poverty reduction and growth, and to create a favorable environment for domestic and foreign investment and private sector activity. The Committee emphasizes that the advanced economies have a special responsibility to assist poor countries' own efforts as they work to achieve the International Development Goals. This includes adequate flows of official development assistance, and carrying forward the HIPC Initiative to deliver sustainable debt levels, as well as more rapidly and decisively opening their markets to developing countries' exports. The Committee welcomes recent market-opening actions, and urges all countries to remove remaining barriers to the exports of the poorest countries. The Committee looks forward to the joint meeting with the Development Committee later today. The Committee welcomes the cooperation of the Fund and Bank on the International Development Goals, addressing the importance of delivering on the commitments made at Dakar on education and the need for global action on health to address diseases such as the HIV/AIDS pandemic.

7. The Committee underscores more broadly the importance of open markets for strengthening the global economy and for enhancing the growth prospects of developing countries. It urges all countries—developed and developing—to find common ground for the launch of new multilateral trade negotiations this year. The Committee is unanimous in its view that recourse to protectionism would be the wrong response to the global economic slowdown and the attendant difficulties in particular sectors. The Committee calls upon all countries to resist protectionist pressures and to reduce or eliminate trade barriers and trade-distorting subsidies. Looking forward, it requests the Fund to pay attention to the effects of trade policy developments and to continue to encourage trade liberalization in the context of all its activities with its members, both developed and developing. The Committee welcomes and encourages greater cooperation between the Fund, the Bank, and the WTO.

The IMF in the Process of Change

A. Progress Report by the Managing Director

8. The Committee welcomes the work program outlined in the Managing Director's progress report. It welcomes the recent moves to refocus the Fund in order to maximize its effectiveness in reducing members' vulnerability to currency or balance of payments crises, and in supporting their policies toward promoting sustainable growth and poverty reduction. It considers that the Fund is appropriately focusing on:

- promoting macroeconomic and financial stability, as a precondition for sustained economic growth;
- promoting the stability and integrity of the international monetary and financial system, as a global public good; and
- helping member countries to develop sound financial sectors in order to protect against vulnerability, to mobilize financing for productive investment, and to take advantage of the opportunities of global financial markets.

9. The Committee endorses the further steps that are being taken to increase complementarity and strengthen cooperation with other organizations, especially the joint work with the World Bank in strengthening financial sectors, fighting poverty, and making progress toward the achievement of the International Development Goals. It stresses the need to maintain and deepen this collaboration and extend it into other areas. The Committee also welcomes the steps under way to align more closely the Fund's technical assistance with its key policy priorities, and to better coordinate this assistance with that of the Bank and other providers.

10. The Committee strongly supports the redoubling of the Fund's efforts to put crisis prevention at the heart of its activities, and especially of its bilateral and multilateral surveillance (as described below). The Committee encourages countries to pursue strong policies and, to minimize contagion, reemphasizes the precautionary nature of the CCL for those purposes. At the same time, it welcomes the steps being taken—including the recent reforms of the Fund's financing facilities—to strengthen the Fund's capacity to respond to financial crises in member countries and to minimize their adverse impact.

11. The Committee notes the recent experience in applying the agreed framework for private sector involvement in crisis prevention and management, which relies as much as possible on voluntary, market-oriented approaches. The Committee welcomes the Executive Board discussion and the consultations with other international institutions, member governments, and the private sector on the possible use of collective action clauses, investor relations programs, corporate workouts, and techniques for bond restructuring. Looking forward, the Committee reaffirms the exceptional character of financing beyond normal access limits, and repeats that reliance on the catalytic approach at high levels of access must presume substantial justification. Within the framework of private sector involvement, there may be cases requiring more concerted approaches, and the Committee asks the Fund to continue its work on articulating the circumstances in which such approaches would be applied and the specific role of the IMF. The implementation of this framework should be subject to a well-defined monitoring and assessment procedure. The Committee also looks forward to progress by the Annual Meetings on practical issues involved in applying the framework, including: an improved basis for assessing debt sustainability; prospects for regaining market access; the risk of contagion; and the comparability of treatment between official and private creditors. The Committee stresses the importance in the future of taking decisions in a way that is consistent with the framework.

B. Strengthening the IMF's Focus on Financial Markets and Crisis Prevention

12. The Committee stresses that strong and effective crisis prevention is a top priority. It welcomes the Managing Director's decision to establish an International Capital Markets Department, as part of the effort to deepen the Fund's understanding of and judgment on international capital market issues; to improve its early warning capabilities; and to strengthen crisis prevention. This will complement the earlier establishment of the Capital Markets Consultative Group as a channel for regular, informal, and constructive dialogue with private sector representatives. The Committee calls on the Fund to make progress with its work on early warning indicators of potential crises in individual countries and in international financial markets, taking full account of the need to avoid instability. The Fund should stand ready to help countries that wish to proceed with an orderly liberalization of their capital accounts.

13. The Committee is pleased to observe continued progress since its last meeting in implementing previous Fund initiatives on crisis prevention and financial sector surveillance. In particular, it notes:

- the agreement by the Executive Board on a list of international standards and codes relevant for the Article IV surveillance process and on the modalities by which staff assessments of members' implementation of these standards and codes will be brought into surveillance and made public, while paying due regard to the voluntary nature of these standards and codes. It agrees that ROSCs should be established as the principal tool for assessing the implementation of standards and codes. It also takes note of the revised version of the *Code of Good Practices on Fiscal Transparency* and the accompanying *Manual on Fiscal Transparency;*
- the recent steps to adapt the Fund's analytical framework to better assess external vulnerability, as well as its development of guidelines for reserves management and, with the World Bank, of guidelines for public debt management;
- the Fund's work with countries to strengthen data underpinning external vulnerability analyses, in particular the wider use of the Fund's Special Data Dissemination Standard (SDDS) and General Data Dissemination System (GDDS), and the expanded coverage of the Coordinated Portfolio Investment Survey to include more instruments and additional jurisdictions, including offshore financial centers;
- the implementation of initiatives on the Fund's transparency policy that has progressed significantly over the last year, including the decision to allow voluntary publication of all country staff reports and other country documents; and
- the progress in strengthening financial sector surveillance both at the national and international levels. The Committee particularly welcomes the progress made in

assessing member countries' financial sectors through the joint Bank-Fund Financial Sector Assessment Program (FSAP), which provides a coherent and comprehensive framework for identifying financial system vulnerabilities, assessing development needs and priorities, and helping to develop appropriate policy responses. The Committee agrees that the Fund's Financial System Stability Assessments (FSSAs), which are derived from the discussion of FSAP findings in the context of the Article IV process, are the preferred instrument for strengthened monitoring of financial systems as part of Fund surveillance. It welcomes the agreement by the Executive Board to permit publication by national authorities of the detailed assessment of observance of standards and codes that are included in FSAP reports and to enable publication of FSSAs on a voluntary basis. The Committee welcomes the extension of the Fund's financial sector work to include voluntary assessments of offshore financial centers.

C. Combating Financial Abuse/Money Laundering

14. The Committee underscores that money laundering is an issue of global concern requiring strengthened policies and concerted action on the part of governments and a range of institutions. Effective anti-money laundering measures at the national level are important for all Fund members, especially those with large financial markets. In this regard, the Committee generally agrees with the recognition of the FATF 40 Recommendations as the appropriate international standard for combating money laundering, and that work should go forward to determine how the Recommendations can be adapted and made operational in the Fund's work. It endorses the proposed closer collaboration by the Fund and the World Bank with the FATF and other anti-money laundering groups in reviewing standards and procedures in this area. In this regard, the Committee notes that, to be consistent with the ROSC process, assessments should be undertaken on a uniform, cooperative, and voluntary basis. Action by the Fund on combating money laundering should aim to promote a more effective regulatory and supervisory environment and thus help prevent financial crime and money laundering. The Fund, in collaboration with the World Bank, should, if requested, also provide more technical assistance in this area to member countries to strengthen their economic, financial, and legal systems.

D. Streamlining Conditionality and Strengthening Ownership

15. The Committee welcomes the ongoing review of Fund conditionality and underscores that conditionality remains indispensable, together with financing, as an integrated response by the Fund to support its members' policy programs. While the expansion of conditionality in the structural area over the past several years reflects in part the critical importance of structural reforms for macroeconomic stability and sustained growth, its increasing scope and detailed nature warrant a review of recent practice. The Committee endorses the principles that Fund conditionality should focus on those measures, including structural, that are critical to a program's macroeconomic objectives. While this principle needs to be interpreted carefully on a case-by-case basis, the Committee notes that it shifts the presumption of coverage from one of comprehensiveness to one of parsimony. Enhanced collaboration and clearer division of labor between the Fund and other international agencies, in particular the World Bank, is an important element of streamlining. The Committee reaffirms that the overarching objective of streamlining is to make conditionality more efficient, effective, and focused, without weakening it, and welcomes the progress being made in this respect. The Committee considers it particularly important that Fund-supported programs take adequate account of national decision-making processes and the administrative capacity to implement reforms, and be founded on strong country ownership. The objective should be to provide maximum scope for countries to make their own policy choices, while ensuring that the Fund's financing supports needed policy adjustments, and while safeguarding the Fund's resources. The Committee notes that greater efforts to help countries strengthen institutional capacity for sustained implementation of structural reforms are an essential complement to this approach. The Committee urges the Executive Board to continue its review of Fund conditionality, in the light of experience and feedback from the broad public consultation now under way on these issues, and including the important question of how to deal with structural issues that are relevant but not critical to the success of macroeconomic objectives. It looks forward to a report on further progress at its next meeting, with a view to drawing firm conclusions on the streamlining of conditionality.

E. Governance

16. The Committee agrees that the Fund should address governance issues that have a significant macroeconomic impact, both through initiatives that apply across the membership and through specific measures to address particular instances of poor governance and corruption. The Committee requests the Executive Board to keep under close review the use of specific remedial measures, which should be applied with careful judgment and flexibility. The Board should also address the two-sided nature of corruption, by following up on the implementation of OECD-led initiatives to combat bribery of foreign public officials, and similar initiatives, in the context of surveillance.

F. Other Issues

17. Quotas should reflect developments in the international economy. The Committee looks forward to further work on this issue.

18. The Committee welcomes ongoing measures to improve transparency, governance, and accountability in the Fund. The Committee particularly welcomes the appointment by the Executive Board of Mr. Montek Singh Ahluwalia as Director of the Fund's Independent Evaluation Office (EVO). Noting that the EVO will become operational in August 2001, the Committee reiterates its expectation that the work of the EVO will help the Fund to improve its future operations and enhance its accountability. It looks forward to receiving regular reports on the EVO's work and hopes that a first report, on the forward work plan, will be available in time for the Committee's next meeting.

19. The Committee notes the joint draft report of the Fund's Working Group to Review the Process of Selection of the Managing Director and the World Bank Working Group to Review the Process of Selection of the President.

20. The Committee takes this opportunity to thank Michael Mussa for his outstanding contribution to the institution. It notes that under his intellectual stewardship, the *World Economic Outlook* has become a flagship product of the Fund.

Next Meeting of the Committee

21. The next meeting of the IMFC will be held in Washington, D.C., on September 30, 2001.

Annex: International Monetary and Financial Committee Attendance
April 29, 2001

Chairman
Gordon Brown

Managing Director
Horst Köhler

Members or Alternates
Ibrahim A. Al-Assaf, Minister of Finance and National Economy, Saudi Arabia
Sir Edward George, Governor, Bank of England
(Alternate for Gordon Brown, Chancellor of the Exchequer, United Kingdom)
Domingo Cavallo, Minister of Economy, Argentina
Peter Costello, Treasurer, Australia
Li Ruogu, Assistant Governor and Director-General, People's Bank of China
(Alternate for Dai Xianglong, Governor, People's Bank of China)
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
Francisco Gil Diaz, Secretary of Finance and Public Credit, Mexico
Abdelouahab Keramane, Governor, Banque d'Algérie
Sultan Nasser Al-Suwaidi, Governor, Central Bank of the United Arab Emirates
(Alternate for Mohammed K. Khirbash, Minister of State for Finance and Industry, United Arab Emirates)
Aleksei Kudrin, Deputy Chairman of the Government and Minister of Finance, Russian Federation
Pedro Sampaio Malan, Minister of Finance, Brazil
Paul Martin, Minister of Finance, Canada
Mrs. Linah K. Mohohlo, Governor, Bank of Botswana
Sauli Niinistö, Minister of Finance, Finland
Paul H. O'Neill, Secretary of the Treasury, United States
Didier Reynders, Minister of Finance, Belgium
Masaru Hayami, Governor, Bank of Japan
(Alternate for Masajuro Shiokawa, Minister of Finance, Japan)
Yashwant Sinha, Minister of Finance, India
Chatu Mongol Sonakul, Governor, Bank of Thailand
Kaspar Villiger, Minister of Finance, Switzerland
Vincenzo Visco, Minister of the Treasury, Budget and Economic Planning, Italy
A.H.E.M. Wellink, President, De Nederlandsche Bank N.V., Netherlands
(Alternate for Gerrit Zalm, Minister of Finance, Netherlands)

Observers
Yilmaz Akyuz, Chief, Macro-Economics and Development Policies Branch, United Nations Conference on Trade and Development (UNCTAD)
Andrew D. Crockett, Chairman, Financial Stability Forum (FSF)
Willem F. Duisenberg, President, European Central Bank (ECB)
Richard Eglin, Director, Trade and Finance Division, World Trade Organization (WTO)
André Icard, Deputy General Manager, Bank for International Settlements (BIS)
Donald J. Johnston, Secretary-General, Organisation for Economic Cooperation and Development (OECD)
Ian Kinniburgh, Director, Development Policy Analysis Division, Department of Economic and Social Affairs, United Nations (UN)
Eddy Lee, Director, International Policy Group, International Labour Organisation (ILO)
Yashwant Sinha, Chairman, Joint Development Committee
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

Sixty-Second Meeting, Prague, Czech Republic, September 25, 2000

1. The 62nd meeting of the Development Committee was held in Prague, Czech Republic, on September 25, 2000, under its new Chairman, Mr. Yashwant Sinha, Finance Minister of India. The Committee expressed its great appreciation to Mr. Tarrin Nimmanahaeminda, Minister of Finance of Thailand, for his valuable leadership and guidance to the Committee as its Chairman during the past two years.[1]

[1]Mr. James Wolfensohn, President of the World Bank; Mr. Horst Köhler, Managing Director of the International Monetary Fund; and Mr. Carlos Saito, Chairman of the Group of Twenty-four, addressed the plenary session. Observers from a number of international and regional organizations also attended.

2. The Ministers' discussions took place against the background of continuing public debate about the benefits and risks of globalization. Ministers stressed that the more integrated global economy and technological gains brought about by globalization should be a great source for economic and social progress, equity, and stability, but that these results are not inevitable. Ministers recognized their important responsibility to help ensure that globalization works for the benefit of all, and not just the few, and reemphasized their commitment to strengthening the Bank, the Fund, and other multilateral institutions as valuable allies in this effort whose ultimate objective is global poverty reduction, in particular halving the proportion in extreme poverty by the year 2015.

3. **Poverty Reduction and Global Public Goods:** In considering the role the Bank might play in global public goods in areas within its mandate, Ministers noted four key criteria for Bank involvement: clear value-added to the Bank's development objectives; Bank action is needed to catalyze other resources and partnerships; a significant comparative advantage for the Bank; and an emerging international consensus that global action is required. They endorsed four areas for Bank involvement, in cooperation with relevant international organizations: facilitating international movement of goods, services, and factors of production; fostering broad inclusion in the benefits of globalization and mitigating major economic and social problems, such as the transmission of disease and the consequences of conflict; preserving and protecting the environment; and creating and sharing knowledge relevant to development.

4. Ministers warmly endorsed the greatly expanded efforts being made by the Bank, the United Nations, and other international, national, and private partners, to combat communicable diseases, such as HIV/AIDS, malaria, and tuberculosis. Ministers noted the progress made since the April meeting of the Committee, and were encouraged that the international consensus that AIDS and other widespread diseases created severe development problems was being turned into strengthened action. They also welcomed the commitment of International Development Association (IDA) donors to expand and make more flexible the concessional resources available for these activities, without compromising fundamental IDA allocation policies. They encouraged the Bank to press further ahead on its commitment to help turn back the global HIV/AIDS epidemic, and welcomed the recently approved $500 million IDA program for this purpose in Africa.

5. Ministers noted the Bank's valuable role, in partnership with the Fund and other international agencies, in strengthening international financial architecture. This includes helping to develop appropriate standards and codes, taking account of the developing country perspective, in areas that are important to financial resilience and integration into the global financial system, and assisting countries to strengthen their related institutions and policies. Ministers also pointed to the importance for all nations of increased national and international efforts to combat cross-border financial abuse, such as money-laundering and other forms of abuse. They urged the Bank to expand its program of technical and advisory support as a significant contribution to greater participation by developing countries in a more open and equitable world trading system. They reiterated both the promise and the challenge of communications technology to promote equitable growth, and welcomed initiatives by the Bank to help provide greater access, in partnership with others, for poor countries and communities to the knowledge and information opportunities of the digital age.

6. Ministers recognized the need to explore further opportunities for securing appropriate financing for carefully selected priority global and regional programs with substantial impact on poverty reduction. This would require innovative use of World Bank lending and, in some cases, grant facilities, taking into account alternative sources of such funds and financial implications for the Bank, as well as of new forms of collaboration with international, bilateral, philanthropic, and private partners. They stressed that global public goods investments that benefited all countries should attract new resources.

7. The Committee looked forward to receiving at its next meeting a report on progress made in further delineating priority global public goods investment areas for the Bank, as well as on division of labor between development partners and the development of appropriate financing arrangements.

8. **Bank Support for Country Development:** Recognizing that working with individual countries remains the backbone of the Bank's business, Ministers welcomed this initial opportunity for a broad review of the World Bank Group's role and instruments in support of member countries' development, taking into account the role of the IMF and other institutions.

9. Ministers emphasized that the Bank must tailor its support to reflect widely differing country situations. To help ensure that country programs are well grounded, Ministers urged the Bank to continue to strengthen its country diagnostic and other economic and sector work. They stressed the need to focus on relevance to the country concerned, and on opportunities for greater synergy with the work of the country and other development partners. Ministers noted that this analytic work, along with capacity building, took on added importance in light of the use of programmatic adjustment lending in support of borrowers' social and structural reforms, and the vision for Bank and Fund roles and partnership set out in the September 5, 2000, Joint Statement by the President and the Managing Director.

10. Ministers emphasized the urgent need for the World Bank Group to clarify its agenda for institutional selectivity (based in part on its upcoming review of sector strategy papers), to manage carefully total demands made on Bank staff and other resources, and to work closely and systematically with other multilateral development banks and international organizations on a better coordination of responsibilities. Ministers stressed that multilateral and bilateral donors could contribute greatly to country ownership, more efficient use of resources, and achievement of the agreed International Development Goals, by making greater progress on the harmonization of their operational policies and procedures to reduce the burden on developing countries. Ministers asked the Bank to work closely with its partners and prepare a report for the Committee's next meeting on progress with harmonization.

11. Ministers welcomed the Bank's overall approach for low-income countries and its proposals for achieving greater coherence among various program documents and instruments, including basing Country Assistance Strategies on Poverty Reduction Strategy Papers. Ministers welcomed the discussion of a poverty reduction support credit that would

support poverty reduction strategies of governments and complement the Fund's poverty reduction and growth facility. They suggested that in its further definition of the instrument, the Bank should also address the nature of the analytic work needed to underpin it, such as public expenditure reviews and poverty and fiduciary assessments. They also requested the Bank and the Fund to review the modalities for their cooperation in implementing both the Bank's support credit and the Fund's growth facility. Ministers stressed the importance of effective Bank/Fund coordination given the significant role the institutions play in support of poverty reduction in low-income countries.

12. Ministers reaffirmed the very important continuing role of the Bank Group in helping to reduce poverty in middle-income countries, home to so many of the world's poor. They stressed that the Group's focus must be on providing support that the private sector cannot or will not provide and on fostering private-sector-led economic growth. They welcomed the creation of a task force to address how the Group can best respond to the evolving development needs of this diverse group of economies. Ministers agreed that the task force should consider, *inter alia*, the modalities of conditionality and instruments to maximize the effectiveness of Bank assistance for countries at different stages of development and reform; the scope and conditions for providing borrowers more financial support for social and structural programs at times of market dislocation; the coverage of economic and sector work; and the costs of doing business with the Bank, including the implications for pricing of Bank products. Ministers looked forward to a progress report at their next meeting.

13. Heavily Indebted Poor Countries Initiative (HIPC): Ministers welcomed the progress achieved in implementing the Initiative and urged that all appropriate steps be taken to further strengthen the process. They noted that the enhancements endorsed at their meeting last year are resulting in "deeper, broader, and faster" debt relief to eligible countries undertaking the economic and social reforms needed to reduce poverty. They noted in particular that to date, ten countries have reached their decision point under the enhanced framework, and work is being accelerated within that framework to try to reach the goal of bringing 20 countries to this point by the end of the year. This is expected to result in combined debt service relief (including original and enhanced HIPC assistance) amounting to well over $30 billion. Taken together with traditional debt relief mechanisms, a total of about $50 billion will be provided to these countries.

14. Ministers also welcomed the increased efforts to improve implementation of the Initiative. They asked that the Bank and the Fund continue to work with other creditors and eligible countries to ensure that the modifications to the original HIPC framework (reflected in the enhanced Initiative endorsed a year ago), such as the provision of interim assistance beginning at the decision point and adoption of a floating completion point, provide the much needed support to qualifying countries on a timely basis. Ministers expressed support for the strengthened partnership between the two institutions in implementing the Initiative, and for their commitment to move forward as expeditiously as possible. It was recognized, however, that the pace of implementation would also be determined by country factors. Ministers supported maintaining a flexible approach with respect to track record requirements. They endorsed the extension of the "sunset clause" until end-2002 to allow additional countries, particularly those emerging from conflict, to participate in the Initiative. Ministers also reiterated that within the existing HIPC framework the option exists, at the completion point, to reconsider the amount of debt relief for countries seriously affected by exceptional adverse shocks.

15. Ministers stressed the importance of fully financing the enhanced HIPC Initiative, without compromising concessional facilities such as IDA. They urged all donors to meet their commitments of financial support, and welcomed the arrangements in place to accomplish this objective. While recognizing the special needs of particular developing and low-income transition country creditors, Ministers also urged all creditors to participate in the debt relief framework.

16. Poverty Reduction Strategy Papers: Ministers reviewed progress with respect to the Poverty Reduction Strategy approach, endorsed at their September 1999 meeting as a way to strengthen the link between poverty reduction, HIPC debt relief, and Bank and Fund concessional lending. They noted the growing momentum in the adoption of the approach and the positive response to it on the part of countries and development partners. Ministers recognized the challenges countries faced due, *inter alia,* to limited data and institutional capacity, but urged movement from interim to full poverty reduction strategy papers on a timely basis. While strongly reiterating the core principle of country ownership, Ministers called on the Bank, the Fund, and other agencies to provide appropriate technical support for countries' strategy preparation efforts.

17. Comprehensive Development Framework: Ministers expressed support for the comprehensive approach to development reflected in the framework and welcomed the progress being made, and the lessons learned, in implementing it in pilot countries. They recognized that implementation is still at an early stage and many country-specific challenges remain, but noted that a wider application of the framework is already taking place in the preparation of Poverty Reduction Strategy Papers that are based on the framework's principles, particularly that of achieving strong country ownership. They looked forward to reports of further progress in implementing the comprehensive development framework.

18. IBRD Financial Capacity: Ministers reviewed the World Bank's updated report on this subject and confirmed that the Bank's finances remained sound. At the same time, Ministers recognized that the Bank's financial capacity may, in the case of significantly increased demand, limit its ability to respond. Ministers requested management and the Executive Board to keep this subject under review, including the level of Bank reserves.

19. Bank/Fund Staff: Ministers took this opportunity to express, on behalf of all member governments, their appreciation to Fund and Bank staff for their continued hard work and high level of dedicated service for the goals of the Bretton Woods Institutions.

20. Note of Appreciation: Ministers expressed their deep gratitude for the warm hospitality and support provided by the Czech authorities and the people of the Czech Republic.

21. Next Meeting: The Committee's next meeting is scheduled for April 30, 2001, in Washington, D.C.

Sixty-Third Meeting, Washington, D.C., April 30, 2001

1. The 63rd meeting of the Development Committee was held in Washington, D.C., on April 30, 2001, under the chairmanship of Mr. Yashwant Sinha, Minister of Finance of India. The Committee also met on April 29, 2001, in joint session with the International Monetary and Financial Committee to focus on strengthened cooperation to foster growth and fight poverty in the world's poorest countries.[2]

2. Strengthening the World Bank Group's Support for Middle-Income Countries: Ministers broadly welcomed the proposals put forward by the Bank following the work of the World Bank Group Task Force on Middle-Income Countries. They noted that combating poverty in this group of countries was essential for meeting the International Development Goals, and reemphasized the Bank Group's important role in supporting these countries' growth and poverty reduction efforts. The Committee noted that good policies, and the institutions to implement them, were at the core of successful development programs, and welcomed that an increasing number of countries were adopting this approach; that external resources were most effective when supporting such policies and institutions; and that even countries with access to international financial markets may benefit from Bank financial support since their access is often limited, volatile, and restricted to short maturities. Ministers recognized that such volatility can lead to disruptions and cause substantial adverse effects on poverty levels. Ministers stressed that since in most cases the Bank Group's share of a country's overall external financing is small, its role must be selective and strategic—as a catalyst for policy and institutional change, including capacity building as well as pro-poor policies, for stable and sustainable private investment flows, and for policy and financial support from development partners in promoting sustainable and equitable growth and poverty reduction.

3. Following on their discussion of this topic at the Committee's previous meeting, Ministers reiterated the need to tailor Bank Group support to the widely differing circumstances found among this diverse set of countries. The Committee stressed that to ensure country ownership, this support must be grounded in the country's own vision of development. This should serve as the starting point for the Bank Group Country Assistance Strategy (CAS), backed by strong diagnostic and other economic and sector work. The Bank should systematize and strengthen its analysis of the country situation, including through expanding, in concert with its partners, support for local capacity building. Ministers noted the particular importance of stronger analysis on structural, social, and sectoral issues and priorities, as well as on public expenditure, procurement, and financial management systems.

4. Ministers noted the importance of a menu of lending instruments, reflecting borrowers' different needs, objectives, and track records and Bank Group comparative advantage. They stressed that lending must be based on country commitment to poverty reduction. The Committee reemphasized the continued importance of Bank investment lending, set within a sound CAS framework, as a powerful vehicle for transferring knowledge, testing and demonstrating new approaches, building government capacity, and supporting the provision of needed social services and infrastructure. Ministers welcomed the improving quality and developmental focus of adjustment lending. They stressed that its envisaged more systematic use must be matched by commitment to policy and institutional reforms or a proven track record. It must also be underpinned by adequate country policies and fiduciary systems and, where needed, action to strengthen them. In this regard they stressed the importance of strong capacity for managing and accounting for public expenditures. They called for a more transparent and systematic approach to the monitoring and forecasting of the mix of overall IBRD lending—as between investment and adjustment lending—to complement the CAS process. They also discussed the proposed deferred drawdown option and its potential value for a group of reforming countries that is likely to be small in number, and encouraged the Bank to complete the work needed to finalize the proposal for consideration by Executive Directors.

5. Ministers urged the Bank to translate its proposals into specific actions for strengthening the Group's analytic and financial support for middle-income countries. They emphasized that the Bank must be highly selective in what it does, drawing increasingly on analyses by other development partners and by the countries themselves, and looking to development partners to take the lead in supporting reforms in particular sectors where they have a comparative advantage. They attached particular importance to the Bank and Fund using these proposals as an element in enhanced cooperation at the country level.

6. Harmonization of Operational Policies and Procedures: Ministers stressed the importance of harmonizing operational policies and procedures by the Bank, other MDBs and bilateral aid donors, with the objective of enhancing development effectiveness, increasing efficiency, and reducing administrative burdens and costs on recipient governments. The Committee stressed the need to move more rapidly, while maintaining appropriate standards, to harmonize aid management arrangements, in particular to help low-income countries implement their PRSPs. Ministers noted that harmonization in individual country programs provides a pragmatic approach that can lead to early action, and encouraged all development partners to rely increasingly on the borrower government's own planning and budgetary processes, helping to strengthen these systems and processes where needed. Ministers urged them to work with developing countries to develop common good-practice approaches for procurement, financial management, and environmental assessments. They stressed that such approaches would provide a good basis for fostering capacity-building by guiding action plans designed to help countries address country priorities. They encouraged the World Bank and its partners—including other MDBs and the OECD/DAC Working Group on Harmonization—to work together to develop an overall framework (including time-bound action plans) to help guide and coordinate future work in this area. The Committee looked forward to receiving a report from the Bank on progress against an action plan of specific changes to its own procedures to facilitate harmonization.

[2]Mr. James Wolfensohn, President of the World Bank; Mr. Horst Köhler, Managing Director of the International Monetary Fund; and Mr. Joseph O. Sanusi, Chairman of the Group of Twenty-four, addressed the plenary session. Observers from a number of international and regional organizations also attended.

7. Global Public Goods: The Committee welcomed the Bank's progress in supporting global public goods in the areas endorsed by the Committee at its last meeting—i.e., communicable disease, trade integration, financial stability, knowledge and environmental commons. The Committee welcomed the Bank's commitment to anchor its global public goods activities in its core business and country work, to remain selective and focused in each of these areas, to consolidate its cooperation and division of labor with other international partners, and to carry out further analytical work with its development partners on the financing arrangements and governance required for support of global public goods, including cautiously exploring a possible role for IDA grants.

8. Leveraging Trade for Development—World Bank Role: Ministers reemphasized the critical importance of trade for economic growth and poverty reduction and the important role the Bank, in collaboration with its partners, can play in helping developing countries to increase their ability to access global markets. In this context, they welcomed recent initiatives taken by a number of countries. The Committee broadly endorsed the global, regional, and national level work program set forth in the Bank's paper prepared for this meeting, including, most importantly, expanded activities at the country level that would increasingly be highlighted in the Bank Country Assistance Strategies. This would include support for countries to address trade issues in their PRSPs. The Committee agreed on the particular significance of focusing on "behind the border" issues—such as investment regulations, obstacles to efficient transport of goods and materials, standards and technical regulations, telecommunications, and business services—to ensure that countries are able to take full advantage of the opportunities presented by globalization. In response to the need to increase the capacity of the poorest nations to participate more effectively in the international trading system, the Committee urged the Bank to work together with its partners to achieve maximum benefits from the recently strengthened Integrated Framework for Trade Related Assistance for the Least Developed Countries. In this context the Committee welcomed efforts to untie aid, including the recent *ad referendum* decision by OECD donors to untie their aid to the Least Developed Countries.

9. HIV/AIDS: Ministers welcomed the rapid growth of global attention to HIV/AIDS in the year since the Committee had described the epidemic as a grave threat to development progress in many areas of the world, especially in Africa. They noted with great concern, however, the still unchecked spread of HIV/AIDS, the growing evidence of its devastating toll, and the continuing need for greater government leadership. Ministers urged that the new commitment reflected by many leaders of developing and developed countries be converted quickly into coordinated and focused international action for prevention, education and comprehensive care, including broader access to treatment. The Committee urged that the epidemic be addressed on a multi-sector basis, including a focus on HIV/AIDS in development policies and assistance to governments in health and other sectors. In particular, Ministers suggested that World Bank Country Assistance Strategies analyze the impact of HIV/AIDS and indicate appropriate responses, working with partners in the context of each country's national HIV/AIDS strategy. The Committee expressed its appreciation for the actions taken thus far by the Bank to implement the strategy that Ministers had reviewed a year ago, and encouraged the Bank to work with its partners to continue expanding efforts in all geographic regions. The Committee also urged the Bank and the United Nations to play an active role as facilitators of the improved links between the pharmaceutical industry and developing countries in support of AIDS-related programs. The Committee also recognized the need for a substantial increase in global resources for HIV/AIDS-related analysis, research, and action programs; a portion of such increased funding might be channeled through a possible new multilateral trust fund for AIDS, malaria, and TB. The Committee also called on participants in the June 2001 UN General Assembly Special Session on HIV/AIDS to make concrete commitments that would produce a rapid intensification of global action on HIV/AIDS.

10. International Financial Architecture: Ministers welcomed the continuing contributions of the Bank and the Fund, in partnership with other groups, in strengthening the international financial architecture and helping countries build the capacity required to participate in, and benefit from, the global financial system. The joint Bank-Fund Financial Sector Assessment Program and Bank-Fund collaboration on the Reports on Observance of Standards and Codes have established a valuable framework for helping countries strengthen their financial and economic systems. The Committee welcomed the Bank-Fund Guidelines for Public Debt Management, which would help governments build capacity to manage their debt, thereby reducing vulnerability to potential financial instability. Ministers also welcomed the Principles and Guidelines for Effective Insolvency and Creditor Rights Systems and encouraged their further development based on close consultation with borrowing countries, additional comments received, continuing work with partner institutions, and experimentation with country assessments.

11. Ministers agreed that money laundering is an issue of global concern, affecting both large and small economies. The Committee generally agreed with the recognition of the FATF 40 recommendations as the appropriate standard for combating money laundering, and that work should go forward to determine how the Recommendations could be adapted and made operational in the work of the Fund and the Bank. In this regard, the Committee noted that, to be consistent with the ROSC process, assessments should be undertaken on a uniform, cooperative, and voluntary basis. The Committee urged closer collaboration by the Fund and the World Bank with the FATF and other anti-money laundering groups in reviewing standards and procedures in this area. Ministers also noted that the Bank and the Fund are already making valuable contributions through their ongoing programs to help countries strengthen their economic, financial and legal systems. They agreed that the primary responsibility for actions against money laundering rests with the countries themselves and with specialized institutions that have a mandate and expertise in this area. The Committee observed that the main focus of the Bank, consistent with its development mandate and comparative strengths, would be on enhanced support for capacity building and to help countries identify and put in place the policy and institutional foundations needed to reduce the risks of financial abuse.

12. Next Meeting: The Committee's next meeting is scheduled for October 1, 2001, in Washington, D.C. Ministers considered it might be timely at this meeting to discuss issues arising in connection with the U.N. Financing for Development event scheduled for early 2002, based in part on a continued exchange of views between their representatives at the United Nations and the Bank and the Fund. Ministers also agreed to consider, at a future meeting, the subject of education, including implementation of the Dakar commitments on Education for All.

International Monetary and Financial Committee and the Development Committee

PRESS COMMUNIQUÉS

Joint Session—Prague, Czech Republic, September 24, 2000

1. Ministers of the Development Committee and the International Monetary and Financial Committee met jointly on September 24, 2000, to review progress on the enhanced Initiative for the Heavily Indebted Poor Countries (HIPC) and the Poverty Reduction Strategy Paper (PRSP) process. The joint meeting symbolizes the close cooperation and high political commitment of all countries and institutions to achieving a virtuous circle of debt relief, poverty reduction, and economic growth for the poorest countries of the world.

2. Ministers believed that solid foundations have been laid for further progress in turning last year's blueprints into this year's reality. They agreed that since last year good momentum has developed in both the HIPC and PRSP programs and that real progress has been made toward broader, deeper, and faster debt relief.

3. Ministers noted that ten countries have already reached their decision points under the enhanced HIPC Initiative and have begun to receive relief. They welcomed the determination of the President of the World Bank and the Managing Director of the Fund to do everything possible to bring 20 countries to their decision points by the end of 2000. This is expected to result in combined debt service relief (including original and enhanced HIPC assistance) amounting to well over $30 billion. Taken together with traditional debt relief mechanisms, a total of about $50 billion will be provided to these countries. They noted that interim assistance beginning at the decision point had accelerated the provision of relief, and that the incorporation of the floating completion point offers qualifying countries the opportunity to reduce significantly the period between decision and completion point. In addition, Ministers reaffirmed the objective of the enhanced HIPC Initiative to deliver debt sustainability and noted that, within the existing HIPC framework, the option exists at the completion point to reconsider the amount of debt relief for countries seriously affected by exceptional adverse shocks.

4. While it was recognized that implementation would ultimately be determined by country-specific factors, Ministers welcomed recent steps to accelerate progress. These include, in particular, closer working partnership between the Bank and Fund through active work of the Joint Implementation Committee (JIC); flexibility in assessing countries' track records, which should help to bring forward countries originally expected next year; and greater focus on key reforms to accelerate growth and poverty reduction. Consistent with the goal of broadening the initiative, Ministers supported the extension of the sunset clause for two more years to allow countries, particularly those emerging from conflict, time to enter the process. Ministers looked forward to consideration of Bank and Fund postconflict work at the time of the Spring Meetings.

5. Ministers reiterated the importance of fully financing the enhanced HIPC Initiative, and urged all donors and creditors to meet their commitments of financial support.

6. Ministers recalled that a central component of the enhanced HIPC initiative is the strengthened link between debt relief and poverty reduction, to be made operational through country-owned PRSPs. They were encouraged that as many as 13 countries had already completed Interim PRSPs, and that two had already completed full PRSPs. They also noted that countries and their development partners had responded positively to both the promise and the challenge of the PRSP process, and were moving purposefully to put poverty at the center of nationally owned strategies. While reaffirming the principle of country ownership, Ministers urged all development partners to increase their efforts to provide additional technical assistance to support countries' preparation of PRSPs, which should provide the context for IMF and IDA concessional assistance as well as that of donors and other multilateral institutions. In this context they welcomed the Bank's proposal to develop a Poverty Reduction Support Credit and the key changes in the Fund's Poverty Reduction and Growth Facility—for example, the enhanced link to PRSPs, ensuring appropriate flexibility in fiscal targets and making budgets more pro-poor and pro-growth.

7. Ministers emphasized that the early progress achieved with the enhanced HIPC Initiative and PRSPs needed to be supported by a sustained global effort from eligible countries, development partners, bilateral donors, multilateral agencies, and international civil society in order to make best use of these new opportunities.

Joint Session—Washington, D.C., April 29, 2001

1. The Members of the Development Committee and the International Monetary and Financial Committee (IMFC) met jointly on April 29, 2001, to review ongoing efforts by the World Bank and the International Monetary Fund (IMF) to strengthen growth and fight poverty. We renew our commitment to address these issues and to assist countries in their efforts to achieve the International Development Goals. This special meeting symbolizes our full support for the strengthened cooperation between the Bank and the IMF, which is reflected as well by many other items on the separate agendas of the IMFC and Development Committee. In this meeting we focused our attention on progress in strengthening this partnership in fighting poverty and strengthening growth in the world's poorest countries.

2. Many of the issues we discussed apply with special force to the problems of Africa. Following the joint visit to the region by the heads of our two institutions last February, they reported on the strong commitment among African leaders to make changes that will allow the continent to attack the roots of poverty and to improve the lives of their people on a lasting basis. The African leaders stressed the importance of tackling major problems that are addressed in our Committees' agendas: conflict and weak governance; building a strong human resource base, including education and the attack on HIV/AIDS and other communicable diseases; and the need to position Africa to benefit from globalization. We recognize that strong action by African leaders to face their own responsibilities needs to be complemented by strong support from the international community to achieve the international development goals and we are prepared to work to provide that support.

3. A great deal of progress has been made since the Prague Annual Meetings to implement the Poverty Reduction Strategy Paper (PRSP) approach and the enhanced Heavily Indebted Poor Countries (HIPC) Initiative. We are encouraged by the seriousness of purpose and ownership with which countries have engaged in the process and by the willingness of development partners to support the approach. While we are also encouraged by the prospect that many countries will complete their first full PRSP in 2001, we urge the Bank and the Fund, other multilateral institutions and bilateral donors, to help these countries to fully develop, implement and monitor their poverty reduction strategies. We appreciate that the process will evolve in light of experience, and that success can only be measured in terms of poverty reduction achieved over time.

4. We welcome the substantial progress made in implementing the enhanced HIPC Initiative, with 22 countries having reached their decision points. This is expected to result in debt service relief (including original and enhanced HIPC assistance) amounting to $34 billion. Taken together with traditional debt relief mechanisms and additional bilateral debt forgiveness, a total of $53 billion will be provided to these countries. The combined debt relief is expected to reduce the external indebtedness of these countries by almost two-thirds (in NPV terms), bringing it to levels below the average for all developing countries. These countries have started to receive cash-flow debt relief, helping them to increase expenditures for poverty reduction. We encourage these HIPCs to continue their efforts to reach their completion points and, for those countries that have not yet qualified for assistance, to undertake the policies required to reach their decision points and begin to benefit from HIPC relief. We emphasized the importance for countries to demonstrate strong commitment to reform programs and reaffirmed the possibility, on a case by case basis, for flexibility on track record requirements where such conditions are in place. While recognizing the special needs of particular developing and low-income transition country creditors, we also urge that all donors and creditors participate in HIPC relief and meet their commitments of financial support.

5. Putting effective public expenditure management systems in place is a major objective to ensure that budgetary savings from HIPC relief, as well as from domestic resources and external assistance, are used effectively for poverty-reduction purposes. We support the ongoing efforts by the Bank, the IMF and donors to help countries strengthen these systems and see Poverty Reduction and Growth Facility (PRGF) reviews and PRSP progress reports as opportunities to report on country-specific progress. We urge countries preparing PRSPs to increase their efforts to improve expenditure management and monitoring; we encourage donors and creditors to support these efforts and to increasingly harmonize their delivery of aid in ways that strengthen countries' planning and budgetary systems.

6. We are encouraged that the World Bank is developing improved methods to help countries assess the social impact of policies, as well as its own policy recommendations, and that the IMF will contribute to this exercise in its areas of expertise and draw on and integrate the social impact analyses of others into its macroeconomic policy advice. We urge the Bank and the Fund to implement these steps at the country level as soon as possible. We welcome ongoing efforts by the Bank and Fund to streamline, focus, and prioritize conditionality on the basis of country-owned strategies to promote poverty reduction and growth. We also welcome the work under way to distinguish the relative roles of the IMF's PRGF and the Bank's Poverty Reduction Support Credit (PRSC).

7. We reiterate our commitment to the enhanced HIPC Initiative as a means for achieving a lasting exit from unsustainable debt for eligible countries. The enhanced HIPC framework recognized the ongoing vulnerabilities of HIPCs and thus set the amount of debt relief at the Decision Point at a significantly deeper level than under the original framework. This is further supported by a number of bilateral creditors having agreed to one hundred percent ODA debt reduction. We stressed that debt management needs to be strengthened. We agreed that at the completion point there should be a thorough analysis and discussion of the prospects for long-term debt sustainability. More broadly, we agreed on the importance of regular monitoring by HIPCs of their debt situation, with the support of the Bank and IMF, including beyond the completion point. In exceptional circumstances, when exogenous factors cause fundamental changes in a country's circumstances, we reaffirm that within the HIPC framework the option exists, at the completion point, to consider additional debt relief.

8. Debt sustainability can only be achieved and maintained if the underlying causes of the debt problem are addressed. As with the broader fight against poverty, this requires a two-pillar strategy. First, poor countries must take charge of their own future and create opportunities for equitable and sustainable growth and poverty reduction by improving their performance with respect to macroeconomic management (including prudent borrowing), outward-oriented reforms supportive of private sector development, governance, and social policies (especially education and health). Second, the international community needs to provide strong support, not only through existing commitments for debt relief but through increased aid and expanded opportunities for trade. We reiterated that HIPC debt relief should be additional to official development assistance, which should be provided on appropriately concessional or grant terms.

9. We strongly reaffirm the importance of greater access for developing countries to world markets, and particularly call upon countries to open their markets further to the exports of the poorest countries. In this context, we welcome the recent initiatives taken by a number of countries. Further-

more, the industrial countries have a major role to play by following policies that ensure sustainable, non-inflationary growth for the world economy. Such concerted actions by both rich and poor countries are needed to achieve the International Development Goals.

10. Conflict remains a major obstacle to improving the lives of millions, especially in Africa. Helping countries resolve conflicts and reestablish the basis for economic and social progress is a critical priority for the international community. Large protracted arrears pose special challenges for several conflict-affected countries. As many of these countries are poor and heavily indebted, we welcome the work done by the Bank and Fund to further enhance their capacity to assist them, including through debt relief. We welcome the IMF's efforts to put its emergency post-conflict assistance on concessional terms. We agree on the importance of maintaining a strong focus on performance, including transparency in military spending to ensure that debt relief is used to reduce poverty and is not diverted to military spending. We agree that the enhanced HIPC Initiative framework has sufficient flexibility to accommodate the special circumstances of post-conflict HIPCs, including with regard to the length of the track record if significant progress has been made toward macroeconomic stability, governance, capacity building, and monitoring. More broadly, postconflict countries in the process of recovery will also require substantial technical and capacity-building assistance. We agree there is scope for such increased Bank and Fund assistance to support rebuilding in these countries, and we call on both institutions to work in close collaboration with the United Nations System in these efforts so as to ensure full use of the specialized skills that these agencies possess.

APPENDIX VII

Executive Directors and Voting Power on April 30, 2001

Director *Alternate*	Casting Votes of	Votes by Country	Total Votes[1]	Percent of IMF Total[2]
Appointed				
Vacant	United States	371,743	371,743	17.16
Meg Lundsager				
Yukio Yoshimura	Japan	133,378	133,378	6.16
Haruyuki Toyama				
Bernd Esdar	Germany	130,332	130,332	6.02
Wolf-Dieter Donecker				
Jean-Claude Milleron	France	107,635	107,635	4.97
Gilles Bauche				
Stephen Pickford	United Kingdom	107,635	107,635	4.97
Stephen Collins				
Elected				
Willy Kiekens	Austria	18,973		
(Belgium)	Belarus	4,114		
Johann Prader	Belgium	46,302		
(Austria)	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	5.16
J. de Beaufort Wijnholds	Armenia	1,170		
(Netherlands)	Bosnia and Herzegovina	1,941		
Yuriy G. Yakusha	Bulgaria	6,652		
(Ukraine)	Croatia	3,901		
	Cyprus	1,646		
	Georgia	1,753		
	Israel	9,532		
	Macedonia, former Yugoslav Republic of	939		
	Moldova	1,482		
	Netherlands	51,874		
	Romania	10,552		
	Ukraine	13,970	105,412	4.87
Hernán Oyarzábal	Costa Rica	1,891		
(República Bolivariana de Venezuela)	El Salvador	1,963		
Fernando Varela	Guatemala	2,352		
(Spain)	Honduras	1,545		
	Mexico	26,108		
	Nicaragua	1,550		
	Spain	30,739		
	República Bolivariana de Venezuela	26,841	92,989	4.29

Director *Alternate*	Casting Votes of	Votes by Country	Total Votes[1]	Percent of IMF Total[2]
Elected ***(continued)***				
Riccardo Faini	Albania	737		
(Italy)	Greece	8,480		
Harilaos Vittas	Italy	70,805		
(Greece)	Malta	1,270		
	Portugal	8,924		
	San Marino	420	90,636	4.18
Thomas A. Bernes	Antigua and Barbuda	385		
(Canada)	Bahamas, The	1,553		
Peter Charleton	Barbados	925		
(Ireland)	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	3.72
Olli-Pekka Lehmussaari	Denmark	16,678		
(Finland)	Estonia	902		
Åke Törnqvist	Finland	12,888		
(Sweden)	Iceland	1,426		
	Latvia	1,518		
	Lithuania	1,692		
	Norway	16,967		
	Sweden	24,205	76,276	3.52
Michael J. Callaghan	Australia	32,614		
(Australia)	Kiribati	306		
Diwa Guinigundo	Korea	16,586		
(Philippines)	Marshall Islands, Republic of the	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	3.34
Sulaiman M. Al-Turki	Saudi Arabia	70,105	70,105	3.24
(Saudi Arabia)				
Ahmed Saleh Alosaimi				
(Saudi Arabia)				
Cyrus D.R. Rustomjee	Angola	3,113		
(South Africa)	Botswana	880		
Ismaila Usman	Burundi	1,020		
(Nigeria)	Eritrea	409		
	Ethiopia	1,587		
	Gambia, The	561		
	Kenya	2,964		
	Lesotho	599		
	Liberia	963		
	Malawi	944		
	Mozambique	1,386		
	Namibia	1,615		

Director *Alternate*	Casting Votes of	Votes by Country	Total Votes[1]	Percent of IMF Total[2]
Elected ***(continued)***				
	Nigeria	17,782		
	Sierra Leone	1,287		
	South Africa	18,935		
	Sudan	1,947		
	Swaziland	757		
	Tanzania	2,239		
	Uganda	2,055		
	Zambia	5,141		
	Zimbabwe	3,784	69,968	3.23
Dono Iskandar Djojosubroto	Brunei Darussalam	1,750		
(Indonesia)	Cambodia	1,125		
Kwok Mun Low	Fiji	953		
(Singapore)	Indonesia	21,043		
	Lao People's Democratic Republic	779		
	Malaysia	15,116		
	Myanmar	2,834		
	Nepal	963		
	Singapore	8,875		
	Thailand	11,069		
	Tonga	319		
	Vietnam	3,541	68,367	3.16
A. Shakour Shaalan	Bahrain	1,600		
(Egypt)	Egypt	9,687		
Abdelrazaq Faris Al-Faris	Iraq	5,290		
(United Arab Emirates)	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	2.95
WEI Benhua	China	63,942	63,942	2.95
(China)				
JIN Qi				
(China)				
Aleksei V. Mozhin	Russia	59,704	59,704	2.76
(Russia)				
Andrei Lushin				
(Russia)				
Roberto F. Cippa	Azerbaijan	1,859		
(Switzerland)	Kyrgyz Republic	1,138		
Wieslaw Szczuka	Poland	13,940		
(Poland)	Switzerland	34,835		
	Tajikistan	1,120		
	Turkmenistan	1,002		
	Uzbekistan	3,006	56,900	2.63
Murilo Portugal	Brazil	30,611		
(Brazil)	Colombia	7,990		
Roberto Junguito	Dominican Republic	2,439		
(Colombia)	Ecuador	3,273		
	Guyana	1,159		
	Haiti	857		
	Panama	2,316		
	Suriname	1,171		
	Trinidad and Tobago	3,606	53,422	2.47

Director *Alternate*	**Casting Votes of**	**Votes by Country**	**Total Votes**[1]	**Percent of IMF Total**[2]
Elected ***(continued)***				
Vijay L. Kelkar	Bangladesh	5,583		
(India)	Bhutan	313		
R.A. Jayatissa	India	41,832		
(Sri Lanka)	Sri Lanka	4,384	52,112	2.41
Abbas Mirakhor	Algeria	12,797		
(Islamic Republic of Iran)	Ghana	3,940		
Mohammed Daïri	Iran, Islamic Republic of	15,222		
(Morocco)	Morocco	6,132		
	Pakistan	10,587		
	Tunisia	3,115	51,793	2.39
A. Guillermo Zoccali	Argentina	21,421		
(Argentina)	Bolivia	1,965		
Guillermo Le Fort	Chile	8,811		
(Chile)	Paraguay	1,249		
	Peru	6,634		
	Uruguay	3,315	43,395	2.00
Alexandre Barro Chambrier	Benin	869		
(Gabon)	Burkina Faso	852		
Damian Ondo Mañe	Cameroon	2,107		
(Equatorial Guinea)	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	1.16
			2,159,666[3,4]	99.67[5]

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

[2]Percentages of total votes 2,166,739 in the General Department and the Special Drawing Rights Department.

[3]This total does not include the votes of the Islamic State of Afghanistan, Somalia, and the Federal Republic of Yugoslavia, which did not participate in the 2000 Regular Election of Executive Directors. The total votes of these members is 7,073—0.33 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, which was suspended effective June 2, 1994, 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, 2000, and April 30, 2001, were as follows:

Agustín Carstens completed his term of service as Executive Director for Costa Rica, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Spain, and Venezuela, effective October 31, 2000.

Ana María Jul (Chile) completed her term of service as Executive Director for Argentina, Bolivia, Chile, Paraguay, Peru, and Uruguay, effective October 31, 2000.

José Pedro de Morais, Jr. (Angola) completed his term of service as Executive Director for Angola, Botswana, Burundi, Eritrea, Ethiopia, The Gambia, Kenya, Lesotho, Liberia, Malawi, Mozambique, Namibia, Nigeria, Sierra Leone, South Africa, Swaziland, Tanzania, Uganda, Zambia, and Zimbabwe, effective October 31, 2000.

Gregory F. Taylor (Australia) completed his term of service as Executive Director for Australia, Kiribati, Korea, Marshall Islands, Federated States of Micronesia, Mongolia, New Zealand, Palau, Papua New Guinea, Philippines, Samoa, Seychelles, Solomon Islands, and Vanuatu, effective October 31, 2000.

Sulaiman M. Al-Turki (Saudi Arabia) was reelected Executive Director by Saudi Arabia effective November 1, 2000.

Alexandre Barro Chambrier (Gabon) was reelected Executive Director by Benin, Burkina Faso, Cameroon, Cape Verde, Central African Republic, Chad, Comoros, Republic of Congo, Côte d'Ivoire, Djibouti, Equatorial Guinea, Gabon, Guinea, Guinea-Bissau, Madagascar, Mali, Mauritania, Mauritius, Niger, Rwanda, São Tomé and Príncipe, Senegal, and Togo, effective November 1, 2000.

Thomas A. Bernes (Canada) was reelected Executive Director by Antigua and Barbuda, The Bahamas, Barbados, Belize, Canada, Dominica, Grenada, Ireland, Jamaica, St. Kitts and Nevis, St. Lucia, and St. Vincent and the Grenadines, effective November 1, 2000.

Michael J. Callaghan (Australia) was elected Executive Director by Australia, Kiribati, Korea, Marshall Islands, Federated States of Micronesia, Mongolia, New Zealand, Palau, Papua New Guinea, Philippines, Samoa, Seychelles, Solomon Islands, and Vanuatu, effective November 1, 2000.

Roberto F. Cippa (Switzerland) was reelected Executive Director by Azerbaijan, Kyrgyz Republic, Poland, Switzerland, Tajikistan, Turkmenistan, and Uzbekistan, effective November 1, 2000.

Riccardo Faini (Italy) was reelected as Executive Director by Albania, Greece, Italy, Malta, Portugal, and San Marino, effective November 1, 2000.

Kleo-Thong Hetrakul (Thailand) was reelected Executive Director by Brunei Darussalam, Cambodia, Fiji, Indonesia, Lao People's Democratic Republic, Malaysia, Myanmar, Nepal, Singapore, Thailand, Tonga, and Vietnam, effective November 1, 2000.

R.A. Jayatissa (Sri Lanka) was appointed as Alternate Executive Director to Vijay L. Kelkar (India), effective November 1, 2000.

Vijay L. Kelkar (India) was reelected Executive Director by Bangladesh, Bhutan, India, and Sri Lanka, effective November 1, 2000.

Willy Kiekens (Belgium) was reelected Executive Director by Austria, Belarus, Belgium, Czech Republic, Hungary, Kazakhstan, Luxembourg, Slovak Republic, Slovenia, and Turkey, effective November 1, 2000.

Olli-Pekka Lehmussaari (Finland) was reelected Executive Director by Denmark, Estonia, Finland, Iceland, Latvia, Lithuania, Norway, and Sweden, effective November 1, 2000.

Kwok Mun Low was appointed as Alternate Executive Director to Kleo-Thong Hetrakul (Thailand), effective November 1, 2000.

Abbas Mirakhor (Islamic Republic of Iran) was reelected Executive Director by Algeria, Ghana, Islamic Republic of Iran, Iraq, Morocco, Pakistan, and Tunisia, effective November 1, 2000.

Aleksei V. Mozhin (Russian Federation) was reelected Executive Director by the Russian Federation, effective November 1, 2000.

Hernán Oyarzábal (Venezuela), formerly Alternate Executive Director to Agustín Carstens (Mexico), was elected Executive Director by Costa Rica, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Spain, and Venezuela, effective November 1, 2000.

Murilo Portugal (Brazil) was reelected Executive Director by Brazil, Colombia, Dominican Republic, Ecuador, Guyana, Haiti, Panama, Suriname, and Trinidad and Tobago, effective November 1, 2000.

Cyrus D.R. Rustomjee (South Africa), formerly Alternate Executive Director to José Pedro de Morais, Jr. (Angola), was elected Executive Director by Angola, Botswana, Burundi, Eritrea, Ethiopia, The Gambia, Kenya, Lesotho, Liberia, Malawi, Mozambique, Namibia, Nigeria, Sierra Leone, South Africa, Swaziland, Tanzania, Uganda, Zambia, and Zimbabwe, effective November 1, 2000.

A. Shakour Shaalan (Egypt) was reelected Executive Director by Bahrain, Egypt, Iraq, Jordan, Kuwait, Lebanon, Libya, Maldives, Oman, Qatar, Syrian Arab Republic, United Arab Emirates, and Republic of Yemen, effective November 1, 2000.

Ismaila Usman (Nigeria) was appointed Alternate Executive Director to Cyrus D.R. Rustomjee (South Africa), effective November 1, 2000.

Fernando Varela (Spain) was appointed Alternate Executive Director to Hernán Oyarzábal (Venezuela), effective November 1, 2000.

WEI Benhua (China) was reelected Executive Director by China, effective November 1, 2000.

J. de Beaufort Wijnholds (Netherlands) was reelected Executive Director by Armenia, Bulgaria, Bosnia and Herzegovina, Croatia, Cyprus, Georgia, Israel, former Yugoslav Republic of Macedonia, Moldova, Netherlands, Romania, and Ukraine, effective November 1, 2000.

A. Guillermo Zoccali (Argentina), formerly Alternate Executive Director to Ana María Jul (Chile), was elected Executive Director by Argentina, Bolivia, Chile, Paraguay, Peru, and Uruguay, effective November 1, 2000.

Guillermo Le Fort (Chile) was appointed Alternate Executive Director to A. Guillermo Zoccali (Argentina), effective November 2, 2000.

Kleo-Thong Hetrakul (Thailand) relinquished her duties as Executive Director for Brunei Darussalam, Cambodia, Fiji, Indonesia, Lao People's Democratic Republic, Malaysia, Myanmar, Nepal, Singapore, Thailand, Tonga, and Vietnam, effective November 30, 2000.

Dono Iskandar Djojosubroto (Indonesia) was elected Executive Director by Brunei Darussalam, Cambodia, Fiji, Indonesia, Lao People's Democratic Republic, Malaysia, Myanmar, Nepal, Singapore, Thailand, Tonga, and Vietnam, effective December 1, 2000.

Meg Lundsager (United States) was appointed Alternate Executive Director to Karin Lissakers (United States), effective December 22, 2000.

Jong Nam Oh (Korea) relinquished his duties as Alternate Executive Director to Michael J. Callaghan (Australia), effective January 31, 2001.

Diwa Guinigundo (Philippines) was appointed Alternate Executive Director to Michael J. Callaghan (Australia), effective February 1, 2001.

Karin Lissakers (United States) relinquished her duties as Executive Director for the United States, effective April 15, 2001.