APPENDIXES 2002

APPENDIXES

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APPENDIX I

International Reserves

Total international reserves, including gold, increased by 9 percent during 2001 and stood at SDR 1.9 trillion at the end of the year (Table I.1). Foreign exchange reserves, which constitute the largest component of official reserve holdings, grew by 9 percent, to SDR 1.6 trillion. IMF-related assets, which make up the rest of nongold reserves, increased by 16 percent, to SDR 76 billion. The market value of gold held by monetary authorities increased by 2 percent in 2001, to SDR 203 billion at year-end.[1]

Foreign Exchange Reserves

Ninety-six percent of nongold assets consisted of foreign exchange reserves at the end of 2001. The developing countries, which held 62 percent of all foreign exchange reserves at the end of 2001, increased their holdings by 13 percent, to SDR 1 trillion, following comparable increases in the previous two years. During 2001, the foreign exchange holdings of industrial countries rose by 4 percent, to SDR 617 billion.

In 2001, the oil-exporting developing countries, which hold about 10 percent of all developing countries' foreign exchange reserves, increased their foreign exchange assets by 7 percent, following increases of 15 percent and 28 percent in the two preceding years. Foreign exchange reserves of the net creditor developing country group rose by 9 percent, to SDR 201 billion, and those of net debtor countries grew by 14 percent to SDR 799 billion at the end of 2001. Foreign exchange reserves of net debtors without debt-servicing problems increased by 16 percent, to SDR 659 billion, while those of countries with debt-servicing problems increased by 6 percent, to SDR 140 billion.

Holdings of IMF-Related Assets

During 2001, total IMF-related assets (that is, reserve positions in the IMF and SDRs) increased by 16 percent, following declines of 10 percent in each of the previous two years. Industrial countries hold a majority of IMF-related assets: 82 percent at the end of 2001. The increase in IMF-related assets was mainly attributable to a 20 percent growth in members' reserve positions in the IMF—which consist of members' reserve tranche and creditor positions—to SDR 57 billion. SDR holdings of IMF members increased by 6 percent, to SDR 20 billion, reflecting a decline in holdings by the IMF and other prescribed holders.

Gold Reserves

The market value of gold reserves increased by 2 percent, to SDR 203 billion, reflecting an increase of 3 percent in the SDR price of gold in 2001; the physical stock of official gold declined by one percent. The share of gold in officially held reserves has declined gradually to 11 percent at the end of 2001, whereas in the early 1980s gold represented about half of all officially held reserves. Most of the gold reserves (83 percent) are held by industrial countries: gold constituted 20 percent of these countries' total reserves at the end of 2001. Gold reserves accounted for 3 percent of the total reserves of the developing countries.

Developments During First Quarter of 2002

During the first quarter of 2002, total reserve assets rose by SDR 57 billion, of which SDR 32 billion represents an increase in foreign exchange reserves. As a consequence of a rise in the SDR price of gold since the end of 2001, the market value of gold reserves increased by SDR 23 billion during the first quarter of 2002, while the physical stock of official gold declined somewhat since end-2001. Holdings of IMF related assets remained close to their end-2001 level, at SDR 78 billion.

Currency Composition of Foreign Exchange Reserves

The currency composition of foreign exchange reserves has changed gradually over the past decade, with the share of U.S. dollar holdings in foreign exchange reserves rising from 55 percent in 1992 to 68 percent in 1999 and staying at that level through the end of 2001 (Table I.2). The euro, which replaced 11 European currencies and the European currency unit (ECU) on January 1, 1999, accounted for 13 percent of total foreign exchange reserves in 2001. The share of the euro has stayed effectively unchanged since 1999. Given that, 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 1999–2001 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

[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)

	1996	1997	1998	1999	2000	2001	March 2002
All countries							
Total reserves excluding gold							
IMF-related assets							
Reserve positions in the IMF	38.0	47.1	60.6	54.8	47.4	56.9	58.1
SDRs	18.5	20.5	20.4	18.5	18.5	19.6	19.6
Subtotal, IMF-related assets	**56.5**	**67.6**	**81.0**	**73.2**	**65.9**	**76.4**	**77.7**
Foreign exchange	1,085.7	1,193.7	1,163.1	1,295.2	1,478.3	1,616.7	1,649.1
Total reserves excluding gold	**1,142.2**	**1,261.3**	**1,244.0**	**1,368.4**	**1,544.1**	**1,693.0**	**1,726.7**
Gold[2]							
Quantity (*millions of ounces*)	904.9	887.1	966.5	964.5	950.6	941.4	937.8
Value at London market price	232.4	190.8	197.6	204.0	200.2	203.3	226.7
Total reserves including gold	**1,374.6**	**1,452.1**	**1,441.6**	**1,572.4**	**1,744.3**	**1,896.4**	**1,953.4**
Industrial countries							
Total reserves excluding gold							
IMF-related assets							
Reserve positions in the IMF	32.6	41.3	53.9	46.8	39.7	47.0	47.6
SDRs	14.5	15.5	15.8	14.7	14.4	16.0	15.8
Subtotal, IMF-related assets	47.1	56.8	69.8	61.5	54.1	62.9	63.4
Foreign exchange	501.7	520.9	475.8	524.8	595.6	617.1	623.0
Total reserves excluding gold	**548.8**	**577.7**	**545.6**	**586.3**	**649.7**	**680.0**	**686.4**
Gold[2]							
Quantity (*millions of ounces*)	748.2	732.5	808.7	810.4	796.5	783.6	779.6
Value at London market price	192.1	157.5	165.3	171.4	167.8	169.2	188.4
Total reserves including gold	**740.9**	**735.2**	**710.9**	**757.7**	**817.5**	**849.3**	**874.8**
Developing countries							
Total reserves excluding gold							
IMF-related assets							
Reserve positions in the IMF	5.4	5.7	6.7	8.0	7.7	9.9	10.5
SDRs	4.0	5.0	4.5	3.7	4.1	3.6	3.8
Subtotal, IMF-related assets	**9.4**	**10.8**	**11.2**	**11.7**	**11.8**	**13.5**	**14.3**
Foreign exchange	584.1	672.8	687.3	770.4	882.7	999.6	1,026.0
Total reserves excluding gold	**593.4**	**683.6**	**698.5**	**782.1**	**894.4**	**1,013.0**	**1,040.3**
Gold[2]							
Quantity (*millions of ounces*)	156.7	154.6	157.9	154.1	154.1	157.9	158.2
Value at London market price	40.2	33.3	32.3	32.6	32.5	34.1	38.2
Total reserves including gold	**633.7**	**716.8**	**730.7**	**814.7**	**926.9**	**1,047.1**	**1,078.5**
Net debtor developing countries							
Total reserves excluding gold							
IMF-related assets							
Reserve positions in the IMF	3.9	4.2	5.0	5.6	5.4	6.4	6.4
SDRs	2.9	3.9	3.3	3.1	3.3	2.7	2.9
Subtotal, IMF-related assets	**6.9**	**8.1**	**8.4**	**8.7**	**8.7**	**9.1**	**9.3**
Foreign exchange	448.3	534.8	546.8	608.1	699.2	798.9	822.7
Total reserves excluding gold	**455.1**	**542.8**	**555.1**	**616.8**	**707.9**	**808.0**	**832.0**
Gold[2]							
Quantity (*millions of ounces*)	129.4	127.9	131.0	127.9	128.0	131.7	132.0
Value at London market price	33.2	27.5	26.8	27.1	27.0	28.5	31.9
Total reserves including gold	**488.3**	**570.4**	**581.8**	**643.9**	**734.8**	**836.4**	**863.9**
Net debtor developing countries without debt-servicing problems							
Total reserves excluding gold							
IMF-related assets							
Reserve positions in the IMF	3.5	3.8	4.6	4.8	4.6	5.7	5.7
SDRs	1.8	3.0	2.6	2.4	2.1	2.1	2.2
Subtotal, IMF-related assets	5.3	6.8	7.2	7.2	6.7	7.7	7.9
Foreign exchange	327.2	400.4	425.7	485.9	566.5	658.9	684.0
Total reserves excluding gold	**332.5**	**407.2**	**432.8**	**493.0**	**573.1**	**666.6**	**691.8**
Gold[2]							
Quantity (*millions of ounces*)	80.3	82.7	85.9	83.8	83.5	87.1	87.0
Value at London market price	20.6	17.8	17.6	17.7	17.6	18.8	21.0
Total reserves including gold	**353.1**	**424.9**	**450.4**	**510.8**	**590.7**	**685.4**	**712.8**

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

Source: International Monetary Fund, *International Financial Statistics.*

[1]End of year figures for all years except 2002. "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)

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
All countries										
U.S. dollar	55.3	56.7	56.6	57.0	60.3	62.4	65.9	68.4	68.1	68.3
Japanese yen	7.6	7.7	7.9	6.8	6.0	5.2	5.4	5.5	5.2	4.9
Pound sterling	3.1	3.0	3.3	3.2	3.4	3.7	3.9	4.0	3.9	4.0
Swiss franc	1.0	1.1	0.9	0.8	0.8	0.7	0.7	0.7	0.7	0.7
Euro	—	—	—	—	—	—	—	12.7[2]	13.0[2]	13.0[2]
Deutsche mark	13.3	13.7	14.2	13.7	13.1	12.9	12.2	—	—	—
French franc	2.7	2.3	2.4	2.3	1.9	1.4	1.4	—	—	—
Netherlands guilder	0.7	0.7	0.5	0.4	0.3	0.4	0.4	—	—	—
ECUs [3]	9.7	8.2	7.7	6.8	5.9	5.0	0.8	—	—	—
Unspecified currencies[4]	6.5	6.6	6.4	8.9	8.3	8.4	9.3	8.8	9.1	9.0
Industrial countries										
U.S. dollar	48.8	50.2	50.8	51.8	56.1	57.9	66.7	73.5	73.3	74.5
Japanese yen	7.6	7.8	8.2	6.6	5.6	5.8	6.6	6.5	6.3	5.5
Pound sterling	2.4	2.2	2.3	2.1	2.0	1.9	2.2	2.3	2.0	1.8
Swiss franc	0.4	0.3	0.2	0.1	0.1	0.1	0.2	0.1	0.2	0.4
Euro	—	—	—	—	—	—	—	10.7[2]	10.4[2]	9.7[2]
Deutsche mark	15.1	16.4	16.3	16.4	15.6	15.9	13.4	—	—	—
French franc	2.9	2.6	2.4	2.3	1.7	0.9	1.3	—	—	—
Netherlands guilder	0.4	0.4	0.3	0.2	0.2	0.2	0.2	—	—	—
ECUs[3]	16.7	15.2	14.6	13.4	12.0	10.9	1.9	—	—	—
Unspecified currencies[4]	5.7	4.8	5.0	7.0	6.7	6.4	7.4	6.9	7.6	8.1
Developing countries										
U.S. dollar	64.5	64.3	63.1	62.4	64.3	66.2	65.3	64.6	64.2	64.1
Japanese yen	7.7	7.5	7.6	7.0	6.5	4.7	4.5	4.7	4.4	4.5
Pound sterling	4.0	4.0	4.4	4.3	4.8	5.1	5.2	5.3	5.2	5.5
Swiss franc	1.9	2.0	1.7	1.5	1.4	1.1	1.1	1.1	1.0	0.9
Euro	—	—	—	—	—	—	—	14.2	15.0	15.3
Deutsche mark	10.8	10.5	11.9	11.0	10.6	10.3	11.3	—	—	—
French franc	2.3	2.0	2.4	2.3	2.0	1.8	1.5	—	—	—
Netherlands guilder	1.0	1.0	0.8	0.6	0.5	0.6	0.5	—	—	—
ECUs [3]	—	—	—	—	—	—	—	—	—	—
Unspecified currencies[5]	7.7	8.7	8.0	10.9	9.9	10.2	10.8	10.2	10.1	9.6

Note: Components may not sum to total 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.

area, their combined share in 1998 was virtually identical to the share of the euro in 1999.

The share of the Japanese yen in total foreign exchange reserves declined from 8 percent at end-1992 to 5 percent at the end of 1997, and has since stayed at about that level through 2001. During the past decade, the share of pound sterling has remained 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, has remained at 9 percent since the end of 1998.

For industrial countries, the share of U.S. dollar holdings increased throughout the 1990s to reach 74 percent in 1999, and increased slightly to 75 percent at the end of 2001. The shares of the euro and the Japanese yen in those countries' foreign exchange reserves declined by less than one percentage point each from the preceding year, to 10 percent and 6 percent, respectively. Shares of pound sterling and the Swiss franc have been practically unchanged over the past ten years.

Table I.3
Currency Composition of Official Holdings of Foreign Exchange, End of Year[1]
(In millions of SDRs)

	1993	1994	1995	1996	1997	1998	1999	2000	2001
U.S. dollar									
Change in holdings	51,253	32,570	73,532	121,226	87,767	18,391	108,764	118,249	86,812
Quantity change	49,833	57,314	78,555	103,250	45,115	48,533	90,522	72,232	51,437
Price change	1,420	–24,744	–5,023	17,976	42,651	–30,142	18,242	46,017	35,375
Year-end value	390,698	423,269	496,801	618,027	705,793	724,185	832,949	951,197	1,038,010
Japanese yen									
Change in holdings	6,206	6,007	19	2,685	–3,197	975	7,122	6,402	1,730
Quantity change	930	3,123	3,089	8,021	–56	–3,494	–2,128	11,146	9,178
Price change	5,276	2,884	–3,070	–5,336	–3,141	4,469	9,250	–4,745	–7,448
Year-end value	53,023	59,030	59,048	61,733	58,536	59,511	66,634	73,036	74,765
Pound sterling									
Change in holdings	1,735	3,992	3,240	7,353	6,180	1,123	6,487	4,778	7,514
Quantity change	2,095	4,129	3,833	3,258	4,630	2,760	6,651	6,163	7,023
Price change	–361	–136	–594	4,095	1,549	–1,636	–163	–1,385	491
Year-end value	20,620	24,612	27,852	35,205	41,385	42,509	48,996	53,774	61,288
Swiss franc									
Change in holdings	1,284	–932	210	881	–35	–54	288	1,780	575
Quantity change	1,382	–1,372	–541	1,811	75	–128	1,260	1,481	468
Price change	–98	439	751	–930	–109	74	–972	299	107
Year-end value	7,621	6,689	6,899	7,780	7,745	7,691	7,979	9,759	10,335
Euro									
Change in holdings	—	—	—	—	—	—	9,786[2]	27,947	15,804
Quantity change	—	—	—	—	—	—	28,368	31,304	19,097
Price change	—	—	—	—	—	—	–18,582	–3,357	–3,293
Year-end value	—	—	—	—	—	—	154,163	182,110	197,914
Deutsche mark									
Change in holdings	12,725	11,862	13,296	14,050	11,896	–11,457	—	—	—
Quantity change	18,692	7,081	6,817	20,159	22,336	–15,344	—	—	—
Price change	–5,967	4,781	6,478	–6,109	–10,440	3,887	—	—	—
Year-end value	94,552	106,414	119,709	133,759	145,655	134,198	—	—	—
French franc									
Change in holdings	–131	1,912	1,974	–981	–3,388	–488	—	—	—
Quantity change	915	1,262	668	–334	–2,037	–890	—	—	—
Price change	–1,045	650	1,307	–647	–1,352	402	—	—	—
Year-end value	16,169	18,081	20,055	19,074	15,686	15,198	—	—	—
Netherlands guilder									
Change in holdings	423	–512	–301	–330	1,138	–569	—	—	—
Quantity change	718	–731	–547	–152	1,443	–708	—	—	—
Price change	–295	219	246	–178	–305	140	—	—	—
Year-end value	4,582	4,070	3,769	3,439	4,577	4,009	—	—	—
European currency unit									
Change in holdings	–2,820	959	1,665	985	–3,240	–47,848	—	—	—
Quantity change	1,503	–1,035	–1,157	1,833	515	–49,304	—	—	—
Price change	–4,323	1,994	2,822	–849	–3,755	1,456	—	—	—
Year-end value	56,654	57,613	59,278	60,262	57,022	9,174	—	—	—
Sum of the above[3]									
Change in holdings	70,675	55,859	93,635	145,868	97,120	–39,925	132,448	159,156	112,435
Quantity change	76,068	69,772	90,718	137,846	72,021	–18,576	124,673	122,327	87,203
Price change	–5,393	–13,914	2,917	8,022	25,099	–21,350	7,774	36,830	25,232
Year-end value	643,919	699,777	793,412	939,280	1,036,400	996,474	1,110,720	1,269,876	1,382,312
Total official holdings[4]									
Change in holdings	76,975	60,648	121,118	153,767	107,969	–30,581	132,104	183,255	138,204
Year-end value	750,192	810,841	931,959	1,085,726	1,193,695	1,163,114	1,295,218	1,478,473	1,616,677

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 unspecified currencies stood at 8 percent in 2001.

The share of the U.S. dollar in developing countries' foreign exchange reserves was 64 percent in 2001, a level that has remained relatively constant over the last decade. Holdings of the euro accounted for 15 percent of those countries' foreign exchange reserves, a level unchanged from the previous year and one percentage point higher than its share in 1999. During the past decade, the share of the Japanese yen has gradually decreased by about 3 percentage points, to 5 percent at the end of 2001, while the share of pound sterling has increased by about 2 percentage points, to 6 percent. The share of the Swiss franc has remained virtually unchanged at 1 percent since 1997. Unspecified currencies accounted for 10 percent of developing countries' foreign exchange reserves in 2001.

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 87 billion in 2001, which reflects an increase of SDR 51 billion in the quantity of U.S. dollar holdings and a valuation increase of SDR 35 billion. The SDR 19 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 16 billion in 2001. Similarly, a quantity increase of SDR 9 billion in Japanese yen holdings was offset considerably by a SDR 7 billion valuation decline, resulting in a net increase of SDR 2 billion. Increases in pound sterling and Swiss franc holdings of SDR 8 billion and SDR 1 billion, respectively, are to a large extent attributable to changes in quantity.

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. Components may not sum to total because of rounding.

Table II.1
Arrangements Approved During Financial Years Ended April 30, 1953–2002

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
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

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
1987	22		10		32	4,118		358		4,476
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
2002	11	0		9	20	39,438	0		1,781	41,219

Table II.2
Arrangements in Effect During Financial Years Ended April 30, 1991–2002

Financial	Number of Arrangements as of April 30					Amounts Committed Under Arrangements as of April 30 (In millions of SDRs)				
Year	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
2002	26	8		35	69	74,344	8,697		4,201	87,242

Table II.3
Stand-By Arrangements in Effect During Financial Year Ended April 30, 2002
(In millions of SDRs)

	Arrangement Dates		Amounts Approved		Undrawn Balance	
Member	**Effective date**	**Expiration date**	**Prior to FY2002**	**In FY2002**	**At date of termination**	**As of April 30, 2002**
Argentina	3/10/00	3/9/03	10,586	6,351	—	7,180
Bosnia and Herzegovina	5/29/98	5/29/01	94	—	—	—
Brazil	12/2/98	9/14/01	13,025	—	3,554	—
Brazil	9/14/01	12/13/02	—	12,144	—	8,469
Bulgaria	2/27/02	2/26/04	—	240	—	208
Croatia, Republic of	3/19/01	5/18/02	200	—	—	200
Ecuador	4/19/00	12/31/01	227	—	—	—
Estonia	3/1/00	8/31/01	29	—	29	—
Gabon	10/23/00	4/22/02	93	—	79	—
Guatemela	4/1/02	3/31/03	—	84	—	84
Latvia	4/20/01	12/19/02	33	—	—	33
Lithuania	3/8/00	6/7/01	62	—	62	—
Lithuania	8/30/01	3/29/03	—	87	—	87
Nigeria	8/4/00	10/31/01	789	—	789	—
Pakistan	11/29/00	9/30/01	465	—	—	—
Panama	6/30/00	3/29/02	64	—	64	—
Papua New Guinea	3/29/00	9/28/01	86	—	—	—
Peru	3/12/01	1/31/02	128	—	128	—
Peru	2/1/02	2/29/04	—	255	—	255
Romania	10/31/01	4/29/03	—	300	—	248
Sri Lanka	4/20/01	8/19/02	200	—	—	48
Turkey	12/22/99	2/4/02	8,676	6,362	3,299	—
Turkey	2/4/02	12/31/04	—	12,821	—	4,627
Uruguay	5/31/00	3/31/02	150	—	—	—
Uruguay	4/1/02	3/31/04	—	594	—	472
Yugoslavia	6/11/01	5/31/02	—	200	—	50
Total			**34,906**	**39,438**	**8,004**	**21,961**

Table II.4
Extended Arrangements in Effect During Financial Year Ended April 30, 2002
(In millions of SDRs)

	Arrangement Dates		Amounts Approved		Undrawn Balance	
Member	**Effective date**	**Expiration date**	**Prior to FY2002**	**In FY2002**	**At date of termination**	**As of April 30, 2002**
Bulgaria	9/25/98	9/24/01	628	—	—	—
Colombia	12/20/99	12/19/02	1,957	—	—	1,957
Indonesia	2/4/00	12/31/03	3,638	—	—	2,202
Jordan	4/15/99	5/31/02	128	—	—	61
Kazakhstan	12/13/99	3/19/02	329	—	329	—
Macedonia	11/29/00	11/22/01	24	—	23	—
Ukraine	9/4/98	9/3/02	1,920	—	—	727
Yemen	10/29/97	10/28/01	73	—	26	—
Total			**8,697**	—	**378**	**4,947**

Table II.5

Arrangements Under the Poverty Reduction and Growth Facility in Effect During Financial Year Ended April 30, 2002

(In millions of SDRs)

Member	Arrangement Dates: Effective date	Arrangement Dates: Expiration date	Amounts Approved: Through April 30, 2001	Amounts Approved: In FY2002	Undrawn Balance: At date of termination	Undrawn Balance: As of April 30, 2002
Albania	5/13/98	7/31/01	45	—	—	—
Armenia	5/23/01	5/22/04	—	69	—	59
Azerbaijan	7/6/01	7/5/04	—	80	—	64
Benin	7/17/00	7/16/03	27	—	—	12
Bolivia	9/18/98	6/7/02	101	—	—	37
Burkina Faso	9/10/99	9/9/02	39	—	—	6
Cambodia[1]	10/22/99	2/28/03	59	—	—	17
Cameroon	12/20/00	12/20/03	111	—	—	64
Cape Verde	4/10/02	4/9/05	—	9	—	7
Central African Republic	7/20/98	1/19/02	49	—	25	—
Chad[2]	1/7/00	1/6/03	36	12	—	16
Côte d'Ivoire	3/29/02	3/27/05	—	293	—	234
Djibouti	10/18/99	10/17/02	19	—	—	10
Ethiopia[3]	3/22/01	3/21/04	87	13	—	42
Gambia, The	6/29/98	12/31/01	21	—	—	—
Georgia	1/12/01	1/11/04	108	—	—	81
Ghana[4]	5/3/99	11/30/02	192	37	—	53
Guinea	5/2/01	5/1/04	—	64	—	51
Guinea-Bissau	12/15/00	12/14/03	14	—	—	9
Guyana[5]	7/15/98	12/31/01	54	—	29	—
Honduras[6]	3/26/99	12/31/02	157	—	—	48
Kenya	8/4/00	8/3/03	190	—	—	156
Kyrgyz Republic[7]	6/6/98	12/5/04	73	73	29	62
Lao People's Dem Rep	4/25/01	4/24/04	32	—	—	23
Lesotho	3/9/01	3/8/04	25	—	—	14
Macedonia, former[8] Yugoslav Republic of	12/18/00	11/22/01	10	—	9	—
Madagascar	3/1/01	2/29/04	79	—	—	57
Malawi	12/21/00	12/20/03	45	—	—	39
Mali[9]	8/6/99	8/5/03	47	5	—	19
Mauritania	7/21/99	7/20/02	42	—	—	12
Moldova	12/21/00	12/20/03	111	—	—	92
Mongolia	9/28/01	9/27/04	—	28	—	24
Mozambique	6/28/99	6/27/02	87	—	—	25
Nicaragua	3/18/98	3/17/02	149	—	34	—
Niger	12/22/00	12/21/03	59	—	—	34
Pakistan	12/6/01	12/5/04	—	1,034	—	861
Rwanda	6/24/98	1/31/02	71	—	10	—
São Tomé and Príncipe	4/28/00	4/27/03	7	—	—	5
Senegal	4/20/98	4/19/02	107	—	11	—
Sierra Leone	9/26/01	9/25/04	—	131	—	75
Tajikistan	6/24/98	12/24/01	100	—	22	—
Tanzania	4/4/00	4/3/03	135	—	—	35
Vietnam	4/13/01	4/12/04	290	—	—	207
Yemen	10/29/97	10/28/01	265	—	26	—
Zambia	3/25/99	3/28/03	254	—	—	150
Total			**3,298**	**1,831**	**195**	**2,700**

[1]Extended from 2/5/02.
[2]Augmented by SDR 6 million on 5/16/01 and another SDR 6 million on 1/16/02.
[3]Augmented by SDR 13 million on 3/18/02.
[4]Augmented by SDR 37 million on 6/27/01.
[5]Extended from 7/12/01.
[6]Extended from 10/12/01.
[7]Arrangement expired on 7/25/01. New arrangement started 12/6/01.
[8]Cancelled 11/22/01.
[9]Augmented by SDR 5 million on 7/25/01.

Table II.6

Summary of Disbursements, Repurchases, and Repayments, Financial Years Ended April 30, 1948–2002

(In millions of SDRs)

	Disbursements					Repurchases and Repayments				
Financial Year	Purchases[1]	Trust Fund loans	SAF loans	PRGF loans	Total	Repurchases	Trust Fund repayments	SAF/PRGF repayments	Total	Total Fund 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	11,202	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
2002	29,194			952	30,146	19,207		777	19,984	58,698

[1]Includes reserve tranche purchases.
[2]Excludes reserve tranche purchases.

Table II.7
Purchases and Loans from the IMF, Financial Year Ended April 30, 2002
(In millions of SDRs)

Member	Reserve Tranche	Stand-By/ Credit Tranche	Extended Fund Facility	SRF	Total Purchases	PRGF Loans	Total Purchases and Loans
Albania	—	—	—	—	—	5	5
Argentina	—	1,529	—	4,393	5,922	—	5,922
Armenia	—	—	—	—	—	10	10
Azerbaijan	—	—	—	—	—	16	16
Benin	—	—	—	—	—	4	4
Bolivia	—	—	—	—	—	19	19
Bosnia/Herzegovina	—	14	—	—	14	—	14
Brazil	—	1,960	—	3,317	5,277	—	5,277
Bulgaria	—	32	52	—	84	—	84
Burundi	6	—	—	—	6	—	6
Burkina Faso	—	—	—	—	—	17	17
Cambodia	—	—	—	—	—	17	17
Cameroon	—	—	—	—	—	32	32
Cape Verde	—	—	—	—	—	1	1
Central African Republic	—	—	—	—	—	—	—
Chad	—	—	—	—	—	21	21
Congo, Republic of	—	—	—	—	—	—	—
Côte D'Ivoire	—	—	—	—	—	59	59
Djibouti	—	—	—	—	—	4	4
Ecuador	—	113	—	—	113	—	113
Egypt	120	—	—	—	120	—	120
Ethiopia	—	—	—	—	—	41	41
Gambia, The	—	—	—	—	—	7	7
Gabon	—	—	—	—	—	—	—
Georgia	—	—	—	—	—	9	9
Ghana	—	—	—	—	—	105	105
Guinea	—	—	—	—	—	13	13
Guinea-Bissau	—	—	—	—	—	—	—
Guyana	—	—	—	—	—	—	—
Honduras	—	—	—	—	—	16	16
Indonesia	—	—	585	—	585	—	585
Jordan	—	—	30	—	30	—	30
Kenya	—	—	—	—	—	—	—
Kyrgyz Republic	—	—	—	—	—	12	12
Lao, PDR	—	—	—	—	—	5	5
Lesotho	—	—	—	—	—	7	7
Macedonia (FYR)	—	—	—	—	—	—	—
Madagascar	—	—	—	—	—	11	11
Malawi	—	—	—	—	—	—	—
Mali	—	—	—	—	—	18	18
Mauritania	—	—	—	—	—	12	12
Moldova	—	—	—	—	—	—	—
Mongolia	—	—	—	—	—	4	4
Mozambique	—	—	—	—	—	8	8
Nicaragua	—	—	—	—	—	—	—
Niger	—	—	—	—	—	17	17
Pakistan	—	210	—	—	210	172	382
Papua New Guinea	—	19	—	—	19	—	19
Romania	—	52	—	—	52	—	52
Rwanda	—	—	—	—	—	10	10
São Tomé & Príncipe	—	—	—	—	—	—	—
Senegal	—	—	—	—	—	18	18
Sierra Leone	—	—	—	—	—	56	56
Sri Lanka	—	48	—	—	48	—	48
Tajikistan	—	—	—	—	—	6	6
Tanzania	—	—	—	—	—	40	40
Turkey	—	12,819	—	3,181	16,000	—	16,000
Ukraine	—	—	291	—	291	—	291
Uruguay	—	273	—	—	273	—	273
Vietnam	—	—	—	—	—	41	41
Yemen	—	—	—	—	—	69	69
Yugoslavia	—	150	—	—	150	—	150
Zambia	—	—	—	—	—	50	50
Total	**126**	**17,219**	**958**	**10,891**	**29,194**	**952**	**30,146**

Table II.8
Repurchases and Repayments to the IMF, Financial Year Ended April 30, 2002
(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	4	—	—	4	6	10
Algeria	—	139	—	139	—	139
Argentina	227	565	—	792	—	792
Armenia	—	—	6	6	5	11
Azerbaijan	9	3	17	29	—	29
Bangladesh	12	—	—	12	42	54
Belarus	—	—	23	23	—	23
Benin	—	—	—	—	12	12
Bolivia	—	—	—	—	22	22
Bosnia/Herzegovina	9	—	—	9	—	9
Brazil	3,385	—	—	3,385	—	3,385
Bulgaria	181	—	51	232	—	232
Burkina Faso	—	—	—	—	9	9
Burundi	—	—	—	—	4	4
Cambodia	—	—	1	1	8	9
Cameroon	—	—		—	—	—
Central African Republic	—	—	—	—	—	—
Chad	—	—	—	—	3	3
Congo, Democratic Rep. of the	—	—	—	—	1	1
Congo, Republic of	3	—	—	3	—	3
Côte d'Ivoire	—	—	—	—	53	53
Croatia	—	5	22	27	—	27
Djibouti	1	—	—	1	—	1
Dominican Republic	5	—	—	5	—	5
Ecuador	—	—	—	—	—	—
Equatorial Guinea	—	—	—	—	2	2
Estonia	—	—	4	4	—	4
Ethiopia	—	—	—	—	12	12
Gabon	—	9	—	9	—	9
Gambia, The	—	—	—	—	—	—
Georgia	—	—	9	9	8	17
Ghana	—	—	—	—	45	45
Guinea	—	—	—	—	9	9
Guyana	—	—	—	—	14	14
Guinea Bissau	—	—	—	—	1	1
Haiti	2	—	—	2	—	2
Honduras	6	—	—	6	7	13
India	—	—	—	—	—	—
Indonesia	1,651	—	—	1,651	—	1,651
Jamaica	—	14	—	14	—	14
Jordan	—	44	—	44	—	44
Kazakhstan	—	—	—	—	—	—
Kenya	—	—	—	—	15	15
Korea	1,924	—	—	1,924	—	1,924
Kyrgyz Republic	—	—	5	5	10	15
Lao People's Dem. Rep.	—	—	—	—	6	6
Latvia	—	—	8	8	—	8
Lesotho	—	—	—	—	3	3
Lithuania	—	21	8	29	—	29
Macedonia (FYR)	1	—	4	5	—	5
Madagascar	—	—	—	—	—	—
Malawi	—	—	—	—	4	4
Mali	—	—	—	—	18	18
Mauritania	—	—	—	—	11	11
Mexico	—	—	—	—	—	—
Moldova	—	5	7	12	—	12
Mongolia	—	—	—	—	6	6
Mozambique	—	—	—	—	18	18

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
Nepal	—	—	—	—	3	3
Nicaragua	—	—	—	—	4	4
Niger	—	—	—	—	1	1
Pakistan	40	24	44	108	63	171
Panama	17	—	—	17	—	17
Papua New Guinea	1	—	—	1	—	1
Peru	—	134	—	134	—	134
Philippines	37	48	—	85	—	85
Romania	60	—	31	91	—	91
Russia	—	473	2,516	2,989	—	2,989
Rwanda	7	—	—	7	—	7
Senegal	—	—	—	—	24	24
Sierra Leone	38	—	—	38	22	60
Slovak Republic	—	—	—	—	—	—
Sri Lanka	—	—	—	—	51	51
Sudan	18	—	7	25	—	25
Tajikistan	9	—	—	9	—	9
Tanzania	—	—	—	—	15	15
Thailand	1,075	—	—	1,075	—	1,075
Togo	—	—	—	—	8	8
Tunisia	—	22	—	22	—	22
Turkey	5,784	—	—	5,784	—	5,784
Uganda	—	—	—	—	29	29
Ukraine	203	—	83	286	—	286
Uruguay	14	—	—	14	—	14
Uzbekistan	11	—	17	28	—	28
Venezuela	44	24	—	68	—	68
Vietnam	—	—	4	4	36	40
Yemen	31	—	—	31	—	31
Yugoslavia	—	—	—	—	—	—
Zambia	—	—	—	—	166	166
Zimbabwe	—	—	—	—	1	1
Total	**14,809**	**1,530**	**2,867**	**19,207**	**777**	**19,984**

Table II.9
Outstanding IMF Credit by Facility and Policy, Financial Years Ended April 30, 1994–2002
(In millions of SDRs and percent of total)

	1994	1995	1996	1997	1998	1999	2000	2001	2002
					Millions of SDRs				
Stand-By Arrangements[1]	9,485	15,117	20,700	18,064	25,526	25,213	21,410	17,101	28,612
Extended Arrangements	9,566	10,155	9,982	11,155	12,521	16,574	16,808	16,108	15,538
Supplemental Reserve Facility	—	—	—	—	7,100	12,655	—	4,085	5,875
Compensatory and Contingency Financing Facility	3,756	3,021	1,602	1,336	685	2,845	3,032	2,992	745
Systemic Transformation Facility	2,725	3,848	3,984	3,984	3,869	3,364	2,718	1,933	1,311
Subtotal (GRA)	**25,532**	**32,140**	**36,268**	**34,539**	**49,701**	**60,651**	**43,968**	**42,219**	**52,081**
SAF Arrangements	1,440	1,277	1,208	954	730	565	456	432	341
PRGF Arrangements[2]	2,812	3,318	4,469	4,904	5,505	5,870	5,857	5,951	6,188
Trust Fund	105	102	95	90	90	89	89	89	89
Total	**29,889**	**36,837**	**42,040**	**40,488**	**56,026**	**67,175**	**50,370**	**48,691**	**58,699**
					Percent of total				
Stand-By Arrangements[1]	32	41	49	45	46	38	43	35	49
Extended Arrangements	32	28	24	28	22	25	33	33	26
Supplemental Reserve Facility	—	—	—	—	13	19	—	9	10
Compensatory and Contingency Financing Facility	12	8	4	3	1	4	6	6	1
Systemic Transformation Facility	9	10	9	10	7	5	5	4	2
Subtotal (GRA)	**85**	**87**	**86**	**85**	**89**	**90**	**87**	**87**	**88**
SAF Arrangements	5	3	3	2	1	1	1	1	1
PRGF Arrangements[2]	9	9	11	12	10	9	12	12	11
Trust Fund	—[3]	—[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 1 percent total.

Table II.10
Summary of Bilateral Contributions to the PRGF and PRGF-HIPC Trusts
(In millions of SDRs; as of April 30, 2002)

	PRGF-HIPC Trust	PRGF Trust	
	Subsidies and HIPC grant contributions "as needed"[1]	Subsidy contributions "as needed"[2]	Loan commitments[3]
TOTAL	**1,559.1**	**3,496.1**	**15,676.8**
Major industrial countries	**880.5**	**2,304.9**	**12,864.8**
Canada	48.8	204.1	700.0
France	82.2	479.9	2,900.0
Germany	127.2	197.9	2,750.0
Italy	63.6	162.1	1,380.0
Japan	144.0	723.8	5,134.8
United Kingdom	82.2	359.1	—
United States	332.6	178.0	—
Other advanced countries	**299.7**	**984.7**	**2,456.4**
Australia	24.8	14.1	—
Austria	14.3	63.6	—
Belgium	35.3	123.1	350.0
Denmark	18.5	67.0	100.0
Finland	8.0	42.1	—
Greece	6.3	40.0	—
Iceland	0.9	4.6	—
Ireland	5.9	7.7	—
Israel	1.8	—	—
Korea	15.9	60.0	92.7
Luxembourg	0.7	14.4	—
Netherlands	45.4	140.0	450.0
New Zealand	1.7	—	—
Norway	18.5	45.5	150.0
Portugal	6.6	5.6	—
San Marino	0.0	—	—
Singapore	16.5	33.9	—
Spain[4]	23.3	27.0	712.0
Sweden	18.3	186.6	—
Switzerland	37.0	109.3	601.7
Fuel-exporting countries	**108.7**	**17.9**	**—**
Algeria	5.5	—	—
Bahrain	0.9	—	—
Brunei Darussalam	0.1	—	—
Gabon	2.5	—	—
Iran, Islamic Republic of	2.2	2.1	—
Kuwait	3.1	—	—
Nigeria	13.9	—	—
Oman	0.8	—	—
Qatar	0.5	—	—
Saudi Arabia	53.5	15.7	—
Trinidad and Tobago	1.6	—	—
United Arab Emirates	3.8	—	—
Venezuela, República Bolivariana de	20.4	—	—
Other developing countries	**227.1**	**175.4**	**355.6**
Argentina	16.2	35.0	—
Bangladesh	1.7	0.9	—
Barbados	0.4	—	—
Belize	0.3	—	—
Botswana	3.1	2.4	—
Brazil	15.0	—	—
Cambodia	0.0	—	—
Chile	4.4	4.0	—
China	19.7	14.8	200.0
Colombia	0.9	—	—
Cyprus	0.8	—	—
Dominican Republic	0.5	—	—
Egypt	1.3	13.3	155.6

Table II.10 *(concluded)*

	PRGF-HIPC Trust	PRGF Trust	
	Subsidies and HIPC grant contributions "as needed"[1]	Subsidy contributions "as needed"[2]	Loan commitments[3]
Fiji	0.1	—	—
Ghana	0.5	—	—
Grenada	0.1	—	—
India	22.9	13.6	—
Indonesia	8.2	6.2	—
Jamaica	2.7	—	—
Lebanon	0.4	—	—
Libya	7.3	—	—
Malaysia	12.7	47.1	—
Maldives	0.0	—	—
Malta	1.1	2.2	—
Mauritius	0.1	—	—
Mexico	54.5	—	—
Micronesia, F. S.	0.0	—	—
Morocco	1.6	9.8	—
Pakistan	3.4	4.1	—
Paraguay	0.1	—	—
Peru	2.5	—	—
Philippines	6.7	—	—
Samoa	0.0	—	—
South Africa	28.6	—	—
Sri Lanka	0.6	—	—
St. Lucia	0.1	—	—
St. Vincent and the Grenadines	0.1	—	—
Swaziland	0.0	—	—
Thailand	4.5	17.3	—
Tonga	0.0	—	—
Tunisia	1.5	1.9	—
Turkey	—	11.4	—
Uruguay	2.2	2.6	—
Vanuatu	0.1	—	—
Vietnam	0.4	—	—
Countries in transition	**42.9**	**13.3**	**—**
Croatia	0.4	—	—
Czech Republic	4.1	13.3	—
Estonia	0.5	—	—
Hungary	6.0	—	—
Latvia	1.0	—	—
Poland	12.0	—	—
Russian Federation	14.6	—	—
Slovak Republic	4.0	—	—
Slovenia	0.4	—	—

[1]The term "as needed" refers to the nominal undiscounted sum of the projected delivery of HIPC assistance plus the profile of projected subsidy needs for interim PRGF lending. All calculations are based on an SDR interest rate assumption of 5 percent per annum.

[2]The calculations are based on actual interest rates through end-2001 and an assumed SDR interest rate of 5 percent per annum thereafter.

[3] PRGF Trust also includes a loan commitment from the OPEC of US$50 million equivalent to SDR 37 million.

[4]Loan commitments include Spain's pledge of SDR 300 million.

Table II.11

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, 1993–2002

			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
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
2002	91.5	107.7	56.9	227.9	44.7	14.6

[1]Consists of member countries that are participants in the SDR Department. At the end of FY2002, of the total SDRs allocated to participants in the SDR Department (SDR 21.4 billion), SDR 1.9 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.12
Key IMF Rates, Financial Year Ended April 30, 2002
(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]
2001			November 5	2.43	2.83
May 1	3.78	4.40	November 12	2.26	2.63
May 7	3.72	4.33	November 19	2.33	2.71
May 14	3.65	4.25	November 26	2.33	2.71
May 21	3.58	4.17	December 3	2.25	2.62
May 28	3.59	4.18	December 10	2.22	2.58
June 4	3.56	4.14	December 17	2.25	2.62
June 11	3.53	4.11	December 24	2.24	2.61
June 18	3.49	4.06	December 31	2.23	2.60
June 25	3.46	4.03			
July 2	3.56	4.14	**2002**		
July 9	3.56	4.14	January 7	2.22	2.58
July 16	3.55	4.13	January 14	2.18	2.54
July 23	3.52	4.10	January 21	2.19	2.55
July 30	3.53	4.11	January 28	2.25	2.62
August 6	3.48	4.05	February 4	2.27	2.64
August 13	3.42	3.98	February 11	2.25	2.62
August 20	3.37	3.92	February 18	2.26	2.63
August 27	3.39	3.95	February 25	2.27	2.64
September 3	3.34	3.89	March 4	2.27	2.64
September 10	3.30	3.84	March 11	2.29	2.67
September 17	2.92	3.40	March 18	2.32	2.70
September 24	2.61	3.04	March 25	2.33	2.71
October 1	2.67	3.11	April 1	2.32	2.70
October 8	2.55	2.97	April 8	2.30	2.68
October 15	2.60	3.03	April 15	2.27	2.64
October 22	2.56	2.98	April 22	2.27	2.64
October 29	2.52	2.93	April 29	2.28	2.65

[1]Under the FY2002 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 FY2002 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 117.6 percent of the SDR interest rate, was reduced to 116.4 percent of the SDR interest rate as a result of the retroactive reduction.

Table II.13
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	Guyana	December 27, 1966
Antigua and Barbuda	November 22, 1983	Haiti	December 22, 1953
Argentina	May 14, 1968	Honduras	July 1, 1950
Armenia	May 29, 1997	Hungary	January 1, 1996
Australia	July 1, 1965	Iceland	September 19, 1983
Austria	August 1, 1962	India	August 20, 1994
Bahamas, The	December 5, 1973	Indonesia	May 7, 1988
Bahrain	March 20, 1973	Ireland	February 15, 1961
Bangladesh	April 11, 1994	Israel	September 21, 1993
Barbados	November 3, 1993	Italy	February 15, 1961
Belarus	November 5, 2001	Jamaica	February 22, 1963
Belgium	February 15, 1961	Japan	April 1, 1964
Belize	June 14, 1983	Jordan	February 20, 1995
Benin	June 1, 1996	Kazakhstan	July 16, 1996
Bolivia	June 5, 1967	Kenya	June 30, 1994
Botswana	November 17, 1995	Kiribati	August 22, 1986
Brazil	November 30, 1999	Korea	November 1, 1988
Brunei Darussalam	October 10, 1995	Kuwait	April 5, 1963
Bulgaria	September 24, 1998	Kyrgyz Republic	March 29, 1995
Burkina Faso	June 1, 1996	Latvia	June 10, 1994
Cambodia	January 1, 2002	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

Table II.13 *(concluded)*

Member	Effective Date of Acceptance	Member	Effective Date of Acceptance
Qatar	June 4, 1973	Suriname	June 29, 1978
Romania	March 25, 1998	Swaziland	December 11, 1989
Russian Federation	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, República Bolivariana de	July 1, 1976
Sri Lanka	March 15, 1994	Yemen, Republic of	December 10, 1996
		Zambia	April 19, 2002
		Zimbabwe	February 3, 1995

Table II.14

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

Classification of Exchange Rate Regimes

The classification system, in effect since 1999, is based on the members' actual, de facto, regimes that may differ from their officially announced arrangements. The scheme ranks exchange rate regimes 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 Regimes

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 and the ECU. 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 CBAs 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 a 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 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 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 as 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 regular preannounced path for the exchange rate. Indicators for managing the rate are broadly judgmental, including, for example, the balance of payments position, international reserves, 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/sell foreign exchange at given quoted rates to maintain the exchange rate at its preannounced 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, CBAs, 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

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

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, 2]				
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 (40)	**Another currency as legal tender** Ecuador† El Salvador[14] Kiribati Marshall Islands Micronesia Palau Panama San Marino ***ECCU***[3] 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†				***Euro area***[4, 5] 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†				
Other conventional fixed peg arrangements (including de facto peg arrangements under managed floating) (41)	***Against a single currency (31)*** Aruba Bahamas, The[6] Bahrain Bangladesh Barbados Belize Bhutan Cape Verde China, People's Rep. of*[7] Comoros[9] Eritea Iran, Islamic Rep. of [6, 7] Jordan†[7] Lebanon[7] Lesotho† Macedonia, FYR†[7] Malaysia Maldives[7] Namibia Nepal Netherlands Antilles Oman Qatar[7, 8] Saudi Arabia[7, 8] Sudan[7] Suriname[6, 7] Swaziland Syrian Arab Republic[6] Turkmenistan[7] United Arab Emirates[7, 8] Zimbabwe[7] ***Against a composite (10)*** Botswana[6] Fiji Kuwait Latvia† Libyan A.J. Malta Morocco Samoa Seychelles Vanuatu	China, People's Rep. of*[7]			
Pegged exchange rates within horizontal bands (5)[10]	***Within a cooperative arrangement ERM II (1)*** Denmark ***Other band arrangements(4)*** Cyprus Egypt[6] Hungary* Tonga		Hungary*		

Table II.14 *(concluded)*

Exchange Rate Regime (number of countries)	Monetary Policy Framework[1, 2] Exchange rate anchor	Monetary aggregate target	Inflation-targeting framework	IMF-supported or other monetary program	Other
Crawling pegs (4)	Bolivia† Costa Rica[7] Nicaragua† Solomon Islands[6]				
Exchange rates within crawling bands (6)[11]	Belarus Honduras† Israel* Romania†[7] Uruguay† Venezuela, Rep. Bol. de		Israel*		
Managed floating with no pre-announced path for exchange rate (42)		Ghana† Guinea† Guyana† Indonesia† Jamaica†[7] Mauritius Mongolia† São Tomé and Príncipe† Slovenia Sri Lanka† Tunisia	Thailand*	Azerbaijan Cambodia[6] Croatia Ethiopia Kazakhstan Kenya Kyrgyz Republic Lao PDR[6] Mauritania Nigeria Pakistan Russian Federation Rwanda Trinidad & Tobago Ukraine Vietnam Yugoslavia Zambia	Algeria[4] Angola[4] Burundi[4] Dominican Rep.[4, 6] Guatemala[4] India[4] Iraq[12] Myanmar[4, 6, 7] Paraguay[4] Singapore[4] Slovak Rep.[4] Uzbekistan[4, 6]
Independently floating (40)		Gambia, The† Malawi† Peru† Philippines† Sierra Leone† Turkey† Yemen†	Australia Brazil† Canada Chile[6] Colombia† Czech Rep. Iceland Korea Mexico New Zealand Norway Poland South Africa Sweden United Kingdom	Albania Armenia Congo, Dem. Rep. Georgia Madagascar Moldova Mozambique Tajikistan Tanzania Uganda	Afghanistan[6, 12] Haiti[4] Japan[4] Liberia[4] Papua New Guinea[4] Somalia[6,12] Switzerland[4] United States[4]

Sources: IMF Staff Reports and *International Financial Statistics.*

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 a * indicates that the country has more than one nominal anchor that may guide monetary policy. It should be noted, however, that it would not be possible, for practical purposes, to infer from this table which nominal anchor plays the principal role in conducting monetary policy.

[2]A country with † indicates that the country has an IMF-supported or other monetary program.

[3]These countries have a currency board arrangement.

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

[5]Until withdrawn in February 2002, national currencies retained their status as legal tender within their home territories.

[6]Member maintained exchange regimes involving more than one market. The regime shown is that maintained in the major market.

[7]The indicated country has a de facto regime, which differs from its de jure regime.

[8]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.

[9]Comoros has the same arrangement with the French Treasury as do the CFA Franc Zone countries.

[10]The band width for these countries is: Cyprus (±2.25%), Denmark (±2.25%), Egypt (±3%), Hungary (±15%), and Tonga (±5%).

[11]The band for these countries is: Belarus (±5%), Honduras (±7%), Israel (±22%), Romania (unannounced), Uruguay (±3%), and Venezuela (±7.5%).

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

[13]For El Salvador, the printing of new colones, the domestic currency, is prohibited, but the existing stock of colones will continue to circulate, along with the U.S. dollar, as legal tender until all notes physically wear out.

APPENDIX III

Principal Policy Decisions of the Executive Board

A. Access Policy and Limits in Credit Tranches and Under Extended Fund Facility—Extension of Deadline for Completion of 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] as amended by Decision No. 12385-(00/129),[2] shall be completed by August 31, 2001.

Decision No. 12517-(01/68)
June 29, 2001

B. IMF's Income Position

(a) Disposition of Net Income for FY2002

1. SDR 51 million of the Fund's net income for FY2002 derived from the application of paragraph 2 of Decision No. 12464-(01/39),[3] adopted April 16, 2001, shall be placed to the Fund's Special Reserve after the end of the financial year.

2. The expense derived from the application of International Accounting Standard 19—Employee Benefits during FY2002 shall be charged against the Fund's Special Reserve and shall be recorded separately in the financial records of the Fund.

Decision No. 12729-(02/43)
April 26, 2002

(b) Rate of Charge on Use of Fund Resources for FY2003

1. Notwithstanding Rule I-6(4)(a), effective May 1, 2002, 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 128.0 percent.

2. The net income target for FY2003 shall be SDR 69 million. Any net income for financial year 2003 in excess of SDR 69 million shall be used to reduce retroactively the proportion of the rate of charge for financial year 2003. If net income for financial year 2003 is below SDR 69 million, the amount of projected net income for financial year 2004 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. 12730-(02/43)
April 26, 2002

(c) Surcharges on Purchases Under Supplemental Reserve Facility and Contingent Credit Lines, and in Credit Tranches and Under Extended Fund Facility—Disposition of Net Operating Income

For financial year 2003, 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. 12733-(02/43) SRF/CCL
April 26, 2002

C. Post-Conflict Emergency Assistance

(a) Administered Account to Subsidize Post-Conflict Emergency Assistance to Poverty Reduction and Growth Facility–Eligible Members—Establishment

Pursuant to Article V, Section 2(b), the Fund adopts the Instrument to Establish an Account ("The Post-Conflict Emergency Assistance Subsidy Account for PRGF-Eligible Members") to subsidize the rate of charge on post-conflict purchases made by PRGF-eligible members under Decision No. 12341-(00/117),[4] November 28, 2000, which is annexed to this Decision.

Decision No. 12481-(01/45)
May 4, 2001

ANNEX: Instrument to Establish the Post-Conflict Emergency Assistance Subsidy Account for PRGF-Eligible Members

To help fulfill its purposes, the International Monetary Fund (the "Fund") has adopted this Instrument to establish an account in accordance with Article V, Section 2(b) (the "Account") which shall be governed by, and administered in accordance with, the following provisions:

Paragraph 1. Purpose of the Account

The purpose of the Account shall be the administration of resources provided to the Account by Contributors for the sub-

[1]See *Selected Decisions*, Twenty-Sixth Issue (December 31, 2001), page 240.
[2]Ibid., page 241.
[3]Ibid., pages 362–63.
[4]Ibid., page 222.

sidization of the rate of charge on post-conflict emergency assistance purchases made by PRGF-eligible members under Decision No. 12341-(00/117),[5] November 28, 2000 ("eligible purchases"). A member is PRGF-eligible if it is included in the list of members annexed to Decision No. 8240-(86/56) SAF.[6]

Paragraph 2. Resources of the Account

The resources held in the Account shall consist of:

(i) grant contributions made to the Account for the purposes of paragraph 1;

(ii) loans, deposits, and other types of investments made by Contributors to the Account to generate income to be used for the purposes of paragraph 1; and

(iii) net earnings from the investment of resources held in the Account.

Paragraph 3. Contributions to the Account

The Fund may accept contributions of resources to the Account on such terms and conditions as may be agreed between the Fund and the respective contributors, subject to the provisions of this Account. For this purpose the Managing Director is authorized to accept grants and enter into loan, deposit, or other type of investment agreements with the Contributors to the Account.

Paragraph 4. Unit of Account

The SDR shall be the unit of account.

Paragraph 5. Media of Payment of Contributions and Exchange of Resources

(a) Resources provided to the Account shall be in any freely usable currency or such other media as may be agreed by the Fund and the Contributor.

(b) Resources held in the Account may be currencies or currencies exchanged for SDRs in accordance with such arrangements as may be made by the Fund for the holding and use of SDRs.

(c) The Fund may exchange any of the resources held in the Account provided that any balance of a currency held in the Account may be exchanged only with the consent of the issuer of such currency.

(d) Payments made from the Account shall be made in SDRs or such other media as may be determined by the Fund.

Paragraph 6. Use of the Resources

(a) The resources of the Account (including any net income from the investment of such resources) shall be used to provide grants to PRGF-eligible members that have made post-conflict emergency purchases under Decision No. 12341-(00/117)[7] ("eligible recipients"), in order to subsidize to an annual rate of 0.5 percent the rate of charge payable to the Fund on the Fund's holding of the member's currency resulting from those purchases. Only charges payable after the establishment of the Account will be eligible for subsidization.

(b) The grants will be made available to eligible recipients at the same time as quarterly charges on eligible purchases fall due, subject to the availability of adequate resources in the Account, in an amount sufficient to reduce that quarterly rate of charge to 0.5 percent on an annual basis. If, in any quarter, the resources of the Account are insufficient to subsidize the rate of charge on all eligible purchases to 0.5 percent for that quarter, the subsidy to each eligible recipient shall be prorated to bring the effective rate of charge paid after subsidization to the closest common percentage to 0.5 percent.

(c) Earmarked resources contributed to the Account shall be used in accordance with the terms agreed with the Contributor and shall not be taken into consideration in the determination of the grant subsidy under subparagraph (b) above. An eligible recipient beneficiary of earmarked resources shall not receive a lower grant subsidy than provided under subparagraph (b) above.

Paragraph 7. Authority to Invest Resources in the Account

(a) Resources held in the Account and not immediately needed for operations of the Account shall be invested at the discretion of the Managing Director, subject to the provisions of subparagraph (c).

(b) The Managing Director is authorized (i) to make all arrangements, including the establishment of accounts in the name of the Fund, with such depositories as he deems necessary to carry out the operations of the Account, and (ii) to take all other measures he deems necessary to implement the provisions of this Instrument.

(c) Investments may be made in any of the following: (i) marketable obligations issued by an international financial organization and denominated in SDRs or in the currency of a member of the Fund; (ii) marketable obligations issued by a member or by a national official financial institution of a member and denominated in SDRs or in the currency of that member; and (iii) deposits with a commercial bank, a national official financial institution of a member, or an international financial institution that are denominated in SDRs or in the currency of a member.

Paragraph 8. Administration of the Account

(a) Assets held in the Account shall be kept separate from the assets and property of all other accounts of, or administered by, the Fund. The assets and property held in such other accounts shall not be used to discharge or meet any liabilities, obligations, or losses of the Fund incurred in the administration of the Account; nor shall the assets of the Account be used to discharge or meet any liabilities, obligations, or losses incurred by the Fund in the administration of such other accounts.

(b) The Fund shall maintain separate financial records and prepare separate financial statements for the Account. The financial statements for the Account shall be expressed in SDRs and prepared in accordance with International Accounting Standards.

(c) The external audit firm selected under Section 20 of the Fund's By-Laws shall audit the operations and

[5]Ibid.

[6]Ibid., pages 374–81.

[7]Ibid., page 222.

transactions conducted through the Account. The audit shall relate to the financial year of the Fund.

(d) The Fund shall report on the resources and position of the Account in the Annual Report of the Executive Board to the Board of Governors and shall include in that Annual Report the audit report of the external audit firm on the Account.

(e) Subject to the provisions of this Instrument, the Fund, in administering the Account, shall apply, mutatis mutandis, the same rules and procedures as apply to operations of the General Resources Account of the Fund.

Paragraph 9. Fees

(a) No charge shall be levied in respect of the services rendered by the Fund in the administration, operation, and termination of this Account.

(b) All investment costs, including but not limited to costs associated with the exchange of currencies, purchase of securities, and hiring of external asset managers and custodian banks, shall be borne by, and deducted from, the Account.

Paragraph 10. Termination

(a) The Account may be terminated at any time by the Fund.

(b) Termination shall be effective on the date that all Contributors have received a notice of termination or on such later date, if any, as may be specified in the notice of termination.

(c) Any balance remaining in the Account on the date of its termination and after discharge of all obligations of the Account shall be transferred promptly to each of the Contributors in the proportion that the SDR equivalent of its respective Contribution bears to the total Contributions; except that:

(i) in the case of earmarked Contributions that have been fully used, no such transfer shall be made, and

(ii) a Contributor may instruct that its share or a specified portion thereof be utilized for such other purposes as may be mutually agreed between the Contributor and the Managing Director.

Paragraph 11. Amendments

The provisions of this Instrument may be amended by a decision of the Fund. Should the Fund amend the terms and conditions of this Instrument, each Contributor shall have the right to withdraw its individual unused Contribution in the proportion that the SDR equivalent of its respective Contribution bears to the total Contributions.

Paragraph 12. Settlement of Questions

Any question arising under this Instrument shall be settled by mutual agreement between the Fund and the Contributors.

(b) Administered Account to Subsidize Post-Conflict Emergency Assistance to Poverty Reduction and Growth Facility–Eligible Members—Use of SDRs

In accordance with Article XVII, Section 3, the Fund prescribes that (i) a participant or a prescribed holder, by agreement with a participant or a prescribed holder and at the instruction of the Fund, may transfer SDRs to that participant or prescribed holder in effecting a transfer to or from "the Post-Conflict Emergency Assistance Subsidy Account for PRGF-Eligible Members" or in effecting a payment due to or by the Fund in connection with financial operations under "the Post-Conflict Emergency Assistance Subsidy Account for PRGF-Eligible Members," (ii) operations pursuant to these prescriptions shall be recorded in accordance with Rule P-9.

Decision No. 12482-(01/45) S
May 4, 2001

D. Poverty Reduction and Growth Facility (PRGF)

(a) Overdue Financial Obligations—Procedures Applicable to PRGF Trust

(See Section E below, subsection (c) for the full text of this decision).

(b) PRGF Trust Borrowing for Loan Account—Consultation with Creditors

The Managing Director, after having consulted with all creditors in accordance with Decision No. 12032-(99/87) PRGF,[8] adopted August 2, 1999, is authorized to confirm that he does not intend to propose to the Executive Board borrowing of more than SDR 16 billion for the Loan Account of the Poverty Reduction and Growth Facility Trust except after consultation with all creditors regarding the justification for such additional borrowing and the adequacy of the Trust's Reserve in relation thereto.

Decision No. 12559-(01/85) PRGF
August 23, 2001, effective September 23, 2001

(c) PRGF Trust Instrument—Amendment

1. The following changes shall be made to the Instrument of the Poverty Reduction and Growth Facility Trust established by Decision No. 8759-(87/176) PRGF,[9] adopted December 18, 1987:

(i) In Section II, paragraph 1(d), "December 31, 2006" shall be substituted for "December 31, 2001";

(ii) In Section III, paragraph 3, the following new sentence shall be added after the first sentence:

"The drawdown period under loan agreements to the Loan Account of the PRGF Trust for interim PRGF financing shall extend through December 31, 2009."

(iii) In Section III, paragraph 4(a), "August 31, 2001" shall be substituted for "November 30, 1993";

(iv) In Section III, paragraph 4(b), the following language shall be added after the second reference to "November 30, 1993,": "or prior to June 30, 2009, in case of a commitment under a loan agreement entered into after August 31, 2001, . . ."

(v) In Section IV, "paragraph 1(d)" shall become "paragraph 1(e)" and the following new "paragraph 1(d)" shall be added:

"(d) transfers from the Trust for Special PRGF Operations for the Heavily Indebted Poor Countries and Interim PRGF Subsidy Operations (PRGF-HIPC Trust) in accordance with Section III bis of that Trust Instrument; and . . ."

[8]Ibid., page 80.
[9]Ibid., page 43.

2. Paragraphs 1(iii) and 1(iv) of this decision shall become effective when all lenders to the PRGF Trust have consented to the changes proposed therein.

Decision No. 12560-(01/85) PRGF
August 23, 2001, effective September 19, 2001

(d) PRGF-HIPC Trust Instrument—Amendments

The following changes shall be made to the Instrument of the Trust for Special PRGF Operations for the Heavily Indebted Poor Countries and Interim PRGF Subsidy Operations established by Decision No. 11436-(97/10),[10] adopted February 4, 1997:

(i) In Section I, paragraph 1(vii), "December 31, 2001" shall be substituted for "December 31, 2000" and "2001/02–2006" for "2000/01–2004";

(ii) The following Section III bis shall be added after Section III:

> **"Section III bis. Subsidies for Interim PRGF Operations**
> For purposes of Section I, paragraph 2(b) of this Instrument, and to the extent that resources in the Subsidy Account of the PRGF Trust are insufficient for interim PRGF subsidy operations, the Trustee shall transfer to the Subsidy Account of the PRGF Trust, as needed, resources in the Trust Account not earmarked for assistance under Section III of this Instrument. Any such transfers shall be limited to the amounts needed for subsidy payments."

Decision No. 12561-(01/85) PRGF
August 23, 2001

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

Pursuant to Decision No. 10286-(93/23) ESAF,[11] 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 October 1, 2001 to March 31, 2002.

Decision No. 12568-(01/93) PRGF
September 12, 2001

(f) PRGF-HIPC Trust—Amendment

The Instrument to Establish a Trust for Special PRGF Operations for the Heavily Indebted Poor Countries and Interim PRGF Subsidy Operations (annexed to Decision No. 11436-(97/10),[12] adopted February 4, 1997) is amended as follows:

(a) The following sentence shall be added in Section I at the end of paragraph 1(v):

> "For the purposes of these calculations, amounts that are subject to an early repurchase or repayment expectation established under the Misreporting Guidelines shall not constitute external debt."

(b) The following shall be added in Section I as a new paragraph 1(x):

> "Misreporting Guidelines means the Guidelines on Corrective Action for Misreporting and Noncomplying Purchases in the General Resources Account (Decision No. 12249-(00/77),[13] adopted July 27, 2000), and the Provisions on Corrective Action for Misreporting and Noncomplying Disbursements in Arrangements under the Poverty Reduction and Growth Facility (Appendix I of the Instrument to Establish the Poverty Reduction and Growth Facility Trust annexed to Decision No. 8759-(87/176) ESAF,[14] adopted December 18, 1987)."

(c) The following sentence shall be added after the first sentence of Section III, paragraph 3(e):

> "To the extent that the Trustee, in determining the amount committed to the member under paragraph 3(b) above, included in the member's external debt amounts that, after the decision point, were found to be subject to an early repurchase or repayment expectation under the Misreporting Guidelines, the Trustee shall recalculate and adjust the amount of its commitment, excluding from the member's external debt the amount that was subject to the repurchase or repayment expectation."

Decision No. 12680-(02/17) PRGF
February 20, 2002

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

The Instrument to Establish a Trust for Special PRGF Operations for the Heavily Indebted Poor Countries and Interim PRGF Subsidy Operations (Decision No. 11436-(97/10)[15] shall be amended as follows:

1. In Section III, paragraph 3(b), the following new sentences shall be added at the end of the paragraph:

> "The Trustee shall, subject to the conditions specified below, adjust the amount of assistance committed to a member under this provision, whether or not disbursed to the account established under paragraph 5 below, if the Trustee, on the basis of revised information, recalculates the member's debt sustainability position used for the purposes of reaching the decision point and determines that the recalculated amount of relief to be provided under the Initiative exceeds or falls short of the amount originally committed by more than one percentage point of the targeted net present value of debt as defined in Section I, paragraph 1(v) above. In such circumstances, the amount of the commitment shall be increased or reduced as necessary to reach the amount to which the member, on the basis of such recalculation, would be entitled under the terms of this Instrument. No such adjustment shall be made: (i) after the completion point; or (ii) in the case of an excess of more than one percentage point, if such excess is attributable to incorrect information on exports, gross domestic product, or fiscal revenues that was not provided by or at the behest of the member. If the amount al-

[10]Ibid., page 81.
[11]Ibid., pages 390–91.
[12]Ibid., page 81.
[13]Ibid., pages 188–90.
[14]Ibid., page 43.
[15]Ibid., page 81.

ready disbursed by the Trustee to the account established under paragraph 5 below for the benefit of the member exceeds the adjusted amount of assistance, the Trustee shall retransfer to the Trust any amount remaining in the account equivalent to such excess."

2. In Section III, paragraph 3(d), the following new sentences shall be added at the end of the paragraph:

"Where the Trustee has made a disbursement of resources under this paragraph to the account established under paragraph 5 below for the benefit of the member on the understanding that all performance-related conditions specified for such disbursement have been met and subsequently determines that any such condition was not met, the Trustee shall retransfer to the Trust any amount remaining in such account from such disbursement up to the total amount of such disbursement as well as all net investment income accrued on the amounts disbursed on the basis of incorrect information provided, however, that no retransfer shall be made if (i) the member's completion point has been reached, or (ii) the Trustee decides that such disbursement remains appropriate in view of the member's record of policy implementation and its poverty reduction efforts. The retransfer of these amounts will not affect the amount of commitment in NPV terms to the member as established at the decision point. The Fund shall issue press releases on its decisions regarding the circumstances of the misreporting and the applicable remedies."

Decision No. 12696-(02/27) PRGF
March 15, 2002

(h) Trust for Special ESAF Operations for Heavily Indebted Poor Countries and Interim ESAF Subsidy Operations—Terms and Conditions for Administration of Account—Amendment

The Trust for Special ESAF Operations for Heavily Indebted Poor Countries and Interim ESAF Subsidy Operations—Terms and Conditions for Administration of Account Provided Under Section III, Paragraph 5(b) of Trust (Decision No. 11698-(98/38) ESAF)[16] shall be amended as follows:

1. Paragraph 1 shall be redrafted to read as follows (with changes underscored):

"1. The resources of the Account shall consist of (i) the proceeds of grants and/or loans paid into the Account for the benefit of a member by the ESAF-HIPC Trust, and (ii) contributions by other donors to the reduction of a member's debt service payments on its existing debt to the Fund, and *(iii)* net earnings from the investment of resources held in the Account."

2. In paragraph 3, the following new sentence shall be added at the end of the paragraph:

"The Trustee shall also be authorized to retransfer back to the Trust an amount equivalent to (i) resources disbursed from the Trust into a sub-account in excess of the amount needed to meet the Fund's share of debt reduction in accordance with Section III, paragraph 3(b) of the Instrument to Establish the PRGF-HIPC Trust, or (ii) resources disbursed as interim assistance from the Trust into a sub-account on the incorrect understanding that all performance-related conditions specified for such disbursement were met, in accordance with Section III, paragraph 3(d) of the Instrument to Establish the PRGF-HIPC Trust."

Decision No. 12697-(02/27) PRGF
March 15, 2002

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

Pursuant to Decision No. 10286-(93/23) ESAF,[17] 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, 2002 to September 30, 2002.

Decision No. 12720-(02/40) PRGF
April 9, 2002

E. Overdue Financial Obligations

(a) Review of Progress Under Strengthened Cooperative Strategy—Extension of Rights Approach

The availability of the rights approach is extended until end-August 2001.

Decision No. 12512-(01/67)
June 28, 2001

(b) Strengthened Cooperative Strategy—Review

The Fund has reviewed progress under the strengthened cooperative strategy with respect to overdue obligations to the Fund as described in EBS/01/122 (7/23/01). The Fund reaffirms its support for the strengthened cooperative strategy and agrees to extend the availability of the rights approach until end-August 2002.

Decision No. 12544-(01/84)
August 22, 2001

(c) Procedures Applicable to PRGF Trust

The Instrument to Establish the Poverty Reduction and Growth Facility annexed to Decision No. 8759-(87/176) ESAF[18] shall be amended by adding the following Appendix:

"APPENDIX II: Procedures for Addressing Overdue Financial Obligations to the Poverty Reduction and Growth Facility Trust

The following procedures aim at preventing the emergence or accumulation of overdue financial obligations to the Poverty Reduction and Growth Facility Trust (the "Trust") and at eliminating existing overdue obligations. These procedures will be implemented whenever a member has failed to make a repayment of principal or payment of interest to the Trust ("financial obligation").

1. Whenever a member fails to settle a financial obligation on time, the staff will immediately send a cable urging the member to make the payment promptly; this communication will be followed up through the office of the Executive Director concerned. At this stage, the member's access to the Fund,

[16] Ibid., pages 96–99.

[17] Ibid., pages 390–91.

[18] Ibid., page 43.

including PRGF and HIPC resources, will have been suspended.

2. When a financial obligation has been outstanding for two weeks, management will send a communication to the Governor for that member stressing the seriousness of the failure to meet obligations to the Trust and urging full and prompt settlement.

3. The Managing Director will notify the Executive Board normally one month after a financial obligation has become overdue, and will inform the Executive Board of the nature and level of the arrears and the steps being taken to secure payment.

4. When a member's longest overdue financial obligation has been outstanding for six weeks, the Managing Director will inform the member concerned that, unless all overdue obligations are settled, a report concerning the arrears to the Trust will be issued to the Executive Board within two weeks. The Managing Director will in each case recommend to the Executive Board whether a written communication should be sent to a selected set of Fund Governors, or to all Fund Governors. If it were considered that it should be sent to a selected set of Fund Governors, an informal meeting of Executive Directors will be held to consider the thrust of the communication. Alternatively, if it were considered that the communication should be sent to all Fund Governors, a formal Board meeting will be held to consider a draft text and the preferred timing.

5. A report by the Managing Director to the Executive Board will be issued two months after a financial obligation has become overdue, and will be given substantive consideration by the Executive Board one month later. The report will request that the Executive Board limit the member's use of PRGF Trust resources. A brief factual statement noting the existence and amount of arrears outstanding for more than three months will be posted on the member's country-specific page on the Fund's external website. This statement will also indicate that the member's access to the Fund, including PRGF and HIPC resources, has been and will remain suspended for as long as such arrears remain outstanding. A press release will be issued following the Executive Board decision to limit the member's use of the PRGF Trust resources. A similar press release will be issued following a decision to lift such limitation. Periods between subsequent reviews of reports on the member's arrears by the Executive Board will normally not exceed six months. The Managing Director may recommend advancing the Executive Board's consideration of the reports regarding overdue obligations.

6. The Annual Report and the financial statements will identify those members with overdue obligations to the Trust outstanding for more than six months.

Removal from the list of PRGF-eligible countries

7. When a member's longest overdue financial obligation has been outstanding for six months, the Executive Board will review the situation of the member and may remove the member from the list of PRGF-eligible countries. Any reinstatement of the member on the list of PRGF-eligible countries will require a new decision of the Executive Board.

The Fund shall issue a press release upon the decision to remove a member from the list of PRGF-eligible countries. A similar press release shall be issued upon reinstatement of the member on the list. The information contained in such press releases, where pertinent, shall be included in the Annual Report for the year concerned.

Declaration of noncooperation with the PRGF Trust

8. A declaration of noncooperation with the PRGF Trust may be issued by the Executive Board whenever a member's longest overdue financial obligation has been outstanding for twelve months. The decision as to whether to issue such a declaration would be based on an assessment of the member's performance in the settlement of its arrears to the Trust and of its efforts, in consultation with the Fund, to follow appropriate policies for the settlement of its arrears. Three related tests would be germane to this decision regarding (i) the member's performance in meeting its financial obligations to the Trust taking account of exogenous factors that may have affected the member's performance; (ii) whether the member had made payments to creditors other than the Fund while continuing to be in arrears to the Trust; and (iii) the preparedness of the member to adopt comprehensive adjustment policies. The Executive Board may at any time terminate the declaration of noncooperation in view of the member's progress in the implementation of adjustment policies and its cooperation with the Fund in the discharge of its financial obligations.

Upon a declaration of noncooperation, the Fund could also decide to suspend the provision of technical assistance. The Managing Director may also limit technical assistance provided to a member, if in his judgment that assistance was not contributing adequately to the resolution of the problems associated with overdues to the Trust.

The Fund shall issue a press release upon the declaration of noncooperation and upon the termination of the declaration. The information contained in such press releases shall be included in the Annual Report(s) for the year(s) concerned."

Decision No. 12545-(01/84) PRGF
August 22, 2001

(d) Amendment to Procedures for Dealing with Members with Arrears to General and SDR Departments

In the Procedures for Dealing with Members with Overdue Financial Obligations to the Fund adopted by the Executive Board on August 17, 1989,

(i) the title of the decision shall be amended to read:

> "Procedures for Dealing with Members with Overdue Financial Obligations to the General Department and the SDR Department";

(ii) the following paragraphs shall be added between the paragraph beginning with the terms "A complaint by the Managing Director . . ." and the paragraph beginning with the terms "The Annual Report and the financial statements . . .":

> "When a member has overdue financial obligations outstanding for more than three months, a brief factual statement noting the existence and amount of such arrears will be posted on the member's country-specific page on the Fund's external website. The statement will be updated as necessary. It will also indicate that the member's access to the Fund, including PRGF and HIPC resources, has been and will remain suspended for as long as arrears remain outstanding.

A press release will be issued following the Executive Board's decision to limit the member's use of the general resources or, if the member has overdue obligations in the SDR Department, to suspend its right to use SDRs. A similar press release will be issued following a decision to lift such limitation or suspension."; and

(iii) the following paragraph shall be added between the paragraph beginning with the terms "A declaration of censure or noncooperation would come as an intermediate step . . ." and the paragraph beginning with the terms "A draft of the declaration is set out . . .":

"Upon a declaration of noncooperation, technical assistance to the member will be suspended unless the Executive Board decides otherwise."

Decision No. 12546-(01/84)
August 22, 2001

(e) Policy to Publish Information on Missed Repurchase Expectations

When a member has failed for three months to meet a repurchase expectation under paragraph 1(b) of Decision No. 5703-(78/39),[19] paragraph 10(a) of Decision No. 4377-(74/114),[20] or paragraphs 6(b) or 19 of Decision No. 11627-(97/123) SRF/CCL,[21] a brief factual statement noting such failure and the resulting suspension of use of Fund resources will be posted on the member's country-specific page on the Fund's external website. This statement will be removed when the Executive Board lifts the suspension, or if the member meets the missed repurchase expectation or settles the associated repurchase obligation.

Decision No. 12547-(01/84) SRF/CCL
August 22, 2001

(f) Amended Decisions

1. References in Fund decisions to Decision No. 7842-(84/165)[22] on the guidelines on corrective action in cases of misreporting and noncomplying purchases in the General Resources Account shall be understood to be references to Decision No. 12249-(00/77),[23] July 27, 2000.

2. Decision No. 7931-(85/41),[24] March 13, 1985, and Decision No. 7999-(85/90),[25] June 5, 1985 are hereby abrogated.

Decision No. 12548-(01/84)
August 22, 2001

(g) Burden Sharing—Implementation in FY2003

Section I. Principles of Burden Sharing

1. The financial consequences for the Fund that 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.

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 IV of this decision and Section IV of Executive Board Decision No. 12189-(00/45),[26] adopted April 28, 2000.

Section III. Adjustment for Deferred Charges

Notwithstanding paragraph 1(a) of Section IV of Executive Board Decision No. 12189-(00/45),[27] adopted April 28, 2000, the rate of charge and the rate of remuneration determined under that Section shall be rounded to two decimal places.

Section IV. Amount for Special Contingent Account-1

1. An amount of SDR 94 million shall be generated during financial year 2003 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),[28] adopted June 20, 1990.

2. (a) In order to generate the amount to be placed to the Special Contingent Account-1in 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.

(b) Notwithstanding paragraph 1 above, adjustments to the rate of charge and the rate of remuneration under this paragraph shall be rounded to two decimal places. 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, 2002, August 1, 2002, November 1, 2002 and February 1, 2003; 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),[29] 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.

[19]Ibid., pages 301–03.
[20]Ibid., pages 193–97.
[21]Ibid., pages 264–70 and 605.
[22]Ibid., pages 190–91.
[23]Ibid., pages 188–90.
[24]Ibid., page 534.
[25]Ibid., page 535.
[26]Ibid., pages 358–61.
[27]Ibid.
[28]Ibid., pages 366–68.
[29]Ibid., pages 319–20.

(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),[30] adopted April 30, 1986, or any subsequent decision of the Fund.

(d) Subject to paragraph 4 of Decision No. 8780-(88/12),[31] 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).

Section V. 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),[32] adopted April 28, 2000.

Decision No. 12731-(02/43)
April 26, 2002

(h) Review of System of Special Charges

The Fund has reviewed the system of special charges applicable to overdue obligations to the General Reserve Account, the Structural Adjustment Facility, and the Trust Fund.

Decision No. 12732-(02/43) G/SAF/TR
April 26, 2002

F. Eleventh General Review of Quotas

(a) Period for Consent to Increases—Extension

Pursuant to paragraph 4 of the Resolution of the Board of Governors No. 53-2,[33] "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 January 31, 2002.

Decision No. 12533-(01/76)
July 18, 2001

(b) Period for Consent to Increases—Extension

Pursuant to paragraph 4 of the Resolution of the Board of Governors No. 53-2,[34] "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, 2002.

Decision No. 12672-(02/11)
January 31, 2002

[30] Ibid., page 312.
[31] Ibid., pages 319–20.
[32] Ibid., pages 358–61.
[33] Ibid., pages 657–68.
[34] Ibid.

G. Technical Assistance—Framework Administered Account—Amendment to Instrument

The instrument establishing the Framework Administered Account for Technical Assistance Activities (Decision No. 10942-(95/33)[35]), as amended, is hereby further amended as provided in the Annex to EBS/01/202 (11/29/01).

Decision No. 12641-(01/126)
December 6, 2001

H. Biennial Review of Implementation of Fund Surveillance and of 1977 Surveillance Decision—Overview; and Extension of Deadline for Review

In Decision No. 12178-(00/41),[36] adopted on April 10, 2000, "April 10, 2002" in the first and second paragraphs shall be replaced with "July 10, 2002."

Decision No. 12713-(02/38)
April 5, 2002

I. General Data Dissemination System—Amendment

The Executive Board approves the draft amendments to the General Data Dissemination System as set forth in SM/01/208, Sup. 4 (11/5/01).

Decision No. 12614-(01/117)
November 12, 2001

J. Reducing Work Pressures

(a) Article IV Consultation Documentation—Recent Economic Developments

Article IV consultation documentation shall no longer include Recent Economic Development reports. Instead the staff could incorporate, as needed, the appropriate information on recent economic developments in a Selected Issues paper as analytical background for key policy issues.

Decision No. 12661-(02/6)
January 22, 2002

(b) Reports on Observance of Standards and Codes

Individual hard copies of Reports on the Observance of Standards and Codes that are to be published shall no longer be circulated to Executive Directors.

Decision No. 12662-(02/6)
January 22, 2002

(c) Summings Up for Internal Purposes on Use of Fund Resources

Following any Executive Board meeting on the use of Fund resources by a member combined with an Article IV consultation, summings up for internal purposes on the use of Fund resources shall no longer be prepared. Instead, a paragraph or paragraphs concerning Executive Directors' views regarding the member's Fund-supported program shall be attached to the summing up of the Board discussion of the Article IV consultation. Such paragraph(s) shall not be published with any Public Information Notice following the meeting.

Decision No. 12663-(02/6)
January 22, 2002

[35] Ibid., page 106.
[36] Ibid., page 17.

K. European Central Bank

(a) Observer Status—European Union Accession Countries

It is understood, for the purposes of paragraph 2 of the Decision on the Observer Status of the European Central Bank (ECB) (Decision No. 11875-(99/1),[37] adopted December 21, 1998), that the ECB shall be invited to send a representative to meetings of the Executive Board on Fund surveillance over the policies of, and to meetings of the Executive Board on use of Fund resources by, members that are accession countries to the European Union, provided that there is no objection from the member concerned.

Currently, the following members are accession countries to the European Union:

Bulgaria, Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Romania, Slovak Republic, Slovenia, and Turkey.

The Executive Board will be informed by management, after consultation with the Presidency of the Council of the European Union, of any changes to that list.

Decision No. 12479-(01/43)
April 27, 2001

(b) Observer Status

The Executive Board has reviewed Decision No. 11875-(99/1),[38] adopted December 21, 1998. The Decision shall be reviewed again before January 1, 2003.

Decision No. 12652-(02/1)
December 28, 2001

[37]Ibid., pages 510–11.

[38]Ibid.

APPENDIX IV

IMF Relations with Other International Organizations

FY2002 presented many challenges as economic activity weakened throughout the world, increasing the risks faced by vulnerable countries. Restoring the momentum of global economic growth has required an unprecedented level of cooperation between international financial institutions. Collaboration among the IMF, 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 took on added significance in an uncertain global economic environment.

Regional Representation and Technical Assistance

The IMF's Office in Europe, the Office in Geneva, and the Regional Office for Asia and the Pacific maintain close ties with other international organizations. The Office in Europe (Paris Office) liaises with regional and international institutions located in Europe and contributes to the IMF's European operations, focusing on multilateral and regional surveillance. The Paris Office also provides secretariat support to the Group of Ten, liaises with bilateral donors, regularly participates in and represents the IMF at donor and surveillance committees of the OECD in Paris, and keeps close contact with the BIS in Basel and the European Commission in Brussels. Additionally, Paris Office staff attend, on an ad hoc basis, meetings of organizations such as the Financial Action Task Force (FATF), the European Parliament, and the Council of Europe.

The Office in Geneva liaises with, monitors, and reports on activities of Geneva-based multilateral agencies in areas relevant to the IMF's mandate. Particular emphasis is placed on the WTO and the multilateral trading system. The Office also represents the IMF in a number of multiagency initiatives, such as the Integrated Framework for Trade-Related Technical Assistance to developing countries. In addition, the Office maintains contacts with the International Labor Organization (ILO), the UN Conference on Trade and Development (UNCTAD), the International Trade Center (ITC), the UN Economic Commission for Europe (ECE), the Inter-Parliamentary Union (IPU), and a number of other Geneva-based agencies.

The IMF's Office for Asia and the Pacific, located in Tokyo, is responsible for enhancing surveillance and promoting the IMF's initiatives in the Asia region. The office works closely with such regional groupings as the Asia-Pacific Economic Cooperation (APEC) forum; the Association of South East Asian Nations (ASEAN); the South Pacific Forum (FORUM); the South East Asian Central Banks (SEACEN); and the Executives' Meeting of East Asia and Pacific Central Banks (EMEAP). It provides the secretariat for the Manila Framework Group. The office maintains close contact with two regional organizations—the Asian Development Bank (AsDB) and the United Nations Economic and Social Commission of Asia and the Pacific (ESCAP)—as well as with the World Bank's office in Japan.

FY2002 saw the establishment of a regional technical assistance center in Bridgetown, Barbados. The Caribbean Regional Technical Assistance Center (CARTAC), a joint initiative by the IMF, bilateral donors, and other multilateral institutions to help 20 Caribbean countries improve their economic and fiscal management practices, was inaugurated on November 5, 2001. The IMF's Executive Board approved the establishment of two African Regional Technical Assistance Centers (AFRITACs). The Dar es Salaam and Abidjan centers will help countries build local capacity for East Africa and West Africa, respectively. The IMF provides policy-related training to public sector officials and private sector managers through its support of the Joint Africa Institute, the Joint Vienna Institute, and the Singapore Regional Training Institute. In addition, three regional training programs have been added in the past three years—the IMF-Arab Monetary Fund Regional Training Program in the United Arab Emirates, the Joint China Training Program, and in FY2002, the Joint Regional Training Center for Latin America in Brazil. Each of these regional facilities and programs offers courses and seminars on topics of relevance to regional capacity building. (For more details, see Chapter 7.)

Liaison with Intergovernmental Groups

One notable aspect of the altered international environment has been the increased emphasis given to collaboration with intergovernmental groups involved with devising measures to combat money laundering and the financing of terrorism. (See Chapter 3.)

The IMF, along with the World Bank, is working with the FATF to develop a methodology for assessing anti-money-laundering and combatting the financing of terrorism (AML/CFT) measures contained in the FATF 40 Recommendations on Money Laundering and their Eight Special Recommendations on Terrorist Financing. IMF staff attended the FATF Extraordinary Plenary Meeting, on October 29–30, 2001, in Washington and the global Forum on Countering the Financing of Terrorism, on February 1, 2002, in Hong Kong SAR.

The Financial Stability Forum (FSF) noted efforts to combat the financing of terrorism at its seventh meeting held on March 25–26, 2002, in Hong Kong SAR. As a member of the FSF, the IMF takes the lead on organizing and implementing a process for assessing offshore financial centers' adherence to international standards. The chairman of the FSF participated as an observer at the November 2001 and April 2002 meetings of the International Monetary and Financial Committee. Contacts were established between the IMF and the Egmont Group, which comprises the Financial Intelligence Units of 58 member countries. The Basel Committee on Banking Supervision, the International Association of Insurance Commissioners, the International Organization of Securities Commissioners (IOSCO), and the Egmont Group also collaborated in the development of sector-specific contributions to the methodology for assessing anti-money-laundering and counterterrorist financing measures. Besides this stepped-up work in the AML/CFT area, the IMF continues to work closely with these bodies on other aspects of the international financial system, such as standards and codes.

Throughout FY2002, the IMF participated actively in the meetings and activities of other major intergovernmental groups, including the Group of Seven, Group of Ten, Group of Twenty, and Group of Twenty-Four. Managing Director Horst Köhler attended the third meeting of the G-20, held in Ottawa, on November 16, 2001. On February 9, 2002, he met with finance ministers and central bank governors of the G-7 countries in Meech Lake, Canada, to review recent economic developments.

Relations with the United Nations

The IMF cooperates with the United Nations on a regular basis through the IMF Special Representative to the UN and other institutional contacts, including management and the Executive Board.

During FY2002, the main issue on which the IMF and UN cooperated was the preparation for the UN International Conference on Financing for Development (FfD). On March 18–22, 2002, 51 heads of state or government, along with ministers of finance, trade, development, and foreign affairs, gathered in Monterrey, Mexico, for the conference. Throughout FY2002, IMF staff contributed to the work of the FfD Preparatory Committee, providing input for the event and its concluding document. Discussions between the chairpersons of the Preparatory Committee for the conference and the IMF Executive Board and management took place prior to the Monterrey conference. Speaking at the conference, the Managing Director noted the role that international financial institutions have in reinforcing the momentum for reform and consensus building.

The IMF's Managing Director participated in the High-Level Segment of the Annual Session of the Economic and Social Council (ECOSOC) on "Sustainable Development of Africa and the Role of the United Nations System" held in Geneva on July 16, 2001. He pledged the IMF's support for a global partnership for African economic development. The New African Initiative, launched previously at the African heads of state meeting in Lusaka, provided the session's reference point. The Initiative was subsequently renamed the New Partnership for Africa's Development, or NEPAD. Besides issues of particular concern to Africa, subjects of general interest discussed at the session included the prospects of opening a new round of multilateral trade negotiations, overseas development assistance, the possibility of enlarging the HIPC Initiative, and the overall coherence of international policymaking.

Deputy Managing Director Eduardo Aninat attended the High-Level Dialogue between ECOSOC, the Bretton Woods institutions, and the WTO following the Spring Meetings of the IMFC/DC. IMF management also participated in the sessions of the Chief Executives Board (CEB), which brings together the UN organizations, the IMF, the World Bank, and the WTO under the chairmanship of the UN Secretary-General.

The UN's announcement of the Millennium Development Goals (MDGs) on September 19, 2001, was welcomed by Managing Director Köhler. The MDG targets and indicators were the outcome of extensive consultations between the UN Secretariat and staff members of the IMF, World Bank, and OECD. They represent the harmonization of International Development Goals and the UN Millennium Declaration.

Collaboration with the World Bank

The collegial relationship between the IMF and the World Bank dates back to their founding at the Bretton Woods Conference of 1944. As mandated in their respective Articles of Agreements and in the joint 1989 Concordat, each institution plays an important, complementary role in ensuring the world's economic growth and stability. Both institutions conduct regular consultations of senior staffs, participate together on missions, attend joint meetings, and share documents. Collaboration at the staff level, both in policy advice and on operational matters, is supported by the ongoing dialogue between IMF and Bank management.

As the missions of the institutions have evolved over time, management has periodically redefined the division of labor between the two organizations, with a view toward enhancing their overall effectiveness. FY2002 saw a renewed momentum to strengthen the framework for collaboration. Building upon the joint management statements of 1998 and 2000, the institutions together reviewed IMF-Bank cooperation in supporting country development. Responsibilities were refined and clarified, as both organizations sought to ensure a more systematic working relationship.

Particular emphasis was given to streamlining and focusing conditionality. Although policy measures critical for a program to achieve its macroeconomic goal should continue to be included, program design and the conditions attached to program financing must be founded on strong national ownership. The revised framework, detailed in a joint document dated August 23, 2001, seeks to reduce institutional overlap and reinforce sustained implementation of country economic reforms.

An important element in this process has been the application of the "lead agency" concept for program design and monitoring. In order to better delineate roles, improve accountability, and increase transparency, one institution is identified as the agency to lead staff work on specific policy issues. Within the overall collaboration framework, each institution retains ultimate responsibility for its own lending decisions, reflecting separate accountability.

Among the major joint initiatives completed in FY2002 were a review of the Poverty Reduction Strategy Paper (PRSP) approach and a set of joint papers discussing the status of implementation of the HIPC Initiative. Other joint initiatives to support poverty reduction and growth included a statement from the Managing Director of the IMF and the

President of the Bank to the WTO, calling for unrestricted market access for poor countries; a commitment to implementing the "Monterrey Consensus," to fund financing for development; and the establishment of regional technical assistance centers, to support local capacity building. (For more details, see Chapter 5).

Finally, as discussed above under "Liaison with Intergovernmental Groups," since April 2001 the IMF and the Bank have intensified their work on global anti-money-laundering efforts and, since September 2001, on combating the financing of terrorism, including assessment of the AML/CFT framework in the context of the joint IMF-Bank Financial Sector Assessment Program work.

Cooperation with Regional Development Banks

Whether working to prevent crisis, alleviate poverty, combat financial abuse, or strengthen the global economic system, the IMF cooperates closely with the world's multilateral and regional development banks. This collaboration includes formulation and implementation of policies in the economic and financial areas, release of information, and exchange of staff visits. In FY2002, the IMF worked with the Asian Development Bank (AsDB) to establish a regional "early warning system," with the European Bank for Reconstruction and Development (EBRD), the AsDB, and the World Bank to promote poverty reduction and debt sustainability in the low-income countries of the Commonwealth of Independent States, with the Inter-American Development Bank (IDB) to address the crisis in Argentina, and with the African Development Bank (AfDB) to launch the AFRITACs. 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 Board discussions of HIPC matters.

In October 2001 and in March 2002, the IMF, together with the World Bank and 11 regional development banks, participated in semiannual meetings of multilateral creditors to HIPCs to review the progress of implementation of the HIPC Initiative. In the later part of 2001, the IMF and World Bank conducted a series of videoconferences with heads of multilateral development banks to discuss a number of significant issues, ranging from the global economic outlook to the combating of money laundering and terrorist financing.

Role of IMF Management

In a globalized world, close cooperation between financial, trade, and development organizations is essential. Efforts to prevent crisis and to promote growth depend upon the coordinated actions of many international institutions. This is especially true in times of economic stress and uncertainty. IMF management plays an important role in promoting this multilateral collaboration.

From May 10 to 15, IMF Managing Director Köhler visited Saudi Arabia, Bahrain—to attend the Gulf Cooperation Council (GCC) ministerial meeting—Egypt, and Paris to meet with authorities of the Maghreb countries. On May 31, 2001, Mr. Köhler addressed the spring membership meeting of the Institute for International Finance, held in Hong Kong SAR, where he spoke on the need to build a new partnership between the private financial sector and public institutions like the IMF. At the High-Level Meeting of the ECOSOC in Geneva on July 16, 2001, he pledged the IMF's support for a global partnership for African economic development. The Managing Director addressed the Fourth Ministerial Conference of the WTO, in Doha, Qatar, on November 10, 2001, regarding the importance of embarking on a new trade round to help build a better world. On December 14, 2001, Mr. Köhler attended the Informal Meeting of the ECOFIN Council in Laeken, Belgium, where he welcomed the introduction of euro notes and coins as an emblem of the successes and challenges of European integration. At the International Conference on Poverty Reduction Strategies in Washington on January 14, 2002, the Managing Director reviewed the ongoing process of change in the IMF's work with poor countries. Also in Washington, while speaking to the Conference on Humanizing the Global Economy on January 28, 2002, Mr. Köhler advanced the proposition that there is an obligation to work for better globalization. At the International Conference on Financing for Development in Monterrey, Mexico, on March 21, 2002, he urged adoption of the "Monterrey Consensus" and committed the IMF to playing an active role in the fight against world poverty. On April 17, 2002, the Managing Director outlined the IMF's agenda for promoting sustained growth and international financial stability, at the National Press Club in Washington. From April 28 to May 3, 2002, Mr. Köhler conducted his third tour of the African continent since assuming office. He visited Dar es Salaam, Kinshasa, Abidjan, Ouagadougou, and Accra, where he attended meetings with heads of state, participated in a series of workshops, and held discussions with a broad cross section of society on a range of topics of importance to Africa.

The IMF's Deputy Managing Directors also attended many conferences, meetings, and seminars throughout the year. On June 1, 2001, then First Deputy Managing Director Stanley Fischer addressed the Institute of Policy Studies in Singapore regarding the prospect of future relations between the IMF and member countries in Asia. In Berlin, on June 11, 2001, Deputy Managing Director Shigemitsu Sugisaki spoke to the International Policy Dialogue on the need to increase the effectiveness of conditionality, while giving maximum scope for national ownership. At the General Meeting of ELKARGI in San Sebastián, Spain, on June 29, 2001, Deputy Managing Director Eduardo Aninat reflected on the opportunities and risks of globalization. Current First Deputy Managing Director Anne Krueger proposed a new approach to sovereign debt restructuring at the National Economists' Club Annual Dinner in Washington on November 26, 2001.

APPENDIX **V**

External Relations

In FY2002, the IMF accelerated its efforts to increase its transparency and communicate effectively with people around the world. With regard to **public statements and publications**, the main activities were:

- Publishing a much wider range of *country- and policy-related documents* on the IMF's website (www.imf.org) under the IMF's new policy on transparency, adopted in 2000. Information and documents on the *Financial Sector Assessment Program (FSAP)* were added in FY2002. The website continued to be very popular, attracting users in steadily growing numbers, and a program of regular enhancements to the website's content, usability, and search facility begun during the financial year is expected to increase further the importance of the website in the IMF's external communications.
- *Speeches* and other public appearances by management and senior staff conveyed the IMF's views on broad policy and economic issues ranging from IMF reform to the outlook for the world economy following September 11, and on specific country and regional issues, ranging from the launch of the euro to the prospects for growth and reform in Russia. The IMF published most speeches on the website within hours of delivery.
- *Publication* of economic and financial research and policy analysis papers increased, including three issues of the *World Economic Outlook;* the inaugural issue of the new quarterly *Global Financial Stability Report;* a new Annual Research Conference issue of *IMF Staff Papers;* and a wide array of books, manuals and guides, Occasional Papers, Working Papers, Policy Discussion Papers, pamphlets, and leaflets (see Table V.1).
- *Finance & Development* (a quarterly magazine on issues in the international economy) and the *IMF Survey* (a biweekly journal on the activities of the IMF) were revamped to sharpen their focus on key policy concerns.
- To make the IMF's technical and analytical work more accessible, the IMF published new titles in its *Economic Issues*, *Issues Briefs*, and *Factsheets* series. *Economic Issues* are brief, simplified summaries of policy-related economic research findings. *Issues Brief*s discuss key issues facing the IMF and the global economy, while *Factsheets* explain in plain language how the IMF works.
- *Distribution* of IMF publications was expedited and expanded in FY2002. A streamlined inventory and order-fulfillment system, using state-of-the-art technology, will ensure timely distribution of publications worldwide. In addition, over 150 libraries in 183 countries were invited to join in the IMF's Depository Library Program—initiated to guarantee dissemination of IMF publications in member countries where people would otherwise have inadequate access to such information.
- A study by outside consultants of user requirements and dissemination and pricing strategies for IMF publications was conducted in FY2002. Two key findings were that (1) the IMF could significantly augment the dissemination of its publications, both priced and complimentary, by using e-commerce to contact consumers and complete orders, and—for such Internet publications as *International Financial Statistics*—to provide online access, and (2) despite the steady spread of electronic media worldwide, print editions of many publications will be needed for an indefinite period, particularly for users in developing countries with limited technology infrastructure.

The IMF also enhanced its **media relations** work in FY2002:

- Regular *press briefings* by the Director of the External Relations Department were held roughly every two weeks, with subsequent posting of transcripts and video on the website. *Press conferences* with management and senior staff, held on such occasions as the Spring and Annual Meetings, and on release of major reports such as the *World Economic Outlook* and the *Global Financial Stability Report,* were also made widely available to the public as transcripts and videos posted on the website. In addition, mission chiefs and resident representatives increased their contact with local press and media on country-related issues. To improve accessibility, new web pages—for IMF resident representatives in Angola, Bulgaria, China, Estonia, Latvia, Pakistan, and Vietnam—were established.
- *Press Releases* on decisions taken by the Executive Board, and *News Briefs* expressing the views of management and senior staff on topical matters, were posted on the website and also distributed directly by fax to journalists and others.
- *Public information notices* (PINs) on both country and policy issues were posted on the website. Country PINs convey summaries of the Executive Board's review of economic surveillance or Article IV consultations with IMF member countries. Publication is authorized by the countries themselves. Policy PINs summarize discussions of IMF policies. Decisions to publish policy PINs are based on whether discussions have either reached completion or are at a point where informing the public is deemed useful.
- Through *op-eds* and *letters to the editor*, the IMF sought to state its case directly to the public and correct misperceptions about its role. *Op-eds* addressed such broad policy is-

sues as "Globalization and the Poor Countries," "Should Countries Like Argentina Be Able to Declare Themselves Bankrupt?" and "Toward Faster Poverty Reduction." Senior staff and resident representatives responded to specific criticism leveled against the IMF in *letters to the editor,* which appeared in newspapers and other publications around the world.

To enhance awareness and understanding of its policies and operations, the IMF expanded its **public outreach** activities in FY2002. Participants included legislators and parliamentarians in a number of countries, the private sector (especially financial market participants), and civil society at large, including nongovernmental organizations, labor unions, religious groups, academia, and the general public. In the period leading up to the Annual Meetings—slated to take place on September 29–30, 2001—the IMF made a special effort to reach out to civil society and other critics to address their concerns. The terrorist attacks in the United States on September 11, 2001, however, led to a postponement of the Annual Meetings and dramatically changed the parameters of the debate on globalization and the role of the IMF. In the end, street protests against the IMF and the World Bank were relatively muted during the scaled-down meetings of the International Monetary and Financial Committee and the Development Committee held in Ottawa in November 2001, and the Spring Meetings held in Washington, D.C., in April 2002.

The IMF continued to seek a constructive dialogue with civil society on globalization and other important issues throughout FY2002.

- IMF staff had numerous contacts and participated in about 60 seminars and meetings with *civil society groups* during FY2002, including nongovernmental, labor, and religious organizations. The Managing Director participated in two "town hall" meetings with NGO representatives—at the Ministry of Finance in Berlin in September 2001, and during the international Poverty Reduction Strategy Paper (PRSP) review conference held in Washington, D.C., in January 2002.
- During FY2002, the Managing Director maintained regular contact with the *private financial sector*, including through the Capital Markets Consultative Group (CMCG). The CMCG met in Hong Kong SAR (May 2001), in New York (October 2001), and in Frankfurt (March 2002). The meetings focused generally on the world economic outlook, vulnerabilities in emerging and other markets, and cooperation between the official and private sectors on issues such as crisis prevention and resolution.
- Management and staff continued to meet with *legislators in various countries* on topics ranging from IMF reform to specific country issues. IMF staff also organized and/or participated in a number of special seminars with parliamentarians from many countries. In April 2002, for example, the IMF, together with the National Assembly of Kenya, organized a workshop on managing an economy. The workshop provided an opportunity for senior IMF staff and parliamentarians to discuss various topics of common interest, including the importance of macroeconomic stability and poverty reduction, good governance, financial sector reforms, and the social dimension of reforms.
- The IMF organized, and beginning in FY2002 broadcast live over the Internet, a series of *Economic Forums* on topical issues ranging from "The Euro—Ready or Not" to "New Ideas for Reducing Poverty" and "Globalization—North-South Linkages." Economic Forums are always open to the public, free of charge.
- IMF staff became more active in engaging *students* and the *academic and policy research community* in the Washington, D.C., area. IMF staff participated in discussions and gave presentations on topics related to the work of the IMF, including globalization and trade. Two new multilingual educational segments, "IMF in Action," intended to help students better understand what the IMF does, and "Monetary Mania," a quiz show about money, economics, and monetary policy, were developed and added to the website.
- The *IMF Center,* which opened in 2001 at IMF headquarters, hosted 12,000 visitors and held briefings on financial and monetary issues for a growing number of visiting groups in FY2002. Directly accessible to the general public, the center featured a new exhibit, "The Artistry of African Currency," complementing its permanent exhibit, "Money Matters," on the history of global cooperation in financial and monetary policy.
- The IMF's *community relations program* continued to assist less fortunate members of the Washington area community in FY2002. IMF staff carried out extensive volunteer work in the Washington metro region and, in some cases, overseas. Through the IMF Civic Program, over $650,000 was donated to charities working to reduce poverty in the Washington, D.C., metropolitan region and in low-income countries, and surplus goods—such as used computers and furniture—were donated to charitable and educational organizations.

Table V.1

Publications and Videos Issued, Financial Year Ended April 30, 2002

*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, 2001**
(Chinese, English, French, German, and Spanish). Free.

Annual Report on Exchange Arrangements and Exchange Restrictions, 2001
$95; $47.50 to full-time university faculty members and students.

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

*The IMF Committee on Balance of Payments Statistics, Annual Report, 2001.** Free.

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

By-Laws, Rules, and Regulations, Fifty-Eighth Edition. (May 2001) (English, French, and Spanish). Free.

IMF Financial Statement, Quarters ended April 30, 2001; October 31, 2001; January 31, 2002. Free.

Periodic Publications

Balance of Payments Statistics Yearbook
Vol. 52, 2001. 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**
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APPENDIX VI

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

Fourth Meeting, Ottawa, Canada, November 17, 2001

1. Recognizing the need for a determined and cooperative policy response to the challenges facing the world economy, the International Monetary and Financial Committee held its fourth meeting in Ottawa on November 17, 2001, under the Chairmanship of Mr. Gordon Brown, Chancellor of the Exchequer of the United Kingdom. The Committee expresses its gratitude to Finance Minister Paul Martin and the Canadian government for hosting this meeting and for the excellent arrangements.

2. The Committee notes that the September 11 terrorist attacks have prolonged the slowdown in the world economy. Bold policy action has already been taken to support a robust recovery during 2002, but the outlook remains subject to considerable uncertainty. Continuing vigilance is needed, and it is essential that the international community stands ready to take timely action to maintain stability and invigorate growth. The Committee welcomes the Managing Director's October 5 statement on the situation of the world economy and the IMF response, which outlines a collaborative approach to give a new momentum to the world economy. The IMF has a central role to play, including through a strengthened focus on surveillance, in ensuring global macroeconomic and financial stability and in ensuring that globalization works for the benefit of all.

3. The advanced economies have a key responsibility to promote early recovery in global growth. The recent easing of monetary policy in the United States, the euro area, and other advanced economies is welcome, and the authorities stand ready to take further action if appropriate. While the scope for discretionary fiscal policy action varies across countries, the advanced economies should allow automatic stabilizers to operate. The Committee stresses that determined implementation of structural reforms to take advantage of the promise of technology for increased productivity is important to restore confidence and growth. Japan, in particular, needs to move ahead with vigorous reforms of its banking and corporate sectors, and Europe should give priority to accelerating labor and product market reforms. The United States stands ready to take further action to support growth, consistent with maintaining sound public finances in the medium term.

4. Increased trade opportunities will play a vital role in the recovery, and the Committee strongly welcomes the outcome of the Doha meeting of the World Trade Organization and the Doha Development Agenda. All countries should stand firm against protectionist pressures, and the advanced economies, in particular, should improve access to their markets and reduce trade-distorting subsidies both for the benefit of their own citizens and to provide critical support for developing countries. The IMF should strengthen its surveillance of these issues and help promote international efforts to open markets. The Committee is vigilant on stability in the oil market at prices reasonable for consumers and producers.

5. Emerging markets and developing countries are facing a weakening of global demand, reduced capital flows, higher risk aversion in financial markets, reduced income from tourism, and lower and more volatile commodity prices. Sound and proactive policies in these countries will be critical. The IMF stands ready to provide additional financial assistance, where needed, to those countries pursuing sound policies. The IMF has a range of instruments available and its current financial position is strong. The IMF should be ready to adjust its policies if necessary. The Contingent Credit Line (CCL) is an important signal of the strength of countries' policies and a safeguard against contagion in financial markets, and the Committee encourages eligible countries to consider applying for it. The Committee also underscores the critical importance of involving the private sector in the prevention and resolution of financial crises. The Committee recommends an early implementation of the Fourth Amendment.

6. The Committee expresses particular concern at the adverse impact of the global slowdown on low-income countries and heavily indebted poor countries (HIPCs). It calls on the IMF, in close collaboration with the World Bank, to respond flexibly and proactively to the needs of these countries, including through additional concessional financing and debt relief where appropriate. The Committee welcomes the additional contributions to the Poverty Reduction and Growth Facility (PRGF), and encourages further contributions. The

IMF, working closely with the World Bank, should intensify its efforts within the Poverty Reduction Strategy Paper (PRSP) framework to assess the poverty and social impacts of reforms on the poor. The Committee looks forward to discussing the findings of the PRGF and the PRSP Reviews at the Spring Meetings next year. The enhanced HIPC Initiative framework provides for the consideration of additional assistance at the completion point if there has been a fundamental change in a country's economic circumstances due to exceptional exogenous shocks. The Committee recognizes the need to take into account worsening global growth prospects and declines in terms of trade when updating HIPC Initiative debt sustainability analyses at completion point. It encourages the heavily indebted poor countries to continue to work expeditiously toward meeting the conditions that will secure access to debt relief and ensure its effective use, including through the maintenance of sound economic policies. Advanced economies must also be prepared to meet their special responsibility in providing increased development assistance and debt relief to tackle the increased challenges of poverty reduction, and to achieve the Millennium Development Goals. The Committee reiterates the importance of fully financing the enhanced HIPC Initiative, and it urges bilateral donors to fulfill this commitment.

7. Recognizing the importance of close collaboration and effective partnership among the community of international institutions in this endeavor, Committee members look forward, with their colleagues in the Development Committee, to their joint discussion with the UN Secretary-General, Mr. Kofi Annan, on how best to work together to meet the challenges ahead, including in the context of the upcoming Conference on Financing for Development.

8. The Committee expresses grave concern at the use of the international financial system to finance terrorist acts and to launder the proceeds of illegal activities. It therefore calls on all member countries to ratify and implement fully the UN instruments to counter terrorism, particularly United Nations Security Council Resolution 1373, and welcomes and supports the Special Recommendations of the Financial Action Task Force (FATF) to combat terrorist financing. Each member should freeze, within its jurisdiction, the assets of terrorists and their associates, close their access to the international financial system, and, consistent with its laws, make public the list of terrorists whose assets are subject to freezing and the amount of assets frozen, if any, with monthly reports. The fight against money laundering and the financing of terrorism requires the active participation of both financial intermediaries and the public sector. The Committee endorses the IMF's action plan to intensify, where consistent with its mandate and expertise, its contribution to this global effort, namely by:

- extending the IMF's involvement beyond anti-money laundering to efforts aimed at countering terrorism financing;
- expanding its anti-money-laundering work, including through Financial Sector Assessment Programs (FSAPs), to cover legal and institutional frameworks;
- accelerating its program of Offshore Financial Center assessments, and undertaking onshore assessments in the context of the FSAP;
- helping countries identify gaps in their anti-money-laundering and anti-terrorist-financing regimes in the context of Article IV voluntary questionnaires;
- enhancing its collaboration with the FATF on developing a global standard covering the FATF recommendations, and working to apply the standard on a uniform, cooperative, and voluntary basis; and
- increasing technical assistance to enable members to implement effectively the agreed international standards.

In addition, the Committee urges further international action to combat the financing of terrorism, and calls for:

- all countries to establish financial intelligence units to receive and process reports of suspicious transactions from the country's financial sector, and to monitor and analyze suspected terrorist funds;
- provisions to ensure the sharing of information and cooperation between national financial intelligence units, building on the work of the Egmont Group; and
- the deployment of technical assistance to ensure that every country can play its part, based on support either bilaterally or through an international trust fund.

Countries are urged to take these measures as soon as possible, preferably by February 1, 2002.

The IMF should report on progress at its Spring 2002 Meeting, with a full report at its Annual Meeting.

9. The Committee encourages the IMF to continue to strengthen its surveillance and crisis prevention, including through the implementation of standards and codes (and related technical assistance), and emphasizes that these remain key priorities. It calls on the IMF to implement the agreed framework for private sector involvement, and to intensify the ongoing analysis of outstanding issues. It welcomes the progress on improving the effectiveness of conditionality through streamlining and enhancing the country ownership of IMF-supported programs, and looks forward to reviewing progress in this area at its next meeting. Quotas should reflect developments in the international economy. The Committee looks forward to further work on this issue. The Committee looks forward to the Independent Evaluation Office (IEO) finalizing its work program and to receiving a progress report on its activities at the next meeting.

10. The Committee expresses its heartfelt appreciation to Stanley Fischer and Jack Boorman for their eminent records of service to the IMF and deep commitment to the well-being of all its member countries. Both have been pivotal in shaping the role of the IMF in the globalized economy and the evolving international financial architecture.

11. The next meeting of the IMFC will be held in Washington, D.C. on April 21, 2002.

Annex: International Monetary and Financial Committee Attendance November 17, 2001

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)
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
Dai Xianglong, Governor, People's Bank of China
M.R. Pridiyathorn Devakula, Governor, Bank of Thailand
Emile Doumba, Minister of Finance, Economy, Budget and Privatization, Gabon
Ernst Welteke, President, Deutsche Bundesbank (Alternate for 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
Sultan Bin 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
Mohammed Laksaci, Governor, Banque d'Algérie
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
Giulio Tremonti, Minister of Economy and Finance, Italy
Jean-Pierre Roth, Chairman of the Governing Board, Swiss National Bank (Alternate for Kaspar Villiger, Minister of Finance, Switzerland)
Gerrit Zalm, Minister of Finance, Netherlands

Observers

Mary W. Covington, Associate Director of the Washington Branch, International Labor Organization (ILO)
Andrew D. Crockett, Chairman, Financial Stability Forum (FSF)
Nitin Desai, Under-Secretary-General for Economic and Social Affairs, United Nations (UN)
Willem F. Duisenberg, President, European Central Bank (ECB)
John William Hancock, Counsellor, Trade and Finance Division, World Trade Organization (WTO)
André Icard, Assistant General Manager, Bank for International Settlements (BIS)
Jan Allen Kregel, High Level Expert in International Finance, United Nations Conference on Trade and Development (UNCTAD)
Klaus Regling, Director-General, European Commission
Yashwant Sinha, Chairman, Joint Development Committee
Ignazio Visco, Head, Economics Department, Organization for Economic Cooperation and Development (OECD)
James D. Wolfensohn, President, World Bank

Fifth Meeting, Washington, D.C., April 20, 2002

1. The International Monetary and Financial Committee held its fifth meeting in Washington, D.C. on April 20, 2002, under the Chairmanship of Mr. Gordon Brown, Chancellor of the Exchequer of the United Kingdom. The Committee welcomes the international community's decisive policy actions, especially following the tragic events of September 11, 2001, to maintain financial stability, restore the momentum of world economic growth, and reinvigorate the fight against poverty. We will also sustain our global action to combat money laundering and the financing of terrorism. Our meeting in Ottawa last November emphasized the importance of a collaborative approach for the IMF and its members. Going forward, we will continue to work together for sustained, broad-based growth, creating opportunities for productive employment, reducing vulnerabilities, opening up our economies for trade, and providing resources for durable poverty reduction.

The Global Economy

2. Since the Committee's last meeting, the prospects for the world economy have improved markedly. The challenge now is for governments to help foster the global recovery that is under way. This will require continued vigilance and a further strengthening of medium-term policy frameworks—both to improve prospects for sustainable growth and stability, and to reduce vulnerabilities. The Committee notes the uncertainties associated with the international security issues around the world. The Committee notes also the deteriorating situation in the Middle East. The Committee underscores the importance of stability in oil markets at prices reasonable for consumers and producers.

3. The advanced economies have a responsibility to promote a strong and sustained world economic recovery. While keeping inflation under control, monetary policies should remain broadly supportive of growth. In countries where the recovery is more advanced, consideration may need to be given in the months ahead to reversing earlier policy easing. Reforms should be pursued vigorously, with the aim of improving economic flexibility and resilience, contributing to high and sustainable world growth, and supporting the orderly reduction of persistent imbalances in the global economy. This process will be helped, in Japan, by decisive action to reform the banking and corporate sectors, along with monetary easing to help end deflation; in Europe, by continued progress with wide-ranging reforms to enhance its growth potential; and in the United States, by focusing on the efforts needed over the medium term to preserve fiscal balance.

4. The recovery in industrial countries will contribute to supporting activity in emerging market and developing countries. The Committee is encouraged that many emerging market economies have become more resilient by the adoption of sound economic policies—including more sustainable exchange rate regimes. It will nevertheless remain crucial to further strengthen fiscal positions, and to press ahead with corporate, financial, and institutional reforms to support the emerging recovery and attract foreign direct investment. Improved differentiation and risk assessments by markets have served to limit so far the contagion effects of the Argentine crisis. The Committee acknowledges the steps being taken by Argentina to address its difficult economic situation, and urges the authorities, in cooperation with the Fund, to move quickly to reach agreement on a sustainable economic program that could receive the support of the international fi-

nancial institutions and provide the basis for the reestablishment of stability and growth.

5. The Committee strongly welcomes the commitment by the international community, at the UN Conference in Monterrey, to improve living standards and reduce poverty through sound policies and higher and more effective aid. It fully supports the New Partnership for Africa's Development and its call for strong domestic ownership, sound policies, strengthened institutions, and improved governance. The Committee welcomes recent announcements of increased and more effective aid, and urges further progress. The Monterrey Consensus will constitute an important input to the World Summit on Sustainable Development in Johannesburg. The Committee also welcomes the new initiative to enhance growth and reduce poverty in low-income CIS countries.

6. The Committee stresses the vital importance of more open trade for a durable economic recovery, and for sustained, broad-based growth in the developing countries in particular. It urges all countries to resist protectionist pressures and to continue to lower trade barriers, concluding the Doha trade round successfully and in a timely manner. Enlarging market access for developing countries and phasing out trade-distorting subsidies will benefit both developed and developing countries. The Committee welcomes the commitment, reiterated at Monterrey, to work toward the objective of duty- and quota-free market access to the exports of least-developed countries. It also notes the potential for increased opportunities from lowering trade barriers among developing countries.

Strengthening Crisis Prevention and Resolution

7. Surveillance remains central to the IMF's mandate to promote sound economic growth and financial stability, and to help prevent crises. The Committee is encouraged by the substantial progress in recent years to adapt and broaden the coverage of surveillance in response to a changing global environment, while focusing on issues central to economic and financial stability.

8. The Committee calls on the IMF to spare no effort in enhancing the high quality of its policy advice, and on members to implement this advice. Surveillance will be further enhanced by:

- strengthened assessments of vulnerabilities, with particular attention to debt sustainability and the private sector's balance sheet exposure;
- focusing on the global impact of the policies, including trade policies, of the largest economies;
- more candid and comprehensive assessments of exchange arrangements and exchange rates;
- expansion of substantive financial sector surveillance to the entire membership, including to offshore financial centers;
- strengthened coverage of relevant structural and institutional issues;
- on issues outside the IMF's core expertise, more effective use of the expertise of appropriate outside institutions, in particular the World Bank;
- further integration of multilateral, regional, and country surveillance; and
- deeper coverage of international capital markets.

The Committee notes that the process of surveillance should cover effective and timely reassessments of economic conditions and policies. In program countries, this may require a fresh perspective and appropriate distance from day-to-day program implementation issues.

9. The Committee encourages the IMF to press ahead with the range of recent initiatives designed to enhance the effectiveness of surveillance and crisis prevention. These include the Financial Sector Assessment Program (FSAP) and policies on transparency, including encouraging publication of Article IV and other IMF reports. Further work on standards and codes is a crucial item in the forward agenda to strengthen their relevance and contribution to IMF surveillance, and to ensure that countries have adequate access to technical assistance. The Committee encourages eligible countries to consider applying for the Contingent Credit Line (CCL), and looks forward to a review.

10. The Committee endorses the IMF's work program to strengthen the existing Prague framework for crisis resolution, in particular to provide members and markets with greater clarity and predictability about the decisions the IMF will take in a crisis. This will involve:

- improving debt sustainability assessments;
- clarifying the policy on access to IMF resources for members facing financial crises—with access beyond normal limits requiring more substantial justification, and recognizing that some of these members' quotas do not adequately reflect their potential financing needs;
- strengthening the tools for securing private sector involvement; and
- examining a more orderly and transparent framework for addressing the exceptional cases in which a sovereign needs to restructure an unsustainable debt, as well as clarifying the conditions under which the IMF would be prepared to lend into arrears.

The Committee welcomes the consideration of innovative proposals to improve the process of sovereign debt restructuring to help close a gap in the current framework. It encourages the Fund to continue to examine the legal, institutional, and procedural aspects of two approaches, which could be complementary and self-reinforcing: a statutory approach, which would enable a sovereign debtor and a super-majority of its creditors to reach an agreement binding all creditors; and an approach, based on contract, which would incorporate comprehensive restructuring clauses in debt instruments. The Committee looks forward to reviewing progress in this area at its next meeting.

The IMF's Role in Low-Income Countries

11. The Committee fully endorses the Monterrey Consensus, which has reaffirmed that sound economic policies and institutions, together with strong, broad-ranging international support, are the twin pillars on which to build enduring poverty reduction. It encourages the IMF to work closely with the UN, the World Bank, the regional development banks, and bilateral donors in developing a comprehensive and transparent system to monitor progress toward the Millennium Development Goals.

12. The Committee welcomes the outcome of the recent reviews of the IMF's Poverty Reduction and Growth Facility (PRGF) and of the Poverty Reduction Strategy Paper (PRSP) approach. The PRSP process should continue to be nurtured as the suitable framework for fostering the efforts of low-income countries and their international partners to achieve

poverty reduction and higher growth. The substantial progress under PRGF-supported programs in implementing the PRSP approach will be further enhanced by better identifying the sources of sustained growth, strengthening public expenditure management, and using poverty and social impact analysis more systematically. The Committee encourages the IMF and the Bank to continue their collaboration on each of these issues and looks forward to reviewing progress at its next meeting. Capacity building will remain a potent vehicle for ensuring ownership and enhancing the implementation of effective poverty reduction strategies, and the Committee looks forward to the review of technical assistance leading to its increased effectiveness. The Committee welcomes, in particular, the African Regional Technical Assistance Centers (AFRITACs), whose establishment will support the New Partnership for Africa's Development, and looks forward to the timely financing of this initiative.

13. The recovery of low-income countries that have been affected by the recent economic slowdown and commodity price shocks will continue to require particular attention. The Committee supports the IMF's continued readiness to respond flexibly and proactively to the financing needs of low-income countries, including by augmenting PRGF financing where necessary. It recognizes that there may be a need to consider mobilizing new PRGF resources if the high demand for PRGF financing continues. While the Committee is encouraged by the progress with the implementation of the HIPC Initiative, it notes that, in a number of cases, debt sustainability remains an issue and calls on the IMF and World Bank to review the situation. It urges eligible countries to step up their reform efforts to reach their decision and completion points, noting, in this context, the flexibility embedded in the HIPC Initiative framework to accommodate the special circumstances of countries emerging from conflict. The Committee notes the application within the current guidelines of the topping-up feature designed to help countries cope with exceptional exogenous shocks. It calls for further efforts to enhance debt management in HIPCs and continued close monitoring of their debt sustainability as they move toward, and beyond, their completion points.

Streamlining Conditionality and Enhancing Ownership

14. The Committee welcomes the initial progress made toward enhancing the effectiveness of IMF-supported programs through streamlined and focused conditionality and strong national ownership of economic reforms. It urges further progress, in cooperation with the Bank, and looks forward to a report on these issues, including on the IMF's consideration of new conditionality guidelines, at its next meeting.

Combating Money Laundering and the Financing of Terrorism

15. The Committee underscores that international efforts to counter abuse of the international financial system to finance terrorism and launder the proceeds of illegal activities remain a priority. It is encouraged by the response by many countries to its call last November for all countries to ratify and implement fully the UN instruments to counter terrorism financing, to freeze terrorist assets, and to establish financial intelligence units and ensure the sharing of information. The Committee urges countries that have not as yet done so to fully implement and comply with these instruments. It also welcomes the substantial progress made by the IMF, in close collaboration with the World Bank, in implementing all elements of its action plan to intensify the work on anti-money laundering and combating the financing of terrorism (AML/CFT). The Committee notes in particular the good start made in assessing gaps in national AML/CFT regimes, and fully supports the provision of technical assistance to help countries identify and address such gaps.

16. While reiterating the responsibility of national authorities for combating money laundering and the financing of terrorism, the Committee stresses that success will critically depend on continued vigilance and timely action at the global level. It calls on the IMF to make further progress on all elements of its work program, consistent with its mandate and expertise. In particular, efforts should now be focused on completing the comprehensive AML/CFT methodology, based on a global standard covering the Financial Action Task Force (FATF) recommendations, and the development of assessment procedures compatible with the uniform, voluntary, and cooperative nature of the ROSC[1] process. Enhancing the delivery of technical assistance on AML/CFT will also be crucial. The Committee urges the Fund, in cooperating with other international organizations and donor countries, to identify and respond to needs for technical assistance. It looks forward to receiving a full report on progress in this area at its next meeting. The Committee calls on members to share information on their own actions in this field.

Other Issues

17. The Committee notes that the Twelfth General Review of IMF Quotas has commenced. Quotas should reflect developments in the international economy. The Committee recommends an early implementation of the Fourth Amendment.

18. The Committee welcomes the progress report on the Independent Evaluation Office, and looks forward to receiving regular updates on its activities.

Next Meeting

19. The next meeting of the IMFC will be held in Washington, D.C. on September 28, 2002.

Annex: International Monetary and Financial Committee Attendance
April 20, 2002

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)

[1]ROSCs are Reports on the Observance of Standards and Codes.

Ian Campbell, Parliamentary Secretary to the Treasurer, Australia
(Alternate for Peter Costello, Treasurer, Australia)
Dai Xianglong, Governor, People's Bank of China)
Rodrigo de Rato y Figaredo, Second Vice President and Minister of Economy, Spain
Hans Eichel, Federal Minister of Finance, Germany
Nicolás Eyzaguirre, Minister of Finance, Chile
Laurent Fabius, Minister of Economy, Finance and Industry, France
Geir H. Haarde, Minister of Finance, Iceland
Sultan Bin Nasser Al-Suwaidi, Governor, United Arab Emirates Central Bank
(Alternate for Mohammed K. Khirbash, Minister of State for Finance and Industry, United Arab Emirates)
Aleksei Kudrin, Deputy Chairman of the Government and Minister of Finance, Russian Federation
Mohammed Laksaci, Governor, Banque d'Algérie
Pedro Sampaio Malan, Minister of Finance, Brazil
Paul Martin, Minister of Finance, Canada
Ms. Linah K. Mohohlo, Governor, Bank of Botswana
Paul H. O'Neill, Secretary of the Treasury, United States
Didier Reynders, Minister of Finance, Belgium
Agus Haryanto, Secretary General, Ministry of Finance
(Alternate for Syahril Sabirin, Governor, Bank of Indonesia)
Masajuro Shiokawa, Minister of Finance, Japan
Yashwant Sinha, Minister of Finance, India
Paul Toungui, Minister of State, Minister of Finance, Economy, Budget and Privatization, Gabon
Giulio Tremonti, Minister of the Economy and Finance, Italy
Kaspar Villiger, President of the Swiss Confederation and Minister of Finance, Switzerland
A.H.E.M. Wellink, President, De Nederlandsche Bank N.V.
(Alternate for Gerrit Zalm, Minister of Finance, Netherlands)

Observers

Yilmaz Akyuz, Director, Division on Globalization and Development Strategies, 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, Deputy 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)
Trevor A. Manuel, Chairman, Joint Development Committee
Ms. Karen McCusker, Counsellor, World Trade Organization (WTO)
Pedro Solbes Mira, Commissioner for 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-Fourth Meeting, Ottawa, Canada, November 18, 2001

1. The 64th meeting of the Development Committee was held in Ottawa, Canada, on November 18, 2001 under the chairmanship of Mr. Yashwant Sinha, Minister of Finance of India. Ministers expressed their great appreciation to the Canadian Government for facilitating the holding of this meeting under unusual circumstances.

2. **Impact of Recent Events in Low- and Middle-Income Countries: Response of the World Bank Group.** Ministers reviewed the impact of the September 11 terrorist attacks and their aftermath on developing countries. They recognized that poverty in many developing countries was likely to worsen as these events have deepened the pre-existing global economic slowdown, which had already led to weaker exports and commodity prices, and have other more specific impacts: e.g., increased refugee movements within countries and across borders; reduced private investment flows due to increased risk aversion in financial markets; reduced tourism revenues; and increased trade transaction costs. Ministers called for further enhancing the collaboration among the Bank Group, the IMF, the regional development banks, and UN agencies, in their actions to help member countries address these additional challenges and to strengthen social safety nets. Ministers underlined the importance of renewed growth in industrialized countries to the improvement of prospects for poverty reduction in developing countries.

3. Ministers reviewed the response of the World Bank Group. They stressed the importance of the Group using its financial capacity and the flexibility in its available instruments to respond effectively and promptly to current circumstances and emerging needs. They emphasized that financial support should continue to be linked to strong country performance and reform programs in support of poverty reduction. Ministers agreed that, from a financial standpoint, the magnitude of likely incremental demands on the Bank Group currently appears manageable, but they urged that the Board and Management keep under close review the Bank Group's capacity to respond in more challenging circumstances. Ministers agreed that IDA had a particularly critical role in helping the poorest countries manage the adverse impact of recent events on their economies and people, and emphasized that timely agreement on a substantial IDA 13 replenishment was essen-

tial. They encouraged all member governments to complete their subscription to MIGA's general capital increase.

4. Ministers considered improved governance to be an important element in generating the conditions for investment, private-sector-led growth, improved productivity, job creation, and trade, and, as a result, for poverty reduction. Thus, they highlighted the need for the Bank and the Fund, in accordance with their respective mandates and comparative advantage, to pay more attention to governance-related issues, including public expenditure management, diagnostic (e.g., through the Financial Sector Assessment Program) and capacity-building work to help countries identify and address abuses such as money laundering and terrorist financing. In light of this, they also stressed the importance of working to strengthen further country procurement and financial management systems. They also recognized the need to allocate increased resources to address capacity-building concerns in many countries to help them meet new internationally agreed commitments and standards.

5. **United Nations Financing for Development Conference**. Ministers expressed appreciation to United Nations Secretary-General Kofi Annan for the opportunity to discuss with him, at the joint IMFC/Development Committee dinner on November 17, issues related to the March 2002 International Conference on Financing for Development (FfD). They expressed strong interest in contributing to the Conference's success, which they saw as an important milestone in the effort to halve the incidence of poverty by 2015 and to reach the other Millennium Development Goals (MDGs) (endorsed by Heads of State and Government in the UN General Assembly on September 8, 2000), and other agreed targets. They urged governments to involve all relevant ministries in preparing for the Conference to enhance coherence of policies with impact on development. (The Committee's views on Conference issues are attached.)

6. **Poverty Reduction Strategies**. Ministers welcomed the significant progress made in implementing the PRSP approach, noting that 38 countries had completed interim PRSPs and eight countries their first full PRSPs. They appreciated the extent to which poverty reduction strategies build on existing national strategies and processes, with a focus on broadening participation and sharpening poverty diagnosis and monitoring, as well as on prioritizing and costing policies and programs for poverty reduction. Ministers welcomed the Bank and Fund's efforts to work with countries to analyze the poverty and social impact of programs and to help them to build their own capacity. Ministers noted that the joint Bank/Fund staff review of the PRSP approach was under way. They called for a broad-based inclusive process that would draw upon the experience of other stakeholders and development partners, and looked forward to considering the report at their next meeting.

7. **HIPC.** Ministers welcome the continued progress made in implementing the HIPC Initiative, noting that twenty-four countries have now reached their decision points under the enhanced HIPC framework, qualifying for debt service relief amounting to some $36 billion; three countries have now reached their completion points and are receiving their full relief under the enhanced Initiative. There has also been a significant reduction in debt stock and debt service in these countries, and the commitment of qualifying HIPCs to increased poverty reduction spending has been encouraging. Ministers urged the Bank and the Fund to work with remaining eligible countries to bring them to their decision and completion points, as quickly as circumstances permit.

8. Ministers reiterated their commitment to the enhanced HIPC Initiative as a means for achieving a lasting exit from unsustainable debt for eligible countries. They stressed that long-term debt sustainability will depend upon the maintenance of sound economic policies, strengthened debt management, and the provision of appropriate financing. With regard to recent events, they noted that the enhanced HIPC Initiative framework provides for the consideration of additional assistance at the completion point if there has been a fundamental change in a country's economic circumstances due to exceptional exogenous shocks. The Committee recognized the need to take into account worsening global growth prospects and declines in terms of trade, when updating HIPC Initiative debt sustainability analysis at completion point. Ministers noted that the relevant operational procedures for exercising such an option were recently approved by the Bank and IMF Boards. Ministers also reiterated the importance of fully financing the enhanced HIPC Initiative and urged bilateral donors to fulfill this commitment. They welcomed the agreement among donors to continue their regular consultations on the financial requirements of HIPC. They also urged those creditors that had yet to confirm their participation in the Initiative to do so as soon as possible.

9. **Education for All (EFA)**. Ministers consider education as one of the most powerful instruments for reducing poverty and laying the basis for sustained growth. They welcomed the World Bank's background paper on this subject and noted the efforts of the Bank and its partners to help ensure that quality primary education is available to all children worldwide as a necessary first step towards strengthening overall education systems. Ministers looked forward to full consideration of this subject at their next meeting, based on an action plan that will address, inter alia, the policy and resource requirements needed to ensure that EFA goals are reached by 2015 through the development of sustainable and high-quality EFA programs at the country level.

10. The Committee expressed its great appreciation to Mr. Yashwant Sinha for his valuable leadership and guidance to the Committee as its Chairman during the last fifteen months, and welcomed his successor, Mr. Trevor Manuel, Finance Minister of South Africa. The Ministers also expressed their warm thanks to Mr. Alexander Shakow upon his retirement as the Committee's Executive Secretary, and welcomed his successor, Mr. Thomas A. Bernes.

11. The Committee's next meeting is scheduled for April 22, 2002 in Washington, D.C.

Attachment to the Development Committee Communique

(64th Meeting—Ottawa, Canada, November 18, 2001)

Financing for Development Conference (FfD)

1. *Building Development Partnerships on a Foundation of Sound Policies and Good Governance.* Ministers reaffirmed the critical importance of sound national policies and good governance as prerequisites for poverty reduction and sustained growth. They noted that the Millennium Development Goals (endorsed by Heads of State and Government in the UN General Assembly on September 8, 2000) and other interna-

tionally agreed development targets can help guide country-owned short- and medium-term national priorities on which external partnerships of support could be based. They noted that the Comprehensive Development Framework principles and Poverty Reduction Strategy Papers provide a vehicle for structuring partnerships with donors; they also provide a framework for the interventions of donors and other partners—such as through country assistance strategies and UN Development Assistance Frameworks—to ensure that external support is well integrated into national programs. An important contribution by the international community would be the strengthened provision of technical assistance to help developing countries—particularly low-income countries and those emerging from conflict—improve their capacity for sound economic management and efficient use of resources.

2. *Strengthening the Conditions for Investment and Growth.* Ministers stressed that, in addition to a stable and conducive international framework, a sound national policy environment, essential infrastructure, and good governance are needed to allow the private sector to invest efficiently and create employment. They recognized that in many countries major reforms of the policy and regulatory framework will be required to encourage domestic investment and job creation. Such reforms can also help to promote foreign investment and contribute to productivity growth and the additional resources needed for sustainable development. Ministers underlined the need for coherent and comprehensive support to private sector development. They emphasized the important role that IFC, MIGA, and other agencies working directly with the private sector can play in this regard.

3. *Promoting Integration into the International Trading System.* Trade is an important source of growth and poverty reduction, and developing countries need to be able to take greater advantage of the opportunities it offers. In this connection, the Committee warmly welcomed the decision reached by the WTO last week in Doha to launch a new round of trade negotiations. They endorsed the WTO Ministerial Declaration's aim to place the needs and interests of developing countries at the heart of their Work Programme. Ministers emphasized the importance of countries integrating trade into their development strategies and improving their investment regulations, standards and technical regulations, removing obstacles to efficient transport of goods and materials, and strengthening telecommunications and business services. Ministers noted that greater access to markets would provide a major boost to development. They also stressed the priority they attach to helping developing countries strengthen their capacity to respond to market opportunities and to implement trade-related agreements.

4. *Importance of Enhancing ODA Flows.* Ministers recognized that for most low-income countries the availability of Official Development Assistance (ODA) remains an essential supplement to domestic resource mobilization and foreign investment if growth and poverty reduction goals are to be achieved. Ministers agreed that special emphasis should be placed on ensuring that adequate resources are directed to countries implementing sound policies and exercising good governance. They recognized that a substantial increase in current ODA levels would be required if the opportunities emerging from policy improvements in low-income countries are to be realized and the MDGs to be met. In this context, a number of Ministers referred to the need to reach the 0.7 percent ODA/GNP target. It would also require that, among countries with sound policies and governance, ODA be allocated with greater emphasis on countries with the greatest need (in part based on the difficulties they face in the achievement of their MDGs) and with capacity to make the most effective and efficient use of the resources. Ministers also emphasized the importance of appropriate concessionality in ODA flows.

5. *Harmonization—Reducing the Transaction Costs of Aid.* Ministers noted that major improvements in development effectiveness and efficiency, as well as reduced administrative burdens and costs on recipient governments, would be gained from eliminating rigidities in aid delivery mechanisms. In this regard, they highlighted the critical importance of harmonization of operational policies and procedures by the Bank, other multilateral agencies, and bilateral aid donors. Ministers welcomed the World Bank's report on progress achieved to date in this area and commended the action programs set forth in this report. The Committee urged that the Bank and its partners continue vigorously to pursue these programs, and that the FfD Conference be encouraged to recognize the importance of, and provide broad-based support for, further progress in such harmonization and its implementation at the country level.

6. *Debt and Other Instruments.* Ministers underscored the need to deploy a flexible mix of instruments so as to respond appropriately to the needs of developing countries in a manner consistent with their economic circumstances and public expenditure management capacities. While urging that the HIPC Initiative continue to be implemented expeditiously to achieve debt sustainability for the poorest countries, they noted that debt relief is only one of many possible actions and instruments to support country poverty reduction strategies.

7. *Global Public Goods.* Ministers noted that FfD provides an opportunity for enhancing a common approach to global public goods and accelerating progress on the coordination of priority global public goods areas, such as those addressing HIV/AIDS and other major infectious diseases. They agreed on the importance of focusing on specific priority activities, while consolidating initiatives to achieve efficient use of resources. They stressed the need to ensure that activities are anchored in national as well as global strategies. In some cases this would require ensuring additionality in funding, while in others flexibility and reinforcement of existing mechanisms would be needed to help countries own and implement global public-goods-related national programs.

8. *Making the Most of Existing Institutions.* Ministers noted that FfD offers an opportunity to establish a broad international consensus—among governments, institutions, the private sector, and civil society—for action on the basis of common objectives and for the identification of specific gaps that may require enhanced international action. This would provide a platform for individual institutions to use their respective mandates, governance structures, and strengths to undertake high-priority initiatives as well as to promote more focused and coherent action among bilateral and multilateral agencies. Ministers strongly believe in making the most of existing institutions.

9. *Integration into the Global System.* Ministers agreed on the importance of promoting the greater integration of developing countries into the global financial system. They noted that progress is being achieved through the efforts of, inter alia, the international financial institutions, including in areas

of crisis prevention, standards and codes, legal and regulatory frameworks, transparency, financial sector strengthening, combating terrorist financing and other abuses, debt management, and private sector participation in the resolution of financial crises. Ministers also agreed that it is important to find pragmatic and innovative ways to continue to enhance the effective participation of developing countries in international dialogues and decision-making processes.

10. *Staying Engaged.* Ministers noted that the FfD Conference should be seen as part of ongoing efforts to intensify concerted international action for development and poverty reduction, to expand growth opportunities for developing countries, and to improve the effectiveness and responsiveness of development cooperation. They urged that the follow-up to the Conference be seen in this context. They believe that the dialogue among the ECOSOC and the Bretton Woods Institutions offers unrealized potential, as does further progress within the framework of the coordinating committee of the heads of United Nations agencies (ACC). Greater cooperation among existing institutions is needed, based on a clear understanding and respect for their respective responsibilities and governance structures. For example, a combined effort by the Bretton Woods institutions and the United Nations, along with the OECD, to check periodically on progress towards the MDGs, would provide an efficient and practical approach for improved cooperation.

11. Ministers requested their Chairman to convey these conclusions to the President of the United Nations General Assembly.

Sixty-Fifth Meeting, Washington, D.C., April 21, 2002

1. We met today to discuss future challenges for development and an action plan for universal primary education.

2. We welcomed the very important progress achieved in the Monterrey Consensus laying out a new partnership compact between developed and developing countries, based on mutual responsibility and accountability, to achieve measurable improvements in sustainable growth and poverty reduction. We recognized the efforts of the World Bank and the IMF, working together with the UN, in contributing to this result. We look forward to their continuing collaboration and to strengthening this new partnership as we work towards a successful World Summit on Sustainable Development.

3. This new partnership for development recognizes that country-owned and driven development strategies embodying sound policies and good governance have to be the starting point. Such strategies need to be supported by increased and more effective development assistance and by greater efforts to integrate developing countries into the global economy. We are committed to the implementation of these strategies and partnerships, such as NEPAD, as part of the scaling up of activities that is necessary for implementing the Monterrey Consensus and to meet the Millennium Development Goals[1]; we will regularly review progress at future meetings. We welcomed the pledges made at Monterrey by a number of donors to increase their official development assistance.

4. The CDF/PRSP approach is increasingly providing a common foundation for implementing the new partnership at the country level. While recognizing that scope for improvement exists, we shared the positive assessment of implementation to date, particularly in enhancing ownership. We look forward to continued progress in extending the participatory processes for the elaboration and monitoring of PRSPs, implementing pro-poor growth policies, enhancing collaboration to strengthen public expenditure management and to improve poverty and social impact analysis; and, among multilateral and bilateral development agencies, in better aligning their programs with country strategies.

5. We reaffirmed our strong support for the current work program to harmonize operational policies and procedures of bilateral and multilateral agencies so as to enhance aid effectiveness and efficiency. We committed to further action in streamlining such procedures and requirements over the period leading to the high-level forum scheduled for early 2003.

6. Evidence demonstrates that effective assistance in support of good policies and institutions can bring important development benefits. More attention should be given to the building of institutions and capacities as well as the timing and sequencing of the reform process. We underlined the importance of an enhanced focus on results that can be used by countries in designing and implementing their strategies, and by donors and development agencies in scaling up and allocating their support. We asked the World Bank to report to us at our next meeting on its efforts in this respect. We would also welcome a report on efforts under way to engage more effectively with weak-performing low-income countries.

7. Economic growth requires a strong and vibrant private sector and an enabling climate that encourages investment, entrepreneurship, and job creation. However, it is not enough to strengthen the private sector in developing countries without further progress in integrating them into the global trading system. We thus strongly endorsed the call at Monterrey for coherence between development assistance and trade policies. We urged an acceleration of efforts to lower trade barriers (including trade-distorting subsidies) and we called upon the World Bank and others to provide more support in helping developing countries address policy, institutional, social, and infrastructure impediments limiting their ability to share in the benefits of trade.

8. Education is one of the most powerful instruments for reducing poverty. We strongly endorsed the action plan presented by the Bank as a basis for reaching international consensus to help make primary education a reality for all children by 2015. We appreciated in particular that the action plan is consistent with the new partnership for development based on mutual responsibility and accountability. We called on the Bank to continue to work in partnership with UNESCO and other relevant agencies. We encourage all countries to place education at the heart of their poverty reduction strategies, reform their education policies to achieve Universal Primary Completion, and monitor progress towards the 2015 education goals in line with an enhanced focus on results. We committed ourselves to work together in a much more coherent way to help bring this about and to provide the necessary additional domestic and external resources. The Bank and all other stakeholders should strengthen their efforts to achieve

[1]From the UN Millennium Declaration, endorsed by Heads of State and Government in the UN General Assembly on September 8, 2000.

the MDG on gender equality in primary and secondary education by 2005. We will review progress at our next meeting.

9. We reviewed and welcomed the steady progress that has been made on the HIPC Initiative. We remain committed to its vigorous implementation and full financing. Our objective remains an early and enduring exit from unsustainable debt for HIPC countries. We noted that within existing guidelines, additional relief can be provided at the completion point, on a case-by-case basis. Success will require a sustained commitment by HIPC countries to improvements in policies and debt management and by the donor community to continue to provide adequate and appropriate concessional financing. We will discuss the issue of debt sustainability and, consequently, financing and policy implications, at the next meeting.

10. Finally, we reviewed a progress report on anti-money laundering and combating terrorist financing. Recognizing the serious risks posed by these activities, we welcomed the action plans agreed by the World Bank and the IMF and the enhanced collaboration with other institutions. We encouraged the World Bank and the IMF to continue to integrate these issues into their diagnostic work in line with their respective mandates, and urged that capacity-building assistance be increased so that countries could better address these issues.

11. The Committee's next meeting is scheduled for September in Washington.

APPENDIX VII

Executive Directors and Voting Power on April 30, 2002

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				
Ken Yagi	Japan	133,378	133,378	6.16
Haruyuki Toyama				
Karlheinz Bischofberger	Germany	130,332	130,332	6.02
Ruediger von Kleist				
Pierre Duquesne	France	107,635	107,635	4.97
Sébastien Boitreaud				
Tom Scholar	United Kingdom	107,635	107,635	4.97
Martin A. Brooke				
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
Fernando Varela	Costa Rica	1,891		
(Spain)	El Salvador	1,963		
Hernán Oyarzábal	Guatemala	2,352		
(República Bolivariana de Venezuela)	Honduras	1,545		
	Mexico	26,108		
	Nicaragua	1,550		
	Spain	30,739		
	Venezuela, República Bolivariana de	26,841	92,989	4.29
Pier Carlo Padoan	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

Director *Alternate*	**Casting Votes of**	**Votes by Country**	**Total Votes**[1]	**Percent of IMF Total**[2]
Elected ***(continued)***				
Ian E. Bennett	Antigua and Barbuda	385		
(Canada)	Bahamas, The	1,553		
Nioclás A. O'Murchú	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
Ólafur Ísleifsson	Denmark	16,678		
(Iceland)	Estonia	902		
Benny Andersen	Finland	12,888		
(Denmark)	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	285		
	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	72,423	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		
	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

Director *Alternate*	**Casting Votes of**	**Votes by Country**	**Total Votes[1]**	**Percent of IMF Total[2]**
Elected ***(continued)***				
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		
Mohamad B. Chatah	Iraq	5,290		
(Lebanon)	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	2,685	64,008	2.95
WEI Benhua	China	63,942	63,942	2.95
(China)				
WANG Xiaoyi				
(China)				
Aleksei V. Mozhin	Russia	59,704	59,704	2.76
(Russia)				
Andrei Lushin				
(Russia)				
Roberto F. Cippà	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
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

Director *Alternate*	Casting Votes of	Votes by Country	Total Votes[1]	Percent of IMF Total[2]
Elected ***(continued)***				
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
			2,159,676[3,4]	99.71[5]

[1]Voting power varies on certain matters pertaining to the General Department with use of the IMF resources in that Department.
[2]Percentages of total votes 2,166,749 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, 2001 and April 30, 2002 were as follows:

Bernd Esdar (Germany) relinquished his duties as Executive Director for Germany, effective May 20, 2001.

Wolf-Dieter Donecker (Germany), formerly Alternate Executive Director to Bernd Esdar (Germany), was appointed Executive Director by Germany, effective May 21, 2001.

Ruediger von Kleist (Germany) was appointed Alternate Executive Director to Wolf-Dieter Donecker (Germany), effective May 21, 2001.

Riccardo Faini (Italy) relinquished his duties as Executive Director for Albania, Greece, Italy, Malta, Portugal, and San Marino, effective June 13, 2001.

Pier Carlo Padoan (Italy) was elected Executive Director by Albania, Greece, Italy, Malta, Portugal, and San Marino, effective June 14, 2001.

Yukio Yoshimura (Japan) relinquished his duties as Executive Director for Japan, effective July 4, 2001.

Ken Yagi (Japan) was appointed Executive Director by Japan, effective July 5, 2001.

Jean-Claude Milleron (France) relinquished his duties as Executive Director for France, effective July 31, 2001.

Randal Quarles (United States) was appointed Executive Director by the United States, effective August 7, 2001

Wolf-Dieter Donecker (Germany) relinquished his duties as Executive Director for Germany, effective August 14, 2001.

Karlheinz Bischofberger (Germany) was appointed Executive Director by Germany, effective August 15, 2001.

Pierre Duquesne (France) was appointed Executive Director by France, effective August 20, 2001.

Abdelrazaq Faris Al-Faris (United Arab Emirates) relinquished his duties as Alternate Executive Director to A. Shakour Shaalan (Egypt), effective August 31, 2001.

Mohamad B. Chatah (Lebanon) was appointed Alternate Executive Director to A. Shakour Shaalan (Egypt), effective September 14, 2001.

Thomas A. Bernes (Canada) relinquished his duties as Executive Director for 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 October 7, 2001.

Ian E. Bennett (Canada) was elected 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 October 8, 2001.

Peter Charleton (Ireland) relinquished his duties as Alternate Executive Director to Ian E. Bennett (Canada), effective November 18, 2001.

Nioclás O'Murchú (Ireland) was appointed Alternate Executive Director to Ian E. Bennett (Canada), effective November 19, 2001.

Stephen Pickford (United Kingdom) relinquished his duties as Executive Director for the United Kingdom, effective December 16, 2001.

Thomas W. Scholar (United Kingdom) was appointed Executive Director by the United Kingdom, effective December 17, 2001.

Åke Törnqvist (Sweden) relinquished his duties as Alternate Executive Director to Olli-Pekka Lehmussaari (Finland), effective December 19, 2001.

Benny Andersen (Denmark) was appointed Alternate Executive Director to Olli-Pekka Lehmussaari (Finland), effective December 20, 2001.

Olli-Pekka Lehmussaari (Finland) relinquished his duties as Executive Director for Denmark, Estonia, Finland, Iceland, Latvia, Lithuania, Norway, and Sweden, effective December 31, 2001.

Ólafur Ísleifsson (Iceland) was elected Executive Director by Denmark, Estonia, Finland, Iceland, Latvia, Lithuania, Norway, and Sweden, effective January 1, 2002.

Stephen P. Collins (United Kingdom) relinquished his duties as Alternate Executive Director to Thomas W. Scholar (United Kingdom), effective January 15, 2002.

Martin A. Brooke (United Kingdom) was appointed Alternate Executive Director to Thomas W. Scholar (United Kingdom), effective January 16, 2002.

Gilles Bauche (France) relinquished his duties as Alternate Executive Director to Pierre Duquesne (France), effective January 31, 2002.

Sebastien Boitreaud (France) was appointed Alternate Executive Director to Pierre Duquesne (France), effective February 1, 2002.

Fernando Varela (Spain), formerly Alternate Executive Director to Hernàn Oyarzàbal (República Bolivariara de Venezuela), was elected Executive Director by Costa Rica, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Spain, and República Bolivariara de Venezuela, effective February 9, 2002.

Hernàn Oyarzàbal (República Bolivariara de Venezuela), formerly Executive Director, was appointed Alternate Executive Director to Fernando Varela (Spain), effective February 9, 2002.

JIN Qi (China) relinquished her duties as Alternate Excutive Director to WEI Benhua (China), effective March 3, 2002.

WANG Xiaoyi (China) was appointed Alternate Executive Director to WEI Benhua (China), effective March 4, 2002.

Randal Quarles (United States) relinquished his duties as Executive Director for the United States, effective April 2, 2002.