



PRINCIPAL POLICY DECISIONS OF THE EXECUTIVE BOARD

A. Access Policy—Guidelines on Access Limits—Review

1. Pursuant to Decision No. 10181-(92/132),¹ adopted November 3, 1992, and Decision No. 10819-(94/95),² adopted October 24, 1994, the Fund has reviewed the guidelines and the limits for access by members to the Fund's general resources under the credit tranches and the extended Fund facility, and the decision to increase the annual access limit to 100 percent of quota during a period of three years from October 24, 1994, and decides that they remain appropriate in the present circumstances.

2. The next of the annual reviews prescribed by Decision No. 10181-(92/132), adopted November 3, 1992, and by Decision No. 10819-(94/95), adopted October 24, 1994, shall be completed by October 31, 1996.

Decision No. 11098-(95/101)
October 27, 1995

B. Valuation of SDR

(a) SDR Valuation Basket

The Executive Board, having reviewed the list of the currencies, and the weights of these currencies, that determine the value of the special drawing right, in accordance with Decision No. 6631-(80/145) G/S,³ adopted September 17, 1980, decides that, with effect from January 1, 1996, the list of the currencies in the SDR valuation basket shall remain the same, and the weight of each of these currencies to be used to calculate the amount of each of these currencies in the basket will be as follows:

Currency	Weight (in percent)
U.S. dollar	39
Deutsche mark	21
Japanese yen	18
French franc	11
Pound sterling	11

Decision No. 11073-(95/92) G/S
September 25, 1995

¹See *Selected Decisions*, Twentieth Issue (June 30, 1995), page 195.

²*Ibid.*, page 196.

³*Ibid.*, pages 383–84.

(b) Amendment to Rule O-1

In accordance with Executive Board Decision No. 6631-(80/145) G/S, adopted September 17, 1980, Executive Board Decision No. 11073-(95/92) G/S,⁴ adopted September 25, 1995, and the guidelines set forth in Executive Board Decision No. 8160-(85/186) G/S,⁵ adopted December 23, 1985, Rule O-1 shall read as follows, effective January 1, 1996:

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

U.S. dollar	0.582
Deutsche mark	0.446
Japanese yen	27.2
French franc	0.813
Pound sterling	0.105

Decision No. 11179-(96/1) G/S
December 29, 1995

C. Fund's Income Position

(a) Net Income Target and Rate of Charge on Use of Fund Resources for FY 1997

1. The target amount of net income for financial year 1997 shall be 5 percent of the Fund's reserves at the beginning of the financial year.

2. Effective May 1, 1996, 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 109.4 percent.

3. Any net income for financial year 1997 in excess of the target amount of net income of 5 percent of the Fund's reserves at the beginning of that financial year shall be used to reduce retroactively the proportion of the rate of charge to the SDR interest rate for financial year 1997. If net income for financial year 1997 is below the target amount for that year, the net income target for financial year 1998 shall be increased by the equivalent of that shortfall.

Decision No. 11251-(96/39)
April 18, 1996

⁴See item (a), above.

⁵See *Selected Decisions*, Twentieth Issue (June 30, 1995), pages 385–86.

(b) Disposition of Net Income for FY 1996

The Fund's net income for financial year 1996 of SDR 89,327,289 shall be placed to the Special Reserve.

Decision No. 11301-(96/64)
July 5, 1996

D. Enhanced Structural Adjustment Facility (ESAF)*(a) ESAF Trust—Expansion of Eligibility*

The list annexed to Decision No. 8240-(86/56) SAF,⁶ as amended, shall be further amended by adding Azerbaijan Republic and the Republic of Congo for purposes of eligibility under Section II, Paragraph 1(a) of the ESAF Trust Instrument.

Decision No. 10989-(95/53) SAF
May 30, 1995

(b) ESAF Trust Instrument—Amendment

The Fund approves the following amendment of the Instrument to Establish the Enhanced Structural Adjustment Facility, Decision No. 8759-(87/176) ESAF,⁷ adopted December 18, 1987, as amended:

Section II, Paragraph 3(b) is amended to read:

Disbursements under an annual arrangement must precede the expiration of the period of that arrangement and be made prior to the expiration of the three-year commitment period. An annual arrangement may be extended for a period not to exceed six months where (i) an extension is necessary to complete the midyear review, and (ii) there is a good prospect that the member will achieve the objectives of the program within the extended period. The Trustee may extend the period of the three-year commitment to allow the disbursement of undisbursed amounts, subject to appropriate conditions consistent with the terms of assistance under this Instrument.

Decision No. 11114-(95/110) ESAF
November 20, 1995

(c) ESAF Trust—Reserve Account—Review

Pursuant to Decision No. 10286-(93/23) ESAF,⁸ the Fund has reviewed the adequacy of the Reserve Account of the ESAF Trust, and determines that amounts held in the account are sufficient to meet all obligations that could give rise to a payment from the Reserve Account to lenders to the Loan Account of the ESAF Trust in the six months from January 1 to June 30, 1996.

Decision No. 11178-(96/1) ESAF
December 29, 1995

E. Guidelines on Performance Criteria with Respect to Foreign Borrowing—Review and Amendment of 1979 Decision

Executive Board Decision No. 6230-(79/140)⁹ (Guidelines on Performance Criteria with Respect to Foreign Borrowing) adopted August 3, 1979 is amended as follows:

⁶Ibid., pages 275–84.

⁷Ibid., pages 22–39.

⁸Ibid., pages 301–302.

⁹Ibid., pages 98–101.

(a) The guideline on the performance criteria with respect to foreign borrowing is amended to read as follows:

When the size and the rate of growth of external indebtedness is a relevant factor in the design of an adjustment program, a performance criterion relating to official and officially guaranteed foreign borrowing will be included in upper credit tranche arrangements. The criterion will include foreign loans with maturities of over one year, and in appropriate cases, other financial instruments that have the potential to create substantial external liabilities for governments. The criterion will usually be formulated in terms of debt contracted or authorized. However, in appropriate cases, it may be formulated in terms of net disbursements or net changes in the stock of external official and officially guaranteed debt. Flexibility will be exercised to ensure that the use of the performance criterion will not discourage capital flows of a concessional nature by excluding from the coverage of performance criteria loans defined as concessional on the basis of currency-specific discount rates based on the OECD commercial interest reference rates, and including a grant element of at least 35 percent, provided that a higher grant element may be required in exceptional cases. Normally, the performance criterion will include a subceiling on foreign debt with maturities of over one year and up to five years. Additional subceilings may also be included on debt with specified maturities beyond five years or with a specified grant element lower than 35 percent.

(b) Points 2, 6, and 7 of Decision No. 6230-(79/140) are amended to read as follows:

2. In analyzing the amount and terms of new borrowing that would be appropriate—in the member's circumstances—over the medium term, the staff will take into account prospective developments in the member's external payments situation and the profile of its external indebtedness.

6. The staff is encouraged to include short-term debt of a maturity of less than one year in the performance criteria relating to foreign borrowing, while allowing some flexibility in light of the different institutional reporting procedures employed by members and the statistical difficulties of recording that category.

7. The guideline provides for excluding from the coverage of performance criteria those loans defined as concessional on the basis of currency-specific discount rates based on the OECD commercial interest reference rates and including a specified grant element. In some cases, member countries utilize credits associated with concessional loans. The staff will take this into account in discussing the appropriate amount of borrowing.

Decision No. 11096-(95/100)
October 25, 1995

F. Periods for Consent to and Payment for Increases in Quotas Under Ninth General Review—Extension

1. Pursuant to Paragraph 4 of the Resolution of the Board of Governors No. 45-2, "Increases in Quotas of Members—Ninth General Review," the Executive Board decides that notices in accordance with Paragraph 2 of that Resolution must be received in the Fund before 6:00 p.m., Washington time, on December 29, 1995.

2. Pursuant to Paragraph 5 of the Board of Governors Resolution 45-2, the Executive Board decides that each

member shall pay to the Fund the increase in its quota under the Ninth General Review within 1,143 days after the later of (a) the date on which it notifies the Fund of its consent or (b) November 11, 1992.

Decision No. 11018-(95/62)
June 23, 1995

1. Pursuant to Paragraph 4 of the Resolution of the Board of Governors No. 45-2, "Increases in Quotas of Members—Ninth General Review," the Executive Board decides that notices in accordance with Paragraph 2 of that Resolution must be received in the Fund before 6:00 p.m., Washington time, on June 28, 1996.

2. Pursuant to Paragraph 5 of the Board of Governors Resolution 45-2, the Executive Board decides that each member shall pay to the Fund the increase in its quota under the Ninth Review within 1,325 days after the later of (a) the date on which it notifies the Fund of its consent, or (b) November 11, 1992.

Decision No. 11175-(95/124)
December 22, 1995

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

1. The terms "Donor" and "Contributing Donor" shall be replaced with "Contributor" wherever these terms appear in the Instrument.¹⁰

2. Paragraph 2 of the Instrument shall be amended to read as follows:

¹⁰Ibid., pages 59–62.

The resources provided by Contributors to the Framework Account shall be: (i) grants, or (ii) proceeds of grants or loans that have been received by the Contributor from entities other than the Fund for the purpose of financing technical assistance to the Contributor. The resources may be used by the Fund only for technical assistance activities consistent with its purposes, in accordance with the procedures specified in Paragraph 3 of this Instrument.

Decision No. 11162-(95/121)
December 19, 1995

H. Opening of Fund Archives

The Executive Board decides that outside persons, on request, will be given access to documentary materials maintained in the Fund's archives that are over 30 years old, provided, however, that access to Fund documents originally classified as "Secret" or "Strictly Confidential" will be granted only upon the Managing Director's consent to their declassification. It is understood that this consent will be granted in all instances but those in which, despite the passage of time, the material remains highly confidential or sensitive. Access to the following will not be granted: (a) legal documents and records maintained by the Legal Department that are protected by attorney-client privilege; (b) documentary materials furnished to the Fund by external parties, including member countries, their instrumentalities and agencies and central banks, that bear confidentiality markings, unless such external parties consent to their declassification; (c) personnel files and medical or other records pertaining to individuals; and (d) documents and proceedings of the Grievance Committee.

Decision No. 11192-(96/2)
January 17, 1996