



**International
Monetary
Fund**

**FINANCIAL
STATEMENTS**

Quarter ended
October 31, 1999

CONTENTS

PART ONE FINANCIAL STATEMENTS OF THE INTERNATIONAL MONETARY FUND

	Page
I. FINANCIAL STATEMENTS OF THE GENERAL DEPARTMENT	
Balance Sheet	5
Income Statement	6
Statement of Changes in Reserves and Resources	7
Notes to the Financial Statements	8
Schedule 1--Quotas, Fund's Holdings of Currencies, Reserve Tranche Positions, and Members' Use of Fund Resources	22
Schedule 2—Financial Resources and Liquidity Position in the General Resources Account	27
Schedule 3--Schedule of Repurchases and Repayments of Loans	28
Schedule 4--Status of Arrangements	29
II. FINANCIAL STATEMENTS OF THE SDR DEPARTMENT	
Statement of Allocations and Holdings	33
Statement of Receipts and Uses	34
Notes to the Financial Statements	36
Schedule 1--Summary of Transactions and Operations	39
Schedule 2--Allocations and Holdings of Participants	44
Schedule 3--Summary of Transfers of SDRs	49

PART TWO FINANCIAL STATEMENTS OF THE ACCOUNTS ADMINISTERED BY THE INTERNATIONAL MONETARY FUND

I. FINANCIAL STATEMENTS OF THE ENHANCED STRUCTURAL ADJUSTMENT FACILITY TRUST	
Combined Balance Sheet	55
Combined Income Statement	56
Combined Statement of Changes in Resources	57
Notes to the Financial Statements	58
Schedule 1--Schedule of Outstanding Loans	62
Schedule 2--Contributions to and Resources of the Subsidy Account	64
Schedule 3--Schedule of Borrowing Agreements	66

CONTENTS

Schedule 4--Schedule of Repayments of Borrowing	68
Schedule 5--Status of Loan Arrangements.....	69
Schedule 6--Schedule of Repayments of Loans Receivable.....	70
II. FINANCIAL STATEMENTS OF THE ENHANCED STRUCTURAL ADJUSTMENT FACILITY ADMINISTERED ACCOUNTS	
Balance Sheets.....	73
Income Statements	74
Statements of Changes in Resources	75
Saudi Fund for Development Special Account-- Statement of Receipts and Uses of Resources.....	76
Notes to the Financial Statements.....	77
III. FINANCIAL STATEMENTS OF THE ESAF-HIPC TRUST	
Combined Balance Sheet.....	83
Combined Income Statement and Changes in Resources.....	84
Notes to the Financial Statements.....	85
IV. FINANCIAL STATEMENTS OF ADMINISTERED ACCOUNTS ESTABLISHED AT THE REQUEST OF MEMBERS	
Balance Sheets.....	91
Income Statements and Changes in Resources.....	92
Notes to the Financial Statements.....	93
V. FINANCIAL STATEMENTS OF THE TRUST FUND	
Balance Sheet	101
Income Statement	102
Statement of Changes in Resources.....	103
Notes to the Financial Statements.....	104
VI. FINANCIAL STATEMENTS OF THE SUPPLEMENTARY FINANCING FACILITY SUBSIDY ACCOUNT	
Balance Sheet	109
Income Statement and Changes in Resources	110
Notes to the Financial Statements.....	111

CONTENTS

VII. FINANCIAL STATEMENTS OF THE RETIRED STAFF BENEFITS INVESTMENT ACCOUNT

Balance Sheet	115
Income Statement and Changes in Resources	116
Notes to the Financial Statements.....	117

PART ONE

**Financial Statements
of the
International Monetary Fund**

I. General Department

II. SDR Department

**I. Financial Statements
of the
General Department**

General Department
Balance Sheet
as at October 31, 1999

(In thousands of SDRs)
(Note 1)

Assets	
General Resources Account	
Currencies and securities (Notes 2 and 5)	206,898,425
SDR holdings (Note 3)	4,094,569
Gold holdings (Note 4)	3,624,797
Charges, interest, and other receivables (Notes 2 and 5)	1,678,627
Other assets (Note 6)	305,561
	<hr/>
Total General Resources Account	216,601,979
Special Disbursement Account	
Structural Adjustment Facility loans	584,158
Interest receivable	7,048
	<hr/>
Total Special Disbursement Account	591,206
	<hr/>
Total Assets	217,193,185
	<hr/> <hr/>
Quotas, Reserves, Liabilities, and Resources	
General Resources Account	
Quotas (Note 2)	210,217,100
Reserves (Note 7)	2,744,659
Special Contingent Accounts (Note 5)	2,054,791
Liabilities	
Remuneration payable (Note 5)	424,093
Other liabilities	181,623
	<hr/>
	605,716
Deferred income (Note 5)	979,713
	<hr/>
Total General Resources Account	216,601,979
Special Disbursement Account	
Accumulated resources	584,925
Deferred income (Note 5)	6,281
	<hr/>
Total Special Disbursement Account	591,206
	<hr/>
Total Quotas, Reserves, Liabilities, and Resources	217,193,185
	<hr/> <hr/>

The accompanying notes and schedules are an integral part of the financial statements.

/s/ Eduard Brau
Treasurer

/s/ Stanley Fischer
Acting Managing Director

General Department
Income Statement
for the Six Months Ended October 31, 1999

(In thousands of SDRs)

(Note 1)

	<u>October</u>	<u>Year to Date</u>
General Resources Account		
Operational Income (Note 5)		
Periodic charges	203,793	1,245,818
Interest on SDR holdings	12,757	66,143
Other charges and income	1,957	20,999
Burden-sharing contributions, net of refunds (Note 5)		
Additional charges	6,839	41,201
Reduction of remuneration	6,859	41,366
Deferred income, net of settlements	(3,523)	(19,843)
	<u>228,682</u>	<u>1,395,684</u>
Operational Expenses		
Remuneration (Note 5)	153,997	905,962
Allocation to the first Special Contingent Account (Note 5)	10,705	64,228
Interest on borrowing (Note 8)	5,531	32,830
	<u>170,233</u>	<u>1,003,020</u>
Net Operational Income	<u>58,449</u>	<u>392,664</u>
Administrative Expenses (Notes 1 and 9)	<u>37,735</u>	<u>217,115</u>
Net Income of the General Resources Account	<u>20,714</u>	<u>175,549</u>
Special Disbursement Account		
Interest and special charges	<u>188</u>	<u>1,192</u>
Net Income of the Special Disbursement Account	<u>188</u>	<u>1,192</u>

The accompanying notes and schedules are an integral part of the financial statements.

General Department
Statement of Changes in Reserves and Resources
for the Six Months Ended October 31, 1999

(In thousands of SDRs)

(Note 1)

Reserves--General Resources Account	
Special Reserve (Note 7)	
Balance April 30, 1999	1,809,246
General Reserve (Note 7)	
Balance April 30, 1999	759,864
Net income	175,549
Total Reserves of the General Resources Account	<u>2,744,659</u>
Resources--Special Disbursement Account	
Balance, April 30, 1999	677,606
Transfers from the Trust Fund	220
Net transfers to the ESAF Trust	(46,932)
Transfers to the ESAF - HIPC Trust	(47,161)
	<u>583,733</u>
Net Income	1,192
Total Resources of the Special Disbursement Account	<u>584,925</u>

The accompanying notes and schedules are an integral part of the financial statements.

General Department

Notes to the Financial Statements

as at October 31, 1999

General Department

The General Department consists of the General Resources Account, the Special Disbursement Account, and the Investment Account, which had not been activated at October 31, 1999.

General Resources Account

The General Resources Account holds the general resources of the IMF including currencies of the IMF's member countries, SDR holdings, and gold. These reflect the receipt of quota subscriptions, purchases and repurchases, collection of charges on members' use of IMF credit, payment of remuneration on members' creditor positions in the IMF, and borrowing and payment of interest on borrowing.

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

The composition of the IMF's holdings of currencies changes as a result of the IMF's transactions, including purchases and repurchases. Currencies consist of currency holdings and notes payable on demand, which substitute for the members' currencies.

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

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

General Department

Notes to the Financial Statements

as at October 31, 1999

Special Disbursement Account

The Special Disbursement Account was activated on June 30, 1981 to receive transfers from the Trust Fund, which is being wound up. The Structural Adjustment Facility (SAF) was established in March 1986 within the Special Disbursement Account to provide balance of payments assistance on concessional terms to qualifying low-income developing country members.

The Special Disbursement Account is a part of the General Department of the IMF. The assets of the account are held separate from resources of other accounts of the General Department. Assets that exceed the needs of the account are transferred to the Reserve Account of the Enhanced Structural Adjustment Facility Trust (ESAF Trust), which is administered separately by the IMF as Trustee. Resources of the ESAF Trust Reserve Account that are determined to be in excess of its estimated needs are to be transferred back to the Special Disbursement Account. Upon liquidation of the ESAF Trust, the amounts remaining in the ESAF Trust Reserve Account after the discharge of all liabilities shall be transferred to the Special Disbursement Account. The IMF has also transferred certain resources derived from the termination of the 1976 Trust Fund to the ESAF Trust Subsidy Account. Upon liquidation of the ESAF Trust, any resources remaining in the ESAF Trust Subsidy Account will be returned to the Special Disbursement Account and the contributors of the ESAF Trust Subsidy Account.

1. Summary of Significant Accounting Practices

The IMF prepares its financial statements in accordance with generally accepted accounting principles that are in compliance with international accounting standards as they apply to the IMF. Further discussions of specific accounting principles and disclosure practices have been included in other notes.

Unit of Account

The accounts are expressed in terms of the SDR. The value of the SDR is determined by the IMF each day by summing the values in U.S. dollars, based on market exchange rates, of a basket of currencies of five members. The IMF reviews the SDR valuation basket every five years. The currencies in the basket and their amounts are as follows:

General Department

Notes to the Financial Statements

as at October 31, 1999

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

Valuation of Currencies

Each member is obligated to maintain the value of the balances of its currency held by the IMF in the General Resources Account in terms of the SDR. Currencies are valued in terms of the SDR on the basis of the representative exchange rate determined for each currency. Whenever the IMF revalues its holdings of a member's currency, a receivable or a payable is established for the amount of currency payable by or to the member in order to maintain the SDR value of the IMF's holdings of the currency. The balances of the receivables or payables are included in the IMF's total currency holdings.

Income Recognition and deferral

Income is recognized as it is earned, and expenses are recorded as they are incurred, except that income from charges from members that are overdue in settling their obligations to the IMF by six months or more is deferred and is recognized as income only when paid unless the member has remained current in settling charges when due. The IMF generates compensating income for the amount of charges being deferred through the burden-sharing mechanism (for a more detailed description of this mechanism, see Note 5).

Capital Assets

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

General Department

Notes to the Financial Statements

as at October 31, 1999

2. Quotas, Currencies, and Securities

Each member is required to pay to the IMF the amount of its initial quota and subsequent increases partly in its own currency and the remainder in the form of reserve assets, except that in 1978 members were permitted to pay the entire increase in their own currencies. A member's quota is not increased until the member consents to the increase and pays the subscription. Each member has the option to substitute nonnegotiable and non-interest-bearing securities for the amount of its currency held by the IMF in the General Resources Account that is in excess of ¼ of 1 percent of the member's quota. These securities, which are part of the IMF's currency holdings, are encashable by the IMF on demand.

Changes in the IMF's holdings of members' currencies for the six months ended October 31, 1999 were as follows:

	October 31, 1999	April 30, 1999	Net Change
	<i>In millions of SDRs</i>		
Members' quotas	210,217	207,983	2,234
Members' outstanding use of IMF credit in the GRA	53,615	60,651	(7,036)
Members' reserve tranche positions in the GRA	(56,875)	(63,610)	6,735
Other receivables	(56)	(56)	--
Administrative currency balances	(3)	(2)	(1)
Currencies and securities	<u>206,898</u>	<u>204,966</u>	<u>1,932</u>

On December 14, 1992, the Federal Republic of Yugoslavia (Serbia/Montenegro) agreed, as a successor state, to share in the assets and liabilities of the former Socialist Federal Republic of Yugoslavia, but has yet to succeed to IMF membership. IMF credit outstanding with respect to the Federal Republic of Yugoslavia (Serbia/Montenegro), amounted to SDR 56 million at October 31, 1999. This amount is included in charges, interest, and other receivables in the balance sheet.

General Department

Notes to the Financial Statements

as at October 31, 1999

Receivables and payables arising from valuation adjustments at October 31, 1999, amounted to SDR 6,938 million and SDR 985 million, respectively.

The IMF's holdings of members' currencies at October 31, 1999 are shown in Schedule 1.

3. SDR Holdings

SDRs are reserve assets created by the IMF and allocated to members participating in the SDR Department. Although SDRs are not allocated to the IMF, the IMF may acquire, hold, and dispose of SDRs through the General Resources Account. The IMF receives SDRs from members in the settlement of their financial obligations to the IMF and uses SDRs in transactions and operations between the IMF and its members. The IMF earns interest on its SDR holdings at the same rate as all other holders of SDRs.

4. Gold Holdings

The Articles of Agreement limit the use of gold in the IMF's operations and transactions. Any use provided for in the Articles requires the approval by 85 percent majority of the total voting power of the Executive Board. In accordance with provisions of the Articles, proceeds from the sale of gold in excess of the stipulated valuation, as described below, are to be transferred to the Special Disbursement Account, to the Investment Account, or to members that were members on August 31, 1975.

At October 31, 1999, the IMF held 3,217,341 kilograms equal to 103,439,916 fine ounces of gold at designated depositories. In accordance with the IMF's Articles of Agreement, gold is valued on the basis of 0.888671 gram of fine gold per SDR, which is equivalent to SDR 35 per fine ounce (except for 21,396 fine ounces of gold acquired in financial year 1993 from Cambodia at market value, equivalent to SDR 240.68 per fine ounce, amounting to SDR 5.1 million). This valuation is equal to the original cost at which the gold was acquired. As of October 31, 1999, the value of the IMF's holdings of gold calculated at the market price was SDR 22.4 billion.

5. IMF Operations

The IMF's financial resources are made available to members under a number of policies and facilities that differ in the type of balance of payments need they seek to address, in the length of repurchase period, the charges levied on outstanding use of IMF credit, and in the degree of conditionality attached to them. Changes in the outstanding use of IMF credit under the various facilities during the six months ended October 31, 1999 were as follows:

General Department
Notes to the Financial Statements
as at **October 31, 1999**

	April 30, 1999	Purchases	Repurchases	October 31, 1999
<i>In millions of SDRs</i>				
Regular facilities	24,534	2,416	3,903	23,047
Extended Fund Facility	15,800	1,229	534	16,495
Supplemental Reserve Facility	12,655	--	5,805	6,850
Systemic Transformation Facility	3,364	--	321	3,043
Enlarged access	1,307	--	309	998
Compensatory and Contingency Financing Facility	2,845	237	42	3,040
Supplementary Financing Facility	146	--	4	142
Total	60,651	3,882	10,918	53,615

Members' use of IMF resources is shown in Schedule 1; scheduled repurchases in the General Resources Account and repayments of loans to the Special Disbursement Account are shown in Schedule 3. As of October 31, 1999, use of credit in the General Resources Account by the largest users was as follows:

<i>In millions of SDRs and percent of total GRA credit</i>		
Largest user of credit	11,799	22.0%
Three largest users of credit	26,321	49.1%
Five largest users of credit	34,997	65.3%

General Department

Notes to the Financial Statements

as at October 31, 1999

Arrangements in the General Department

At October 31, 1999, the undrawn balances under the 24 arrangements that were in effect in the General Department amounted to SDR 20,021 million. These arrangements are listed in Schedule 4.

Charges

The IMF levies periodic charges on its holdings of members' currencies that derive from their use of IMF credit. The rate of charge is set as a proportion of the SDR interest rate. This rate is adjusted periodically to offset the effect on the IMF's income of the deferral of unpaid charges and to finance the additions to the first Special Contingent Account, as discussed below. A surcharge progressing from 300 basis points above the rate of charge up to 500 basis points applies to use of credit under the Supplemental Reserve Facility (SRF) and Contingent Credit Lines (CCL). Special charges are levied on holdings that are not repurchased when due, and on overdue charges that are not settled when due. Special charges do not apply to members that are six months or more overdue to the IMF. A service charge is levied by the IMF on each purchase, except on a reserve tranche purchase. A stand-by fee is charged on Stand-By and Extended Arrangements. This fee is refunded in proportion to purchases made under the arrangement. At October 31, 1999, the total holdings on which the IMF levied charges amounted to SDR 53,615 million. Charges due to the IMF at October 31, 1999 amounted to SDR 1,588 million.

Remuneration

The IMF pays remuneration on a member's remunerated reserve tranche position. A remunerated reserve tranche position is the amount by which the member's norm exceeds the IMF's holdings of its currency, excluding holdings that derive from the use of IMF credit. The norm, which varies for each member, on average amounted to 96.2 percent of quota at October 31, 1999. The rate of remuneration is equal to the SDR interest rate and is adjusted, subject to a specific floor, to offset the effect of the deferral of charges on income and to finance the additions to the first Special Contingent Account, as discussed below.

At October 31, 1999, total creditor positions on which the IMF paid remuneration amounted to SDR 50,340 million.

General Department

Notes to the Financial Statements

as at October 31, 1999

Overdue Obligations

At October 31, 1999, six members were six months or more overdue in settling their financial obligations to the IMF and four of these members were overdue to the General Department. In addition, the Federal Republic of Yugoslavia (Serbia/Montenegro) was also six months or more overdue in meeting its financial obligations to the IMF. Credit extended to these members and the Federal Republic of Yugoslavia (Serbia/Montenegro) through the General Resources Account and the Special Disbursement Account amounted to SDR 1,129 million as of October 31, 1999.

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

	Repurchases and SAF Loans	Charges and SAF Interest
	<i>In millions of SDRs</i>	
Total overdue	1,129	976
Overdue for six months or more	1,120	956
Overdue for three years or more	1,062	837

General Department

Notes to the Financial Statements

as at October 31, 1999

The type and duration of these arrears as of October 31, 1999, were as follows:

	Repurchases and SAF Loans	Charges and SAF Interest	Total Obligation	Longest Overdue Obligation
<i>In millions of SDRs</i>				
Congo, Democratic Republic of	300.7	64.5	365.2	May 1991
Liberia	201.5	218.7	420.2	April 1985
Somalia	105.5	81.0	186.5	July 1987
Sudan	465.4	592.8	1,058.2	July 1985
Yugoslavia, Federal Republic of (Serbia/Montenegro)	56.1	18.6	74.7	September 1992
Total	<u>1,129.2</u>	<u>975.6</u>	<u>2,104.8</u>	

Strengthened Cooperative Strategy

The IMF follows a cooperative strategy aimed at resolving the issue of overdue obligations to the IMF. Three major elements form the basis of the cooperative strategy: (1) preventive measures, (2) remedial and deterrent measures, and (3) intensified collaboration and the rights approach. Under the intensified collaborative approach, the IMF has developed IMF-monitored programs and rights accumulation programs, which permit a member with protracted arrears to the IMF to establish a track record of performance related to policy implementation and payments. A rights accumulation program allows the member to earn rights toward future financing through the implementation of a comprehensive economic program. Rights would be encashed under a successor arrangement after clearance of arrears and when all the requirements for that successor arrangement are met.

General Department

Notes to the Financial Statements

as at October 31, 1999

Deferred Income and Special Contingent Accounts

It is the policy of the IMF to exclude from current income and record as deferred income charges due by members that are six months or more overdue in meeting payments to the IMF unless the member is current in the payment of charges. Deferred income amounted to SDR 979.7 million at October 31, 1999.

Since May 1, 1986, the IMF has adopted decisions whereby debtor and creditor members share equally the financial consequences of overdue obligations. An amount equal to deferred charges (excluding special charges) is generated and included in the IMF's income by an adjustment to the rate of charge and the rate of remuneration. These adjustments also finance the accumulation of precautionary balances that are held in the Special Contingent Accounts (see following paragraphs). The proceeds from the subsequent settlement of overdue charges are distributed to members that paid additional charges or received reduced remuneration when and to the extent that deferred charges that gave rise to adjustments are paid.

In view of the existence of protracted overdue obligations, the IMF accumulates precautionary balances, inter alia, in the Special Contingent Accounts. At October 31, 1999, the balances held in the first and second Special Contingent Accounts (SCA-1 and SCA-2) amounted to SDR 2,055 million, of which SDR 1,055 million was held in the SCA-1. The SCA-1 is financed by quarterly adjustments to the rate of charge and the rate of remuneration. Balances in the SCA-1 are to be distributed to the members that share the cost of financing it when there are no outstanding overdue charges and repurchases, or at such earlier time as the IMF may decide.

The SCA-2 was established on July 1, 1990 as part of the strengthened cooperative strategy to accumulate SDR 1.0 billion over a period of approximately five years through a further adjustment to the rate of charge and the rate of remuneration. Financing of the SCA-2 was completed during financial year 1997. The resources accumulated in the SCA-2 safeguard against potential losses arising from purchases made under a successor arrangement after a rights accumulation program has been successfully completed by members with protracted arrears to the IMF at the end of 1989, while at the same time providing additional liquidity to assist in financing such purchases. Refunds of contributions are to be made after all repurchases under the rights approach have been made, or at such earlier date as the IMF may determine. Outstanding credit in the General Resources Account following the completion and encashment of rights accumulation programs amounted to SDR 353 million at October 31, 1999.

General Department

Notes to the Financial Statements

as at October 31, 1999

The adjustments to charges and remuneration for deferred charges and SCA-1 during the six months ended October 31, 1999 were as follows:

	<u>Adjustments to</u>		
	<u>Charges</u>	<u>Remuneration</u>	<u>Total</u>
	<i>In millions of SDRs</i>		
Deferred charges	8.5	9.3	17.8
SCA-1	32.7	32.1	64.8
Refunds of deferred charges	<u>--</u>	<u>--</u>	<u>--</u>
Burden-sharing contributions net of refunds	<u>41.2</u>	<u>41.4</u>	<u>82.6</u>

The cumulative charges, net of settlements, that have been deferred since May 1, 1986 and have resulted in adjustments to charges and remuneration, amounted to SDR 791 million at October 31, 1999. The cumulative refunds for the same period, resulting from the settlements of deferred charges for which burden-sharing adjustments have been made, amounted to SDR 963 million.

6. Other Assets

Other assets include capital assets which at October 31, 1999 amounted to SDR 225.1 million and consisted of:

	<i>In millions of SDRs</i>
Land and buildings	298.2
Equipment	<u>36.6</u>
	334.8
Less accumulated depreciation	<u>109.7</u>
	<u>225.1</u>

General Department

Notes to the Financial Statements

as at October 31, 1999

7. Reserves

The IMF determines annually what part of its net income shall be placed to the General Reserve or to the Special Reserve, and what part, if any, shall be distributed. The Articles of Agreement permit the IMF to use the Special Reserve for any purpose for which it may use the General Reserve, except distribution. An administrative deficit for any financial year must be charged first against the Special Reserve. The IMF has decided that for the financial year 2000 the net operational income generated from the use of resources under the SRF and the CCL, after meeting the expenses of conducting the ESAF Trust, shall be transferred to the General Reserve.

8. Borrowing

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

Under the New Arrangements to Borrow (NAB), the IMF may borrow up to SDR 34 billion of supplementary resources. The NAB is the facility of first and principal recourse, but it does not replace the GAB which will remain in force. Outstanding drawings and commitments under these two borrowing arrangements are limited to a combined total of SDR 34 billion. The NAB became effective on November 17, 1998 and was activated on December 2, 1998. Interest on borrowing under the NAB is payable to the participants at the SDR interest rate, plus 100 basis points for the first year, augmented by one-third of an increase of 50 basis points for each six-month period thereafter up to a maximum increase of one-third of 200 basis points. As a condition for the activation of the NAB, the IMF will be required to transfer to the ESAF-HIPC Trust an amount equal to 100 basis points above the rate of charge levied on outstanding SRF purchases under the arrangement that was originally financed by the NAB, augmented by one-third of an increase of 50 basis points for each six-month period thereafter up to a maximum increase of one-third of 200 basis points.

General Department

Notes to the Financial Statements

as at October 31, 1999

9. Administrative Expenses

The administrative expenses for the six months ended October 31, 1999 were as follows:

	<i>In millions of SDRs</i>
Personnel	143.6
Travel	31.9
Other	43.4
Less reimbursements for the administration of the SDR Department	(1.8)
Total administrative expenses, net of reimbursements	217.1
	=====

The General Resources Account is to be reimbursed annually for expenses incurred in administering the Special Disbursement Account and the ESAF Trust; however, following the establishment of the SRF and the consequent increase in net operational income, the Board decided to forgo reimbursement of the expenses incurred in administering the ESAF Trust for financial years 1998, 1999 and 2000 and to transfer the amounts that would otherwise have been reimbursed to the GRA from the ESAF Trust Reserve Account, through the Special Disbursement Account, to the ESAF-HIPC Trust.

The IMF has a funded defined-benefit Staff Retirement Plan and a funded defined-benefit Supplemental Retirement Benefits Plan ("the Plans") covering nearly all staff. Contributions to the Plans and all other assets, liabilities, and income of the Plans are administered separately from the General Department and can be used only for the benefit of the participants in the Plans and their beneficiaries. Participants contribute a fixed percentage of their pensionable remuneration. The IMF contributes the remainder of the cost of funding the Plans and pays certain administrative costs of the Plans. The IMF uses the aggregate cost method for determining its pension cost. Under this method, the IMF contributions, including those for cost of living adjustments and for experience gains and losses, are spread over the expected future working lifetimes of the participants in the plans. The funding and cost of the Plans for the year beginning May 1, 1999 are based on an actuarial valuation at April 30, 1998.

General Department

Notes to the Financial Statements

as at October 31, 1999

The IMF provides certain health care benefits to retirees that elect to continue participation in its medical benefits and group life insurance plans through retirement. Both participants and the IMF contribute toward meeting the costs of these benefits. The IMF's cost, which includes a past-service obligation, is actuarially determined using the projected unit credit method; the funding and cost for the year ended April 30, 2000 were based on an actuarial valuation at May 1, 1999. The IMF has established a Retired Staff Benefits Investment Account to hold and invest the resources contributed by the IMF toward the payment of these benefits.

General Department
Quotas, IMF's Holdings of Currencies, Reserve Tranche Positions,
and Members' Use of Resources
as at October 31, 1999

(In thousands of SDRs)

Member	General Resources Account				Use of Resources				
	Quota	IMF's holdings of currencies 1/		Reserve tranche position	GRA 2/		SDA 3/ (B)	ESAF Trust 4/ (C)	Total 5/ (D)
		Total	Percent of quota		Amount (A)	Percent of total			
Afghanistan, Islamic State of	120,400	115,488	95.9	4,928	--	--	--	--	--
Albania	48,700	54,175	111.2	3,355	8,825	0.02	--	49,867	58,692
Algeria	1,254,700	2,613,841	208.3	85,082	1,444,218	2.69	--	--	1,444,218
Angola	286,300	286,445	100.1	--	--	--	--	--	--
Antigua and Barbuda	13,500	13,499	100.0	1	--	--	--	--	--
Argentina	2,117,100	5,412,784	255.7	--	3,295,655	6.15	--	--	3,295,655
Armenia, Republic of	92,000	124,547	135.4	6,130	38,672	0.07	--	109,350	148,022
Australia	3,236,400	2,023,239	62.5	1,213,233	--	--	--	--	--
Austria	1,872,300	1,159,911	62.0	712,341	--	--	--	--	--
Azerbaijan	160,900	376,901	234.2	10	216,001	0.40	--	81,900	297,901
Bahamas, The	130,300	124,065	95.2	6,239	--	--	--	--	--
Bahrain	135,000	73,135	54.2	61,874	--	--	--	--	--
Bangladesh	533,300	631,244	118.4	186	98,125	0.18	--	149,250	247,375
Barbados	67,500	62,827	93.1	4,675	--	--	--	--	--
Belarus, Republic of	386,400	522,392	135.2	20	135,992	0.25	--	--	135,992
Belgium	4,605,200	2,926,538	63.5	1,678,668	--	--	--	--	--
Belize	18,800	14,562	77.5	4,239	--	--	--	--	--
Benin	61,900	59,721	96.5	2,188	--	--	9,006	58,129	67,135
Bhutan	6,300	5,280	83.8	1,020	--	--	--	--	--
Bolivia	171,500	162,638	94.8	8,875	--	--	2,721	183,137	185,858
Bosnia and Herzegovina	169,100	241,312	142.7	--	72,208	0.13	--	--	72,208
Botswana	63,000	39,218	62.3	23,784	--	--	--	--	--
Brazil	3,036,100	10,091,965	332.4	--	7,055,100	13.16	--	--	7,055,100
Brunei Darussalam	150,000	114,727	76.5	35,285	--	--	--	--	--
Bulgaria	640,200	1,465,973	229.0	32,678	858,444	1.60	--	--	858,444
Burkina Faso	60,200	52,991	88.0	7,221	--	--	15,800	72,130	87,930
Burundi	77,000	71,142	92.4	5,860	--	--	--	10,539	10,539
Cambodia	87,500	91,667	104.8	--	4,167	0.01	--	50,357	54,524
Cameroon	185,700	204,229	110.0	504	19,025	0.04	--	126,090	145,115
Canada	6,369,200	4,054,924	63.7	2,314,307	--	--	--	--	--
Cape Verde	9,600	9,599	100.0	1	--	--	--	--	--
Central African Republic	55,700	55,606	99.8	96	--	--	1,216	16,480	17,696
Chad	56,000	55,719	99.5	282	--	--	1,224	49,560	50,784
Chile	856,100	539,151	63.0	316,950	--	--	--	--	--
China	4,687,200	2,911,093	62.1	1,776,117	--	--	--	--	--
Colombia	774,000	488,204	63.1	285,803	--	--	--	--	--
Comoros	8,900	8,362	93.9	540	--	--	1,575	--	1,575
Congo, Democratic Republic of	291,000	448,805	154.2	--	157,805	0.29	142,910	--	300,715
Congo, Republic of	84,600	91,322	107.9	536	7,240	0.01	--	13,896	21,136
Costa Rica	164,100	144,113	87.8	20,000	--	--	--	--	--

General Department
Quotas, IMF's Holdings of Currencies, Reserve Tranche Positions,
and Members' Use of Resources
as at October 31, 1999

(In thousands of SDRs)

Member	General Resources Account				Use of Resources				
	Quota	IMF's holdings of currencies 1/		Reserve tranche position	GRA 2/		SDA 3/ (B)	ESAF Trust 4/ (C)	Total 5/ (D)
		Total	Percent of quota		Amount (A)	Percent of total			
Cote d'Ivoire	325,200	324,966	99.9	239	--	--	--	451,389	451,389
Croatia, Republic of	365,100	508,187	139.2	145	143,230	0.27	--	--	143,230
Cyprus	139,600	104,247	74.7	35,355	--	--	--	--	--
Czech Republic	819,300	819,298	100.0	3	--	--	--	--	--
Denmark	1,642,800	1,033,269	62.9	609,533	--	--	--	--	--
Djibouti	15,900	21,354	134.3	1,100	6,553	0.01	--	2,726	9,279
Dominica	8,200	8,192	99.9	9	--	--	--	--	--
Dominican Republic	218,900	258,599	118.1	3	39,700	0.07	--	--	39,700
Ecuador	302,300	297,512	98.4	17,153	12,363	0.02	--	--	12,363
Egypt	943,700	823,647	87.3	120,075	--	--	--	--	--
El Salvador	171,300	171,303	100.0	--	--	--	--	--	--
Equatorial Guinea	32,600	32,609	100.0	--	--	--	5,267	1,265	6,532
Eritrea	15,900	15,900	100.0	5	--	--	--	--	--
Estonia, Republic of	65,200	83,601	128.2	6	18,406	0.03	--	--	18,406
Ethiopia	133,700	126,611	94.7	7,099	--	--	40,256	29,490	69,746
Fiji	70,300	55,366	78.8	14,940	--	--	--	--	--
Finland	1,263,800	790,765	62.6	473,072	--	--	--	--	--
France	10,738,500	6,793,242	63.3	3,945,266	--	--	--	--	--
Gabon	154,300	218,771	141.8	66	64,529	0.12	--	--	64,529
Gambia, The	31,100	29,618	95.2	1,485	--	--	--	5,855	5,855
Georgia	150,300	213,894	142.3	10	63,594	0.12	--	172,050	235,644
Germany	13,008,200	8,204,870	63.1	4,803,355	--	--	--	--	--
Ghana	369,000	327,874	88.9	41,130	--	--	6,135	215,860	221,995
Greece	823,000	529,659	64.4	293,342	--	--	--	--	--
Grenada	8,500	8,501	100.0	--	--	--	--	--	--
Guatemala	210,200	210,206	100.0	--	--	--	--	--	--
Guinea	107,100	107,026	99.9	75	--	--	--	86,572	86,572
Guinea-Bissau	14,200	16,330	115.0	0 6/	2,130	--	--	10,500	12,630
Guyana	90,900	90,902	100.0	--	--	--	17,958	86,853	104,811
Haiti	60,700	80,076	131.9	49	19,425	0.04	--	15,175	34,600
Honduras	129,500	168,374	130.0	8,627	47,500	0.09	--	89,682	137,182
Hungary	1,038,400	861,619	83.0	176,784	--	--	--	--	--
Iceland	117,600	99,025	84.2	18,580	--	--	--	--	--
India	4,158,200	3,765,917	90.6	488,572	96,250	0.18	--	--	96,250
Indonesia	2,079,300	9,400,647	452.1	145,474	7,466,820	13.93	--	--	7,466,820
Iran, Islamic Republic of	1,497,200	1,497,202	100.0	--	--	--	--	--	--
Iraq	504,000	504,013	100.0	--	--	--	--	--	--
Ireland	838,400	525,210	62.6	313,210	--	--	--	--	--
Israel	928,200	862,695	92.9	65,511	--	--	--	--	--
Italy	7,055,500	4,478,797	63.5	2,576,705	--	--	--	--	--

General Department
Quotas, IMF's Holdings of Currencies, Reserve Tranche Positions,
and Members' Use of Resources
as at October 31, 1999

(In thousands of SDRs)

Member	General Resources Account				Use of Resources				
	Quota	IMF's holdings of currencies 1/		Reserve tranche position	GRA 2/		SDA 3/ (B)	ESAF Trust 4/ (C)	Total 5/ (D)
		Total	Percent of quota		Amount	Percent of total			
		(A)	+		(B)	(C)			
Jamaica	273,500	338,696	123.8	--	65,146	0.12	--	--	65,146
Japan	13,312,800	8,263,894	62.1	5,049,101	--	--	--	--	--
Jordan	170,500	537,871	315.5	8	367,376	0.69	--	--	367,376
Kazakhstan, Republic of	365,700	725,979	198.5	5	360,279	0.67	--	--	360,279
Kenya	271,400	258,979	95.4	12,428	--	--	9,230	102,897	112,127
Kiribati	5,600	5,601	100.0	--	--	--	--	--	--
Korea	1,633,600	5,887,512	360.4	208,591	4,462,500	8.32	--	--	4,462,500
Kuwait	1,381,100	1,012,804	73.3	368,297	--	--	--	--	--
Kyrgyz Republic	88,800	110,300	124.2	5	21,500	0.04	--	118,530	140,030
Lao People's Democratic Republic	39,100	39,100	100.0	--	--	--	6,153	33,431	39,584
Latvia, Republic of	126,800	163,019	128.6	5	36,219	0.07	--	--	36,219
Lebanon	203,000	184,168	90.7	18,833	--	--	--	--	--
Lesotho	34,900	31,372	89.9	3,533	--	--	604	12,382	12,986
Liberia	71,300	272,738	382.5	28	201,457	0.38	--	--	224,891
Libya	1,123,700	728,206	64.8	395,505	--	--	--	--	--
Lithuania, Republic of	144,200	311,943	216.3	16	167,756	0.31	--	--	167,756
Luxembourg	279,100	224,752	80.5	54,349	--	--	--	--	--
Macedonia, former Yugoslav Republic of	68,900	118,920	172.6	--	50,018	0.09	--	27,281	77,299
Madagascar	122,200	122,174	100.0	27	--	--	4,316	44,054	48,370
Malawi	69,400	68,757	99.1	2,236	1,591	--	2,418	61,376	65,385
Malaysia	1,486,600	878,450	59.1	608,156	--	--	--	--	--
Maldives	8,200	6,646	81.1	1,554	--	--	--	--	--
Mali	93,300	84,521	90.6	8,782	--	--	8,636	133,314	141,950
Malta	102,000	61,749	60.5	40,261	--	--	--	--	--
Marshall Islands	2,500	2,500	100.0	1	--	--	--	--	--
Mauritania	64,400	64,406	100.0	--	--	--	2,387	76,096	78,483
Mauritius	101,600	87,138	85.8	14,474	--	--	--	--	--
Mexico	2,585,800	6,798,957	262.9	244	4,213,400	7.86	--	--	4,213,400
Micronesia, Federated Stat	3,500	3,500	100.0	1	--	--	--	--	--
Moldova, Republic of	123,200	260,844	211.7	5	137,644	0.26	--	--	137,644
Mongolia	51,100	51,100	100.0	5	--	--	--	38,398	38,398
Morocco	588,200	517,761	88.0	70,441	--	--	--	--	--
Mozambique	113,600	113,600	100.0	7	--	--	--	152,380	152,380
Myanmar	258,400	258,402	100.0	--	--	--	--	--	--
Namibia	136,500	136,466	100.0	37	--	--	--	--	--
Nepal	71,300	65,577	92.0	5,730	--	--	746	12,868	13,614
Netherlands	5,162,400	3,278,860	63.5	1,883,541	--	--	--	--	--
New Zealand	894,600	558,008	62.4	336,607	--	--	--	--	--
Nicaragua	130,000	130,010	100.0	--	--	--	--	115,155	115,155
Niger	65,800	57,240	87.0	8,561	--	--	--	49,648	49,648

General Department
Quotas, IMF's Holdings of Currencies, Reserve Tranche Positions,
and Members' Use of Resources
as at October 31, 1999

(In thousands of SDRs)

Member	General Resources Account				Use of Resources				
	Quota	IMF's holdings of currencies 1/		Reserve tranche position	GRA 2/		SDA 3/ (B)	ESAF Trust 4/ (C)	Total 5/ (D)
		Total	Percent of quota		Amount (A)	Percent of total			
Nigeria	1,753,200	1,753,173	100.0	68	--	--	--	--	--
Norway	1,671,700	1,039,151	62.2	632,577	--	--	--	--	--
Oman	194,000	144,277	74.4	49,796	--	--	--	--	--
Pakistan	1,033,700	1,834,175	177.4	97	800,566	1.49	71,019	427,460	1,299,045
Palau	3,100	3,100	100.0	1	--	--	--	--	--
Panama	206,600	308,177	149.2	11,860	113,425	0.21	--	--	113,425
Papua New Guinea	131,600	148,411	112.8	53	16,858	0.03	--	--	16,858
Paraguay	99,900	78,428	78.5	21,475	--	--	--	--	--
Peru	638,400	1,173,833	183.9	--	535,400	1.00	--	--	535,400
Philippines	879,900	2,137,348	242.9	87,104	1,344,539	2.51	--	--	1,344,539
Poland, Republic of	1,369,000	1,196,744	87.4	172,256	--	--	--	--	--
Portugal	867,400	574,655	66.3	292,755	--	--	--	--	--
Qatar	263,800	219,073	83.0	44,727	--	--	--	--	--
Romania	1,030,200	1,391,017	135.0	--	360,812	0.67	--	--	360,812
Russian Federation	5,945,400	17,743,817	298.4	926	11,799,217	22.01	--	--	11,799,217
Rwanda	80,100	99,456	124.2	--	19,338	0.04	2,628	23,800	45,766
St. Kitts and Nevis	8,900	10,457	117.5	72	1,625	--	--	--	1,625
St. Lucia	15,300	15,300	100.0	1	--	--	--	--	--
St. Vincent and the Grenadines	6,000	5,500	91.7	500	--	--	--	--	--
Samoa	11,600	10,924	94.2	683	--	--	--	--	--
San Marino, Republic of	17,000	12,900	75.9	4,101	--	--	--	--	--
Sao Tome & Principe	7,400	7,403	100.0	--	--	--	--	--	--
Saudi Arabia	6,985,500	5,998,021	85.9	987,483	--	--	--	--	--
Senegal	161,800	160,433	99.2	1,368	--	--	2,489	202,067	204,556
Seychelles	8,800	8,800	100.0	--	--	--	--	--	--
Sierra Leone	103,700	115,265	111.2	24	11,580	0.02	24,318	96,613	132,511
Singapore	862,500	529,261	61.4	333,254	--	--	--	--	--
Slovak Republic	357,500	456,121	127.6	--	98,616	0.18	--	--	98,616
Slovenia, Republic of	231,700	151,514	65.4	80,187	--	--	--	--	--
Solomon Islands	10,400	9,867	94.9	543	--	--	--	--	--
Somalia	44,200	140,907	318.8	--	96,701	0.18	8,840	--	112,004 5/
South Africa	1,868,500	1,868,405	100.0	107	--	--	--	--	--
Spain	3,048,900	1,929,089	63.3	1,119,830	--	--	--	--	--
Sri Lanka	413,400	365,690	88.5	47,710	--	--	8,924	184,800	193,724
Sudan	169,700	635,155	374.3	11	465,435	0.88	--	--	524,662 5/
Suriname	92,100	85,975	93.4	6,125	--	--	--	--	--
Swaziland	50,700	44,154	87.1	6,552	--	--	--	--	--
Sweden	2,395,500	1,495,272	62.4	900,234	--	--	--	--	--
Switzerland	3,458,500	2,161,417	62.5	1,297,110	--	--	--	--	--
Syrian Arab Republic	293,600	293,603	100.0	5	--	--	--	--	--

General Department
Quotas, IMF's Holdings of Currencies, Reserve Tranche Positions,
and Members' Use of Resources
as at October 31, 1999

(In thousands of SDRs)

Member	General Resources Account				Use of Resources					
	Quota	IMF's holdings of currencies 1/		Reserve tranche position	GRA 2/		SDA 3/	ESAF		Total 5/
		Total	Percent of quota		Amount (A)	Percent of total		Trust 4/	Total 5/	
Tajikistan, Republic of	87,000	115,125	132.3	2	28,125	0.05	--	46,960	75,085	
Tanzania	198,900	188,932	95.0	9,975	--	--	2,140	231,880	234,020	
Thailand	1,081,900	3,581,897	331.1	20	2,500,000	4.66	--	--	2,500,000	
Togo	73,400	73,146	99.7	254	--	--	2,496	61,020	63,516	
Tonga	6,900	5,202	75.4	1,700	--	--	--	--	--	
Trinidad and Tobago	335,600	335,585	100.0	16	--	--	--	--	--	
Tunisia	286,500	334,455	116.7	20,167	68,117	0.13	--	--	68,117	
Turkey	964,000	1,306,478	135.5	112,775	455,250	0.85	--	--	455,250	
Turkmenistan, Republic of	48,000	48,000	100.0	5	--	--	--	--	--	
Uganda	180,500	180,507	100.0	--	--	--	996	266,863	267,859	
Ukraine	1,372,000	3,495,531	254.8	4	2,123,531	3.96	--	--	2,123,531	
United Arab Emirates	611,700	397,429	65.0	214,271	--	--	--	--	--	
United Kingdom	10,738,500	6,718,262	62.6	4,020,245	--	--	--	--	--	
United States	37,149,300	22,969,980	61.8	14,174,300	--	--	--	--	--	
Uruguay	306,500	385,032	125.6	35,675	114,200	0.21	--	--	114,200	
Uzbekistan, Republic of	275,600	430,616	156.2	5	155,016	0.29	--	--	155,016	
Vanuatu	17,000	14,506	85.3	2,496	--	--	--	--	--	
Venezuela	2,659,100	2,981,944	112.1	321,900	644,742	1.20	--	--	644,742	
Vietnam	329,100	347,220	105.5	5	18,120	0.03	--	241,600	259,720	
Yemen, Republic of	243,500	401,615	164.9	13	158,125	0.29	--	150,000	308,125	
Yugoslavia, Federal Republic of (Serbia/Montenegro)	--	--	--	--	56,056	0.10	--	--	56,056	
Zambia	489,100	489,101	100.0	18	--	--	181,750	671,682	853,432	
Zimbabwe	353,400	505,823	143.1	270	152,690	0.32	--	120,600	273,290	
Total	210,217,100	206,898,425		56,875,091	53,614,942	100.00	584,158	5,841,257	60,129,482	

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

2/ Includes the share of the Federal Republic of Yugoslavia (Serbia/Montenegro) in the liabilities of the former Socialist Federal Republic of Yugoslavia, although this state has not succeeded to Fund membership.

3/ The Special Disbursement Account (SDA) of the General Department provides financing under Structural Adjustment Facility (SAF) and Enhanced Structural Adjustment Facility (ESAF) arrangements.

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

5/ Includes outstanding Trust Fund loans to Liberia (SDR 23.4 million), Somalia (SDR 6.5 million), and Sudan (SDR 59.2 million).

6/ Less than SDR 500.

Schedule 2

General Department
Financial Resources and Liquidity Position
in the General Resources Account
as at October 31, 1999

(In thousands of SDRs)

Resources	
Currencies and securities	206,898,425
SDR holdings	4,094,569
Gold holdings	3,624,797
Sundry assets, net of sundry liabilities ^{1/}	398,759
Total resources	<u>215,016,550</u>
Less: Non-Usable Resources ^{2/}	<u>121,434,658</u>
Equals: Usable Resources ^{3/}	<u>93,581,892</u>
Resources Committed and Working Balances	
Undrawn balances under arrangements ^{4/}	16,371,924
Minimum working balances ^{4/}	14,168,270
Resources committed and working balances	<u>30,540,194</u>
Net Uncommitted Usable Resources ^{5/}	<u><u>63,041,698</u></u>
Liquid Liabilities	
Reserve tranche positions ^{6/}	<u><u>56,875,091</u></u>
Liquidity Ratio ^{7/}	110.9%
Memorandum Item	
Resources available under borrowing arrangements	34,000,000

^{1/} Sundry assets, net of sundry liabilities reflect current assets (charges, interest, and other receivables) and other assets which include capital assets (land, buildings, and equipment), net of sundry liabilities (remuneration payable and other liabilities).

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

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

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

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

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

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

General Department
Schedule of Repurchases and Repayments of Loans
as at October 31, 1999

(In thousands of SDRs)

Financial Year	General	Special
Ending	Resources	Disbursement
April 30	Account 1/	Account
Overdue	977,454	151,750
2000	8,758,125	73,083
2001	10,054,722	79,024
2002	8,984,965	90,679
2003	9,725,351	61,864
2004	5,591,276	50,823
2005	3,054,646	40,269
2006	2,251,502	36,666
2007	1,888,649	--
2008	1,399,370	--
2009	826,448	--
2010	102,434	--
Total	53,614,942 =====	584,158 =====

1/ A member is entitled to repurchase at any time the IMF's holdings of its currency subject to charges and is expected to make repurchases as and when its balance of payments and reserve position improve.

General Department
Status of Arrangements
as at October 31, 1999

(In thousands of SDRs)

Member	Date of Arrangement	Expiration	Total Amount Agreed	Undrawn Balance
General Resources Account				
Stand-By Arrangements				
Bosnia and Herzegovina	May 29, 1998	April 28, 2000	77,510	24,240
Brazil	December 2, 1998	December 1, 2001	13,024,800	5,969,700
Cape Verde	February 20, 1998	December 31, 1999	2,496	2,496
El Salvador	September 23, 1998	February 22, 2000	37,680	37,680
Korea	December 4, 1997	December 3, 2000	15,500,000	1,087,500
Mexico	July 7, 1999	November 30, 2000	3,103,000	2,068,600
Philippines	April 1, 1998	March 31, 2000	1,020,790	475,130
Romania	August 5, 1999	March 31, 2000	400,000	347,000
Russian Federation	July 28, 1999	December 27, 2000	3,300,000	2,828,571
Thailand	August 20, 1997	June 19, 2000	2,900,000	400,000
Uruguay	March 29, 1999	March 28, 2000	70,000	70,000
Zimbabwe	August 2, 1999	October 1, 2000	141,360	116,620
Total Stand-By Arrangements			39,577,636	13,427,537
Extended Arrangements				
Argentina	February 4, 1998	February 3, 2001	2,080,000	2,080,000
Azerbaijan	December 20, 1996	December 19, 1999	58,500	5,260
Bulgaria	September 25, 1998	September 24, 2001	627,620	366,120
Croatia, Republic of	March 12, 1997	March 11, 2000	353,160	324,380
Indonesia	August 25, 1998	November 5, 2000	5,383,100	1,585,400
Jordan	April 15, 1999	April 14, 2002	127,880	106,560
Moldova, Republic of	May 20, 1996	May 19, 2000	135,000	47,500
Pakistan	October 20, 1997	October 19, 2000	454,920	341,180
Panama	December 10, 1997	December 9, 2000	120,000	80,000
Peru	June 24, 1999	May 31, 2002	383,000	383,000
Ukraine	September 4, 1998	September 3, 2001	1,919,950	1,207,800
Yemen, Republic of	October 29, 1997	March 1, 2001	105,900	65,900
Total Extended Arrangements			11,749,030	6,593,100
Total General Resources Account			51,326,666	20,020,637

1/ Includes SDR 9.1 billion available until December 1, 1999 under the Supplemental Reserve Facility.

**II. Financial Statements
of the
SDR Department**

SDR Department
Statement of Allocations and Holdings
as at October 31, 1999

(In thousands of SDRs)
(Note 1)

Allocations	
Net cumulative allocations of SDRs	21,433,330
Overdue charges (Note 2)	98,250
	<hr/>
Total Allocations	21,531,580
	<hr/> <hr/>
Holdings	
Participants with holdings above allocations	
Allocations	8,978,769
Net receipts of SDRs	5,712,134
	<hr/>
	14,690,903
	<hr/>
Participants with holdings below allocations	
Allocations	12,454,561
Net uses of SDRs	10,159,512
	<hr/>
	2,295,049
	<hr/>
Total holdings of participants	16,985,952
General Resources Account	4,094,569
Holdings of SDRs by prescribed holders	451,059
	<hr/>
Total Holdings	21,531,580
	<hr/> <hr/>

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

/s/ Eduard Brau
Treasurer

/s/ Stanley Fischer
Acting Managing Director

SDR Department
Statement of Receipts and Uses of SDRs
for the Six Months Ended October 31, 1999

(In thousands of SDRs)
(Note 1)

	Participants	General Resources Account	Prescribed Holders	Total
Total holdings, April 30, 1999	17,391,191	3,571,967	562,294	21,525,452
Receipts of SDRs				
Transfers among Participants and Prescribed holders				
Transactions by agreement	3,303,421	--	19,300	3,322,721
Operations				
Loans	37,400	--	--	37,400
Settlement of financial obligations	128,920	--	28,086	157,006
IMF-related operations				
SAF and ESAF loans	90,773	--	--	90,773
SAF repayments and interest	--	--	18,427	18,427
Special charges on SAF, ESAF, Trust Fund				
ESAF contributions and payments	27,220	--	65,951	93,171
ESAF repayments and interest	--	--	160,051	160,051
HIPC contributions and payments	10	--	1,000	1,010
Net interest on SDRs (Note 2)	86,439	--	8,751	95,190
Transfers from Participants to the General Resources Account				
Repurchases	--	2,336,235	--	2,336,235
Charges	--	1,324,608	--	1,324,608
Quota payments	--	519,058	--	519,058
Interest on SDRs (Note 2)	--	73,472	--	73,472
Transfers from the General Resources Account to Participants and Prescribed holders				
Purchases	2,219,749	--	--	2,219,749
Interest on IMF borrowings	18,284	--	--	18,284
In exchange for currencies of other members				
Acquisitions to pay charges	603,944	--	--	603,944
Remuneration	878,571	--	--	878,571
Other				
Refunds and adjustments	10,223	--	--	10,223
Total receipts	7,404,954	4,253,373	301,566	11,959,893

SDR Department

Statement of Receipts and Uses of SDRs *(concluded)* for the Six Months Ended October 31, 1999

(In thousands of SDRs)
(Note 1)

	Participants	General Resources Account	Prescribed Holders	Total
Uses of SDRs				
Transfers among Participants and Prescribed holders				
Transactions by agreement	3,119,443	--	203,278	3,322,721
Operations				
Loans	37,400	--	--	37,400
Settlement of financial obligations	65,486	--	91,520	157,006
IMF-related operations				
SAF and ESAF loans	--	--	90,773	90,773
SAF repayments and interest	18,427	--	--	18,427
Special charges on SAF, ESAF, Trust Fund				
ESAF contributions and payments	65,951	--	27,220	93,171
ESAF repayments and interest	160,051	--	--	160,051
HIPC contributions and payments	1,000	--	10	1,010
Transfers from Participants to the General Resources Account				
Repurchases	2,336,235	--	--	2,336,235
Charges	1,324,608	--	--	1,324,608
Quota payments	519,058	--	--	519,058
Transfers from the General Resources Account to Participants and Prescribed holders				
Purchases	--	2,219,749	--	2,219,749
Interest on IMF borrowings	--	18,284	--	18,284
In exchange for currencies of other members				
Acquisitions to pay charges	--	603,944	--	603,944
Remuneration	--	878,571	--	878,571
Other				
Refunds and adjustments	--	10,223	--	10,223
Charges paid in the SDR department (Note 2)				
Net charges due	168,662	--	--	168,662
Charges not paid when due	(7,415)	--	--	(7,415)
Settlement of unpaid charges	1,287	--	--	1,287
Total uses	<u>7,810,193</u>	<u>3,730,771</u>	<u>412,801</u>	<u>11,953,765</u>
Total holdings, October 31, 1999	<u>16,985,952</u>	<u>4,094,569</u>	<u>451,059</u>	<u>21,531,580</u>

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

SDR Department

Notes to the Financial Statements

as at October 31, 1999

SDR Department

All transactions and operations involving SDRs are conducted through the SDR Department. At October 31, 1999, all members of the IMF were participants in the SDR Department. SDRs are reserve assets allocated by the IMF to members that are participants in the SDR Department in proportion to their quotas in the IMF. Six allocations have been made (in 1970, 1971, 1972, 1979, 1980, and 1981) for a total of SDR 21.4 billion. A proposed amendment of the IMF's Articles of Agreement has been approved to allow for a special one-time allocation of SDRs equal to 21.4 billion. The amendment will enter into force after three-fifths of the members, having 85 percent of the total voting power, have accepted it. Upon termination of participation or liquidation of the SDR Department, the IMF will provide to holders the currencies received from the participants in settlement of their obligations. The IMF is empowered to prescribe official entities as holders of SDRs; at October 31, 1999, 15 institutions have been prescribed as holders. These prescribed holders do not receive allocations.

Uses of SDRs

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

1. Unit of Account

The accounts are expressed in terms of the SDR. The value of the SDR is determined by the IMF each day by summing the values in U.S. dollars, based on market exchange rates, of a basket of currencies of five members. The IMF reviews the SDR valuation basket every five years. The currencies in the basket and their amounts are as follows:

SDR Department

Notes to the Financial Statements as at October 31, 1999

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

2. Interest, Charges, and Assessment

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

At October 31, 1999, charges amounting to SDR 98.3 million were overdue to the SDR Department. At October 31, 1999, six members were six months or more overdue in meeting their financial obligations to the IMF, and five of these members were six months or more overdue to the SDR Department. In addition, the Federal Republic of Yugoslavia (Serbia/Montenegro) was also six months or more overdue in meeting its financial obligations. While the Federal Republic of Yugoslavia (Serbia/Montenegro) agreed to its share in the assets and liabilities of the former Socialist Federal Republic of Yugoslavia in the IMF, it has not succeeded to membership in the IMF as of October 31, 1999, and, consequently, it is not a participant in the SDR Department.

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

	<i>In millions of SDRs</i>
Total	98.3
Overdue for six months or more	92.1
Overdue for three years or more	58.1

SDR Department

Notes to the Financial Statements as at October 31, 1999

The amount and duration of arrears were as follows:

	Total	Longest Overdue Obligation
<i>In millions of SDRs</i>		
Afghanistan, Islamic State of	4.2	February 1996
Congo, Democratic Republic of	9.8	November 1996
Iraq	38.9	November 1990
Liberia	18.5	August 1988
Somalia	7.3	February 1991
Yugoslavia, Federal Republic of (Serbia/Montenegro)	<u>19.6</u>	November 1992
Total	<u>98.3</u>	

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

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

SDR Department
Summary of Transactions and Operations
for the Month Ended October 31, 1999

	<u>User</u>	<u>Recipient</u>	<u>SDR Amount</u>	<u>Cumulative Total FY 2000</u>
A. Transfers among Participants and Prescribed holders				
1. Transactions by agreement				
	Austria		1,250,000	
	Finland		12,651,800	
	Germany		1,000,000	
	Japan		12,000,000	
	Netherlands		89,150,000	
	Norway		11,092,000	
	Sweden		46,745,400	
	Switzerland		11,080,000	
	Turkey		358,000,000	
	United Kingdom		64,100,000	
	BEAC		600,000	
			<hr/>	
		Argentina	115,000,000	
		Azerbaijan	6,000,000	
		Bahamas, The	80,000	
		Belarus, Republic of	1,250,000	
		Benin	100,000	
		Brazil	2,500,000	
		Burundi	150,000	
		Cameroon	200,000	
		Central African Republic	90,000	
		Chad	80,000	
		Congo, Republic of	80,000	
		Costa Rica	100,000	
		Cote d'Ivoire	400,000	
		Denmark	50,000,000	
		Djibouti	60,000	
		Dominican Republic	700,000	
		Ecuador	500,000	
		Equatorial Guinea	50,000	
		Estonia, Republic of	1,173,750	
		Ethiopia	100,000	
		Finland	50,000,000	
		Gabon	100,000	
		Ghana	8,000,000	
		Guinea-Bissau	50,000	
		Guyana	1,300,000	
		Honduras	650,000	
		India	7,000,000	
		Indonesia	1,500,000	
		Israel	600,000	

SDR Department
Summary of Transactions and Operations
for the Month Ended October 31, 1999

<u>User</u>	<u>Recipient</u>	<u>SDR Amount</u>	<u>Cumulative Total FY 2000</u>
	Jamaica	1,000,000	
	Jordan	4,000,000	
	Kenya	4,400,000	
	Lao People's Democratic Republic	700,000	
	Lithuania, Republic of	6,056,250	
	Macedonia, former Yugoslav Republic of	2,500,000	
	Madagascar	200,000	
	Malawi	3,000,000	
	Mali	100,000	
	Myanmar	250,000	
	Nepal	20,000	
	Netherlands	75,000,000	
	Nicaragua	172,000	
	Nigeria	1,380,000	
	Pakistan	10,000,000	
	Panama	3,000,000	
	Peru	1,000,000	
	Romania	5,000,000	
	Senegal	5,000,000	
	Slovak Republic	1,000,000	
	Solomon Islands	1,800	
	Sri Lanka	22,900,000	
	Sweden	50,000,000	
	Switzerland	83,000,000	
	Tanzania	100,000	
	Togo	100,000	
	Trinidad and Tobago	275,400	
	Uganda	3,200,000	
	United Kingdom	50,000,000	
	Uruguay	1,500,000	
	Venezuela	25,000,000	
		607,669,200	3,322,721,179
2. Operations			
(A) Loans			37,400,000
(B) Settlement of financial obligations			
	Yemen, Republic of	3,000,000	
	Arab Monetary Fund	15,433,713	
		15,433,713	
	Tunisia	15,433,713	
	Arab Monetary Fund	3,000,000	
		18,433,713	157,005,125

SDR Department
Summary of Transactions and Operations
for the Month Ended October 31, 1999

	<u>User</u>	<u>Recipient</u>	<u>SDR Amount</u>	<u>Cumulative Total FY 2000</u>
3. IMF-related operations				
(A) SAF and ESAF loans	BIS		20,925,000	
		Armenia, Republic of	20,925,000	
			20,925,000	90,773,000
(B) SAF repayments and interest		Lao People's Democratic Republic	252,333	
		Rwanda	876,000	
		Sri Lanka	11,155,000	
		BIS	12,283,333	
			12,283,333	18,427,049
(C) Special charges on SAF, ESAF, Trust Fund	Lesotho		55	
		BIS	55	
			55	55
(D) ESAF contributions and payments		China	20,925,000	
		Italy	3,949,589	
		BIS	996,000	
		Italy	996,000	
		BIS	24,874,589	
			25,870,589	93,171,737
(E) ESAF repayments and interest		Albania	847,000	
		Bangladesh	7,125,000	
		Guyana	766,930	
		Malawi	1,488,000	
		Senegal	2,127,500	
		Sri Lanka	11,200,000	
		Uganda	2,954,385	
		BIS	26,508,815	
			26,508,815	160,050,691
(F) HIPC contributions and payments				1,010,000

SDR Department
Summary of Transactions and Operations
for the Month Ended October 31, 1999

	<u>User</u>	<u>Recipient</u>	<u>SDR Amount</u>	<u>Cumulative Total FY 2000</u>
4. Net interest on SDRs (Note 2)			711,690,705	95,190,167
			<hr/>	<hr/>
			711,690,705	3,975,749,003
			<hr/>	<hr/>
B. Transfers from Participants to the General Resources Account				
1. Repurchases	Argentina		109,802,145	
	Armenia, Republic of		1,687,500	
	Azerbaijan		5,508,750	
	Bulgaria		19,685,417	
	Cambodia		520,833	
	Croatia, Republic of		12,535,000	
	Estonia, Republic of		968,750	
	Georgia		2,775,000	
	Kazakhstan, Republic of		5,801,250	
	Lithuania, Republic of		6,037,500	
	Macedonia, former Yugoslav Republic of		625,000	
	Panama		2,537,500	
	Rwanda		1,115,625	
	Ukraine		80,219,791	
	Venezuela		43,750,000	
	Vietnam		1,006,667	
			<hr/>	
			294,576,728	2,336,235,266
			<hr/>	
2. Charges	Jordan		53,300	
	Pakistan		852,950	
	Turkey		1,807,500	
	Yemen, Republic of		137,500	
			<hr/>	
			2,851,250	1,324,607,896
			<hr/>	
3. Quota payments				519,057,950
4. Interest on SDRs (Note 2)				73,471,699
			<hr/>	
			297,427,978	4,253,372,811
			<hr/>	
C. Transfers from the General Resources Account to Participants and Prescribed holders				
1. Purchases		Turkey	361,500,000	
			<hr/>	
			361,500,000	2,219,749,000
			<hr/>	

SDR Department
Summary of Transactions and Operations
for the Month Ended October 31, 1999

	<u>User</u>	<u>Recipient</u>	<u>SDR Amount</u>	<u>Cumulative Total FY 2000</u>
2. Interest on IMF borrowings				18,284,203
3. In exchange for currencies of other members				
(A) Acquisitions to pay charges		Mauritania	83,600	
		Pakistan	500,000	
		Papua New Guinea	280,000	
		Zambia	589,500	
		Zimbabwe	1,629,000	
			3,082,100	603,943,854
4. Remuneration				878,570,841
5. Other				
(A) Refunds and adjustments		Jordan	26,650	
			26,650	10,223,164
			364,608,750	3,730,771,062
D. Charges paid in the SDR department (Note 2)				
1. Net charges due				168,661,866
2. Charges not paid when due				(7,414,907)
3. Settlement of unpaid charges				1,286,955
			--	162,533,914
E. Change in holdings				
Participants			38,468,693	(405,238,308)
General Resources Account			(67,180,772)	522,601,749
Prescribed Holders			28,712,079	(111,235,489)
			--	6,127,952
F. Holdings of SDRs				
Participants				16,985,952,410
General Resources Account				4,094,569,246
Prescribed Holders				451,058,613
				21,531,580,269

SDR Department Allocations and Holdings of Participants

as at October 31, 1999

(In thousands of SDRs)

PARTICIPANT	NET CUMULATIVE ALLOCATIONS	TOTAL	HOLDINGS	
			PERCENT OF CUMULATIVE ALLOCATIONS	(+) ABOVE (-) BELOW ALLOCATIONS
Afghanistan, Islamic State of	26,703	--	--	(26,703)
Albania	--	55,721	--	55,721
Algeria	128,640	1,010	0.8	(127,630)
Angola	--	127	--	127
Antigua and Barbuda	--	5	--	5
Argentina	318,370	6,113	1.9	(312,257)
Armenia, Republic of	--	25,429	--	25,429
Australia	470,545	47,662	10.1	(422,883)
Austria	179,045	100,473	56.1	(78,572)
Azerbaijan	--	3,773	--	3,773
Bahamas, The	10,230	98	1.0	(10,132)
Bahrain	6,200	81	1.3	(6,119)
Bangladesh	47,120	8,189	17.4	(38,931)
Barbados	8,039	13	0.2	(8,026)
Belarus, Republic of	--	1,468	--	1,468
Belgium	485,246	132,388	27.3	(352,858)
Belize	--	918	--	918
Benin	9,409	153	1.6	(9,256)
Bhutan	--	114	--	114
Bolivia	26,703	26,804	100.4	101
Bosnia and Herzegovina	20,481	9,973	48.7	(10,508)
Botswana	4,359	27,133	622.5	22,774
Brazil	358,670	3,501	1.0	(355,169)
Brunei Darussalam	--	3,498	--	3,498
Bulgaria	--	11,668	--	11,668
Burkina Faso	9,409	406	4.3	(9,003)
Burundi	13,697	154	1.1	(13,543)
Cambodia	15,417	5,423	35.2	(9,994)
Cameroon	24,463	217	0.9	(24,246)
Canada	779,290	359,543	46.1	(419,747)
Cape Verde	620	20	3.2	(600)
Central African Republic	9,325	95	1.0	(9,230)
Chad	9,409	87	0.9	(9,322)
Chile	121,924	12,103	9.9	(109,821)
China	236,800	523,224	221.0	286,424
Colombia	114,271	95,109	83.2	(19,162)
Comoros	716	28	3.8	(689)
Congo, Democratic Republic of	86,309	--	--	(86,309)
Congo, Republic of	9,719	88	0.9	(9,631)
Costa Rica	23,726	117	0.5	(23,609)

SDR Department Allocations and Holdings of Participants

as at October 31, 1999

(In thousands of SDRs)

PARTICIPANT	NET CUMULATIVE ALLOCATIONS	TOTAL	HOLDINGS	
			PERCENT OF CUMULATIVE ALLOCATIONS	(+) ABOVE (-) BELOW ALLOCATIONS
Côte d'Ivoire	37,828	483	1.3	(37,345)
Croatia, Republic of	44,205	138,729	313.8	94,524
Cyprus	19,438	325	1.7	(19,113)
Czech Republic	--	--	--	--
Denmark	178,864	88,038	49.2	(90,826)
Djibouti	1,178	93	7.9	(1,085)
Dominica	592	--	--	(592)
Dominican Republic	31,585	888	2.8	(30,697)
Ecuador	32,929	803	2.4	(32,126)
Egypt	135,924	30,377	22.3	(105,547)
El Salvador	24,985	24,985	100.0	--
Equatorial Guinea	5,812	55	1.0	(5,757)
Eritrea	--	--	--	--
Estonia, Republic of	--	223	--	223
Ethiopia	11,160	117	1.0	(11,043)
Fiji	6,958	4,032	58.0	(2,926)
Finland	142,690	150,162	105.2	7,472
France	1,079,870	191,630	17.7	(888,240)
Gabon	14,091	126	0.9	(13,965)
Gambia, The	5,121	50	1.0	(5,071)
Georgia	--	971	--	971
Germany	1,210,760	1,328,836	109.8	118,076
Ghana	62,983	10,334	16.4	(52,649)
Greece	103,544	2,499	2.4	(101,045)
Grenada	930	3	0.3	(927)
Guatemala	27,678	8,148	29.4	(19,530)
Guinea	17,604	3,002	17.1	(14,602)
Guinea-Bissau	1,212	52	4.3	(1,160)
Guyana	14,530	620	4.3	(13,910)
Haiti	13,697	440	3.2	(13,257)
Honduras	19,057	692	3.6	(18,365)
Hungary	--	2,092	--	2,092
Iceland	16,409	47	0.3	(16,362)
India	681,170	7,867	1.2	(673,303)
Indonesia	238,956	1,605	0.7	(237,351)
Iran, Islamic Republic of	244,056	3,312	1.4	(240,744)
Iraq	68,464	--	--	(68,464)
Ireland	87,263	27,080	31.0	(60,183)
Israel	106,360	762	0.7	(105,598)
Italy	702,400	99,367	14.1	(603,033)

SDR Department Allocations and Holdings of Participants

as at October 31, 1999
(In thousands of SDRs)

PARTICIPANT	NET CUMULATIVE ALLOCATIONS	HOLDINGS		
		TOTAL	PERCENT OF CUMULATIVE ALLOCATIONS	(+) ABOVE (-) BELOW ALLOCATIONS
Jamaica	40,613	1,259	3.1	(39,354)
Japan	891,690	1,905,446	213.7	1,013,756
Jordan	16,887	4,134	24.5	(12,753)
Kazakhstan, Republic of	--	191,353	--	191,353
Kenya	36,990	4,701	12.7	(32,289)
Kiribati	--	9	--	9
Korea	72,911	10,804	14.8	(62,108)
Kuwait	26,744	50,675	189.5	23,930
Kyrgyz Republic	--	5,408	--	5,408
Lao People's Democratic Republic	9,409	700	7.4	(8,709)
Latvia, Republic of	--	320	--	320
Lebanon	4,393	16,142	367.4	11,749
Lesotho	3,739	845	22.6	(2,894)
Liberia	21,007	--	--	(21,007)
Libya	58,771	366,676	623.9	307,905
Lithuania, Republic of	--	1,525	--	1,525
Luxembourg	16,955	1,515	8.9	(15,440)
Macedonia, former Yugoslav Republic of	8,379	2,606	31.1	(5,773)
Madagascar	19,270	206	1.1	(19,064)
Malawi	10,975	1,787	16.3	(9,188)
Malaysia	139,048	56,857	40.9	(82,191)
Maldives	282	125	44.3	(157)
Mali	15,912	129	0.8	(15,783)
Malta	11,288	22,089	195.7	10,801
Marshall Islands	--	--	--	--
Mauritania	9,719	85	0.9	(9,634)
Mauritius	15,744	15,991	101.6	247
Mexico	290,020	581,672	200.6	291,652
Micronesia, Federated States of	--	1,051	--	1,051
Moldova, Republic of	--	160	--	160
Mongolia	--	36	--	36
Morocco	85,689	63,772	74.4	(21,917)
Mozambique	--	42	--	42
Myanmar	43,474	495	1.1	(42,979)
Namibia	--	14	--	14
Nepal	8,105	63	0.8	(8,042)
Netherlands	530,340	595,778	112.3	65,438
New Zealand	141,322	3,788	2.7	(137,534)
Nicaragua	19,483	179	0.9	(19,304)
Niger	9,409	120	1.3	(9,289)

SDR Department Allocations and Holdings of Participants

as at October 31, 1999

(In thousands of SDRs)

PARTICIPANT	NET CUMULATIVE ALLOCATIONS	TOTAL	HOLDINGS	
			PERCENT OF CUMULATIVE ALLOCATIONS	(+) ABOVE (-) BELOW ALLOCATIONS
Nigeria	157,155	1,508	1.0	(155,647)
Norway	167,770	206,549	123.1	38,779
Oman	6,262	979	15.6	(5,283)
Pakistan	169,989	10,025	5.9	(159,964)
Palau	--	--	--	--
Panama	26,322	1,464	5.6	(24,858)
Papua New Guinea	9,300	286	3.1	(9,014)
Paraguay	13,697	74,148	541.3	60,451
Peru	91,319	1,135	1.2	(90,184)
Philippines	116,595	1,193	1.0	(115,402)
Poland, Republic of	--	7,110	--	7,110
Portugal	53,320	27,858	52.2	(25,462)
Qatar	12,822	7,636	59.6	(5,185)
Romania	75,950	5,022	6.6	(70,928)
Russian Federation	--	--	--	--
Rwanda	13,697	10,671	77.9	(3,026)
St. Kitts and Nevis	--	--	--	--
St. Lucia	742	1,495	201.6	753
St. Vincent and the Grenadines	354	62	17.6	(291)
Samoa	1,142	2,227	195.0	1,085
San Marino, Republic of	--	18	--	18
São Tomé & Príncipe	620	--	--	(620)
Saudi Arabia	195,527	103,341	52.9	(92,185)
Senegal	24,462	3,194	13.1	(21,268)
Seychelles	406	18	4.5	(388)
Sierra Leone	17,455	--	--	(17,455)
Singapore	16,475	85,743	520.4	69,268
Slovak Republic	--	1,374	--	1,374
Slovenia, Republic of	25,431	788	3.1	(24,643)
Solomon Islands	654	5	0.7	(650)
Somalia	13,697	--	--	(13,697)
South Africa	220,360	209,693	95.2	(10,667)
Spain	298,805	182,036	60.9	(116,769)
Sri Lanka	70,868	736	1.0	(70,132)
Sudan	52,192	--	--	(52,192)
Suriname	7,750	2,051	26.5	(5,699)
Swaziland	6,432	2,422	37.6	(4,010)
Sweden	246,525	259,868	105.4	13,343
Switzerland	--	128,920	--	128,920
Syrian Arab Republic	36,564	53	0.1	(36,511)

SDR Department Allocations and Holdings of Participants

as at October 31, 1999

(In thousands of SDRs)

PARTICIPANT	NET CUMULATIVE ALLOCATIONS	HOLDINGS		
		TOTAL	PERCENT OF CUMULATIVE ALLOCATIONS	(+) ABOVE (-) BELOW ALLOCATIONS
Tajikistan, Republic of	--	261	--	261
Tanzania	31,372	339	1.1	(31,033)
Thailand	84,652	212,599	251.1	127,947
Togo	10,975	118	1.1	(10,857)
Tonga	--	22	--	22
Trinidad and Tobago	46,231	404	0.9	(45,827)
Tunisia	34,243	33,369	97.4	(874)
Turkey	112,307	2,245	2.0	(110,062)
Turkmenistan, Republic of	--	--	--	--
Uganda	29,396	1,769	6.0	(27,627)
Ukraine	--	74,110	--	74,110
United Arab Emirates	38,737	4,821	12.4	(33,916)
United Kingdom	1,913,070	248,834	13.0	(1,664,236)
United States	4,899,530	7,410,706	151.3	2,511,176
Uruguay	49,977	1,886	3.8	(48,091)
Uzbekistan, Republic of	--	138	--	138
Vanuatu	--	585	--	585
Venezuela	316,890	5,305	1.7	(311,585)
Vietnam	47,658	1,487	3.1	(46,171)
Yemen, Republic of	28,743	144,762	503.6	116,019
Yugoslavia, Federal Republic of (Serbia/Montenegro)	56,665	--	--	(56,665)
Zambia	68,298	599	0.9	(67,699)
Zimbabwe	10,200	1,633	16.0	(8,567)
ABOVE ALLOCATIONS	8,978,769	14,690,903	163.6	5,712,134
BELOW ALLOCATIONS	12,454,561	2,295,049	18.4	(10,159,512)
TOTAL PARTICIPANTS	21,433,330	16,985,952		
GENERAL RESOURCES ACCOUNT		4,094,569		
PRESCRIBED HOLDERS		451,059		
OVERDUE CHARGES	98,250			
	21,531,580	21,531,580		

SDR Department

Summary of Transfers of SDRs

January 1, 1970 - October 31, 1999

(In millions of SDRs)

(details may not add to totals due to rounding)

	Calendar Year Basis									Cumulative Total
	Annual Average				1999					
	1970-1995	1996	1997	1998	1st Quarter	2nd Quarter	3rd Quarter	October	Total	
Transfers among Participants and Prescribed holders										
Transactions with designation	759.3	--	--	--	--	--	--	--	--	19,742.8
Transactions by agreement	2,944.8	6,782.7	8,600.0	10,543.5	2,444.6	4,236.3	1,491.4	607.7	8,779.9	111,272.0
Operations	530.1	111.3	101.2	99.1	4,436.9	153.3	78.4	18.4	4,687.0	18,780.8
IMF-related operations	106.3	557.2	868.7	699.9	137.8	215.7	127.3	85.6	566.4	5,455.1
Net interest on SDRs	211.0	281.0	270.0	301.8	65.2	43.2	52.0	--	160.4	6,499.8
Total	4,551.6	7,732.3	9,839.9	11,644.3	7,084.5	4,648.4	1,749.1	711.7	14,193.7	161,750.5
Transfers from Participants to the General Resources Account										
Repurchases	1,088.4	4,361.0	3,223.4	4,091.2	1,131.1	1,042.9	1,412.2	294.6	3,880.7	43,853.4
Charges	1,249.2	1,612.3	1,732.1	2,661.4	686.2	653.0	690.2	2.9	2,032.4	40,516.3
Quota payments	963.9	35.3	--	0.5	8,616.7	411.3	134.1	--	9,162.1	34,259.8
Interest on SDRs	153.7	44.3	54.3	32.6	9.4	41.8	31.7	--	82.9	4,210.9
Assessment on SDR allocations	2.4	4.0	4.1	4.3	--	3.4	--	--	3.4	78.7
Adjustments	0.1	--	--	--	--	--	--	--	--	3.3
Total	3,457.7	6,056.7	5,013.8	6,790.1	10,443.4	2,152.4	2,268.2	297.4	15,161.5	122,922.3
Transfers from the General Resources Account to Participants and Prescribed Holders										
Purchases	1,821.3	3,672.4	4,709.4	4,603.5	3,284.8	3,139.4	1,245.2	361.5	8,030.9	68,370.4
Repayments of IMF borrowings	446.9	--	--	--	1,429.5	--	--	--	1,429.5	13,049.7
Interest on IMF borrowings	164.9	--	--	16.1	30.0	18.3	--	--	48.3	4,350.8
In exchange for currencies of other members										
(A) Acquisitions to pay charges	246.5	25.7	226.2	252.7	295.9	336.1	266.1	3.1	901.2	7,814.5
(B) Acquisitions to make quota payment	13.1	--	--	--	--	--	--	--	--	340.7
(C) Reconstitution	59.8	--	--	--	--	--	--	--	--	1,555.3
Remuneration	642.1	1,139.3	1,117.6	1,762.4	443.9	440.1	438.5	--	1,322.5	22,036.7
Other	32.4	145.4	52.2	102.9	1.7	14.1	6.2	0.0	22.0	1,165.1
Replenishment of IMF holdings of currencies	5.6	--	--	--	--	--	--	--	--	144.5
Total	3,432.6	4,982.9	6,105.4	6,737.5	5,485.8	3,947.9	1,956.0	364.6	11,754.3	118,827.7
Total transfers	11,441.9	18,771.9	20,959.1	25,172.0	23,013.7	10,748.7	5,973.3	1,373.7	41,109.4	403,500.6
Net change in General Resources Account holdings										
	25.1	1,073.8	(1,091.5)	52.6	4,957.6	(1,795.5)	312.2	(67.2)	3,407.2	4,094.6

PART TWO

Financial Statements
of the
Accounts Administered
by the
International Monetary Fund

**I. Financial Statements
of the
Enhanced Structural Adjustment
Facility Trust**

Enhanced Structural Adjustment Facility Trust

Combined Balance Sheet as at October 31, 1999

(In thousands of SDRs)

(Note 1)

	Loan Account	Reserve Account	Subsidy Account	Combined
Assets				
Loans receivable	5,841,257	--	--	5,841,257
Investments (Notes 2 and 4)	327,043	2,502,438	1,890,119	4,719,600
Interest receivable	12,688	25,846	24,947	63,481
Currencies	--	36	5	41
Accrued account transfers	113,100	(66,951)	(46,149)	--
Total Assets	<u>6,294,088</u>	<u>2,461,369</u>	<u>1,868,922</u>	<u>10,624,379</u>
Resources and Liabilities				
Resources	--	2,461,369	1,750,721	4,212,090
Borrowing (Note 4)	6,235,316	--	117,483	6,352,799
Interest payable	58,750	--	718	59,468
Other liabilities	22	--	--	22
Total Resources and Liabilities	<u>6,294,088</u>	<u>2,461,369</u>	<u>1,868,922</u>	<u>10,624,379</u>

The accompanying notes and schedules are an integral part of the financial statements.

/s/ Eduard Brau
Treasurer

/s/ Stanley Fischer
Acting Managing Director

Enhanced Structural Adjustment Facility Trust

Combined Income Statement for the Six Months Ended October 31, 1999

(In thousands of SDRs)
(Note 1)

	Loan Account	Reserve Account	Subsidy Account	Combined
Income				
Investment income	169	43,465	34,133	77,767
Interest on loans	14,578	--	--	14,578
Exchange valuation gain (loss)	(10)	30	(2)	18
	<u>14,737</u>	<u>43,495</u>	<u>34,131</u>	<u>92,363</u>
Expense				
Interest expense	93,725	--	1,162	94,887
Other expense	23	--	--	23
	<u>93,748</u>	<u>--</u>	<u>1,162</u>	<u>94,910</u>
Net Income (Loss)	<u>(79,011)</u>	<u>43,495</u>	<u>32,969</u>	<u>(2,547)</u>

The accompanying notes and schedules are an integral part of the financial statements.

Enhanced Structural Adjustment Facility Trust

Combined Statement of Changes in Resources for the Six Months Ended October 31, 1999

(In thousands of SDRs)
(Note 1)

	Loan Account	Reserve Account	Subsidy Account	Combined
Balance April 30, 1999	--	2,370,606	1,728,382	4,098,988
Contributions (Note 3)	--	--	68,717	68,717
Transfers from Special Disbursement Account	--	46,932	--	46,932
Loan and Reserve Accounts	(336)	336	--	--
Loan and Subsidy Accounts	79,347	--	(79,347)	--
Net income (loss)	(79,011)	43,495	32,969	(2,547)
Balance, October 31, 1999	--	2,461,369	1,750,721	4,212,090

The accompanying notes and schedules are an integral part of the financial statements.

Enhanced Structural Adjustment Facility Trust

Notes to the Financial Statements

as at October 31, 1999

Purpose

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

The operations of the Trust are conducted through a Loan Account, a Reserve Account, and a Subsidy Account.

Loan Account

The resources of the Loan Account consist of the proceeds from borrowing, repayments of principal, and interest payments on loans extended by the Trust. Resources of the Loan Account are committed to qualifying members for a three-year period, upon approval by the Trustee, in support of the member's macroeconomic and structural adjustment programs. Interest on the outstanding loan balances is currently set at the rate of $\frac{1}{2}$ of 1 percent a year. At October 31, 1999, loans totaling SDR 5,841.3 million were outstanding. Members' outstanding loans are

Reserve Account

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

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

Subsidy Account

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

Enhanced Structural Adjustment Facility Trust

Notes to the Financial Statements

as at October 31, 1999

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

1. Accounting Practices

The accounts are expressed in terms of the SDR. The value of the SDR is determined by the IMF each day by summing the values in U.S. dollars, based on market exchange rates, of a basket of currencies of five members. The IMF reviews the SDR valuation basket every five years. The currencies in the basket and their amounts are as follows:

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

Members are not obligated to maintain the SDR value of their currencies held in the accounts of the Trust.

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

2. Investments

The resources of the Trust are invested pending their use. Investments are denominated in SDRs or in currency and are carried at cost, which does not exceed net realizable value. Pending their investment, resources may be temporarily held in currency, which also may give rise to valuation gains and losses.

Enhanced Structural Adjustment Facility Trust

Notes to the Financial Statements

as at October 31, 1999

3. Contributions

The Trustee accepts contributions for the Subsidy Account on such terms and conditions as agreed between the Trust and the contributor. At October 31, 1999, cumulative contributions received, including transfers from the Special Disbursement Account, amounted to SDR 2,118.3 million. Cumulative contributions are listed in Schedule 2.

4. Borrowing

The Trust borrows for the Loan Account and for the Subsidy Account on such terms and conditions as agreed between the Trust and the lenders.

Schedules 3 and 4, respectively, present lenders' borrowing agreements and scheduled repayments of outstanding borrowing. The following summarizes the borrowing agreements concluded as of October 31, 1999:

	Amount Agreed	Amount Undrawn
<hr/>		
<i>In thousands of SDRs</i>		
Loan Account	9,947,613	2,738,234
Subsidy Account	243,481	5,998

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

5. Commitments Under Loan Arrangements

At October 31, 1999, undrawn balances under 33 loan arrangements amounted to SDR 2,025.3 million. Loan arrangements are listed in Schedule 5. Scheduled repayments of outstanding loans receivable are shown in Schedule 6.

Enhanced Structural Adjustment Facility Trust

Notes to the Financial Statements

as at October 31, 1999

6. Transfers Through the Special Disbursement Account

The expenses of conducting the business of the Trust are paid by the General Resources Account of the IMF and reimbursed through the Special Disbursement Account; corresponding transfers are made from the Reserve Account to the Special Disbursement Account when and to the extent needed. For financial year 2000, the Executive Board decided to forgo such reimbursement and to transfer an equivalent amount from the Reserve Account, through the Special Disbursement Account, to the ESAF-HIPC Trust. The amounts transferred for financial year 2000 were, SDR 24.0 million.

Resources of up to SDR 250 million may be transferred, as needed, from the Reserve Account through the Special Disbursement Account to the ESAF-HIPC Trust to be used to provide grant or loans to eligible members under the HIPC initiative. At October 31, 1999, SDR 20.3 million had been transferred for this purpose.

Enhanced Structural Adjustment Facility Trust

Schedule of Outstanding Loans as at October 31, 1999

(In thousands of SDRs)

Member	ESAF Loan Account		Structural Adjustment Facility 1/	
	Balance	Percent	Balance	Percent
Albania	49,867	0.85	--	--
Armenia, Republic of	109,350	1.87	--	--
Azerbaijan	81,900	1.40	--	--
Bangladesh	149,250	2.56	--	--
Benin	58,129	1.00	9,006	1.54
Bolivia	183,137	3.14	2,721	0.47
Burkina Faso	72,130	1.23	15,800	2.70
Burundi	10,539	0.18	--	--
Cambodia	50,357	0.86	--	--
Cameroon	126,090	2.16	--	--
Central African Republic	16,480	0.28	1,216	0.21
Chad	49,560	0.85	1,224	0.21
Comoros	--	--	1,575	0.27
Congo, Democratic Republic of	--	--	142,910	24.47
Congo, Republic of	13,896	0.24	--	--
Cote d'Ivoire	451,389	7.73	--	--
Djibouti	2,726	0.05	--	--
Equatorial Guinea	1,265	0.02	5,267	0.90
Ethiopia	29,490	0.50	40,256	6.89
Gambia, The	5,855	0.10	--	--
Georgia	172,050	2.95	--	--
Ghana	215,860	3.70	6,135	1.05
Guinea	86,572	1.48	--	--
Guinea-Bissau	10,500	0.18	--	--
Guyana	86,853	1.49	17,958	3.07
Haiti	15,175	0.26	--	--
Honduras	89,682	1.54	--	--
Kenya	102,897	1.76	9,230	1.58
Kyrgyz Republic	118,530	2.03	--	--
Lao People's Democratic Republic	33,431	0.57	6,153	1.05
Lesotho	12,382	0.21	604	0.10
Macedonia, former Yugoslav Republic	27,281	0.47	--	--
Madagascar	44,054	0.75	4,316	0.74
Malawi	61,376	1.05	2,418	0.41
Mali	133,314	2.28	8,636	1.48

Enhanced Structural Adjustment Facility Trust

Schedule of Outstanding Loans as at October 31, 1999

(In thousands of SDRs)

Member	ESAF Loan Account		Structural Adjustment Facility 1/	
	Balance	Percent	Balance	Percent
Mauritania	76,096	1.30	2,387	0.41
Mongolia	38,398	0.66	--	--
Mozambique	152,380	2.61	--	--
Nepal	12,868	0.22	746	0.13
Nicaragua	115,155	1.97	--	--
Niger	49,648	0.85	--	--
Pakistan	427,460	7.32	71,019	12.16
Rwanda	23,800	0.41	2,628	0.45
Senegal	202,067	3.46	2,489	0.43
Sierra Leone	96,613	1.65	24,318	4.16
Somalia	--	--	8,840	1.51
Sri Lanka	184,800	3.16	8,924	1.53
Tajikistan, Republic of	46,960	0.80	--	--
Tanzania	231,880	3.97	2,140	0.37
Togo	61,020	1.04	2,496	0.43
Uganda	266,863	4.57	996	0.17
Vietnam	241,600	4.14	--	--
Yemen, Republic of	150,000	2.57	--	--
Zambia	671,682	11.50	181,750	31.11
Zimbabwe	120,600	2.06	--	--
Total loans outstanding	5,841,257	100.00	584,158	100.00

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

Enhanced Structural Adjustment Facility Trust

Contributions to and Resources of the Subsidy Account as at October 31, 1999

(In thousands of SDRs)

Contributor 1/	Amount
Direct contributions to the Subsidy Account	
Argentina	13,600
Australia	2,343
Bangladesh	284
Canada	128,597
China	5,700
Czech Republic	6,000
Denmark	44,419
Egypt	6,000
Finland	22,684
Germany	120,256
Iceland	2,400
India	4,190
Ireland	2,440
Italy	135,230
Japan	427,367
Korea	29,612
Luxembourg	4,470
Morocco	4,252
Netherlands	73,489
Norway	27,164
Sweden	110,887
Switzerland	20,600
Turkey	2,000
United Kingdom	285,182
United States	106,096
Total direct contributions to the Subsidy Account	1,585,262
Net income transferred from Administered Accounts	
Austria	33,750
Belgium	69,260
Botswana	747
Chile	2,910
Greece	22,272
Indonesia	2,412
Iran, Islamic Republic of	554
Portugal	1,123
Total net income transferred from Administered Accounts	133,028
Total contributions received	1,718,290

Enhanced Structural Adjustment Facility Trust

Contributions to and Resources of the Subsidy Account as at October 31, 1999

(In thousands of SDRs)

Contributor 1/	Amount
Transfers from Special Disbursement Account	<u>400,000</u>
Total contributions received and transfers from Special Disbursement Account	2,118,290
Cumulative net income of the Subsidy Account	557,230
Resources disbursed to subsidize Trust lending	<u>(924,799)</u>
Total resources of the Subsidy Account	<u><u>1,750,721</u></u>

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

Enhanced Structural Adjustment Facility Trust

Schedule of Borrowing Agreements as at October 31, 1999

(In thousands of SDRs)

Member	Interest Rate (in percent)		Amount of Agreement	Amount Drawn	Outstanding Balance
Loan Account					
Prior to enlargement of ESAF					
Canada	Fixed	1/	300,000	300,000	246,548
France	0.50	2/	800,000	800,000	529,973
Germany	Variable	3/	700,000	700,000	538,230
Italy	Variable	3/	370,000	370,000	316,806
Japan	Variable	3/	2,200,000	2,200,000	1,767,257
Korea	Variable	3/	65,000	65,000	49,567
Norway	Variable	3/	90,000	90,000	71,089
Spain	Variable	3/	220,000	216,429	124,424
Switzerland	--		200,000	200,000	--
Total prior to enlargement of ESAF			4,945,000	4,941,429	3,643,894
For enlargement of ESAF					
Belgium	Variable	3/	200,000	11,083	11,083
Canada	Variable	3/	200,000	160,046	160,046
China	Variable	3/	100,000	89,505	89,505
Egypt	Variable	3/	100,000	67,943	67,943
France	Variable	3/	750,000	445,443	445,443
Germany	Variable	3/	700,000	294,684	294,684
Italy	Variable	3/	210,000	103,264	103,264
Japan	Variable	3/	2,150,000	854,644	854,644
Korea	Variable	3/	27,700	12,718	12,718
Netherlands	Variable	3/	250,000	--	--
Norway	Variable	3/	60,000	53,433	53,433
OPEC Fund for International					
Development	Variable	3/	36,213	25,385	25,385
Spain	0.50		67,000	36,973	36,973
Switzerland	Variable	3/	151,700	109,258	109,258
Total for enlargement of ESAF			5,002,613	2,264,379	2,264,379
Resources held pending					
repayment		6/	--	--	327,043
Total--Loan Account			9,947,613	7,205,808	6,235,316

Enhanced Structural Adjustment Facility Trust

Schedule of Borrowing Agreements as at October 31, 1999

(In thousands of SDRs)

Member	Interest Rate (in percent)	Amount of Agreement	Amount Drawn	Outstanding Balance
Subsidy Account				
Malaysia (1994 loans)	2.00	40,000	40,000	40,000
Malaysia (1988 and 1989 loans)	0.50	40,000	40,000	--
Malta	0.50	2,730	2,730	2,730
Pakistan	0.50	10,000	4,002	4,002
Singapore	2.00	80,000	80,000	60,000
Thailand	2.00	7/	60,000	60,000
Tunisia	0.50	3,551	3,551	3,551
Uruguay	Variable	8/	7,200	7,200
Total--Subsidy Account		<u>243,481</u>	<u>237,483</u>	<u>117,483</u>

1/ The loans under this agreement are made at market-related rates of interest fixed at the time the loan was disbursed.

2/ The agreement with France made before the enlargement of ESAF (SDR 800 million) provides that the interest rate shall be 0.5 percent on the first SDR 700 million drawn, and for variable, market-related rates of interest thereafter. The agreement with France made for the enlargement of the ESAF (SDR 750 million) provides that the interest rate shall be 0.5 percent until the cumulative implicit interest subsidy reaches SDR 250 million, and at variable, market-related rates of interest thereafter.

3/ The loans under these agreements are made at variable, market-related rates of interest.

4/ The agreement expired with an undrawn balance of SDR 3.6 million.

5/ The agreement with the OPEC Fund for International Development is for an amount of \$50 million.

6/ This amount represents principal repayments held and invested on behalf of a lender.

7/ In accordance with the agreement with Thailand, outstanding borrowings were repaid at the request of Thailand on January 30, 1998.

8/ The interest rate payable on the borrowing from Uruguay is equal to the rate on SDR-denominated deposits less 2.6 percent a year.

Enhanced Structural Adjustment Facility Trust

Schedule of Repayments of Borrowing as at October 31, 1999

(In thousands of SDRs)

Periods of Repayment, Financial Year Ending April 30 1/	Loan Account 1/	Subsidy Account
2000	201,891	--
2001	466,532	10,000
2002	494,968	10,000
2003	524,090	1,365
2004	704,176	--
2005	862,815	90,751
2006	1,467,595	--
2007	811,482	--
2008	425,370	1,365
2009	228,932	--
2010	47,465	4,002
Total	<u>6,235,316</u>	<u>117,483</u>

1/ Repayment periods are as provided in the borrowing agreements between the Trustee and lenders, including maximum periods for those repayments which are to be held in suspense, as agreed with the lender. See Note 4.

Enhanced Structural Adjustment Facility Trust

Status of Loan Arrangements 1/ as at October 31, 1999

(In thousands of SDRs)

Member	Date of Arrangement	Expiration	Amount Agreed	Undrawn Balance
Albania	May. 13, 1998	May. 12, 2001	45,040	23,692
Armenia, Republic of	Feb. 14, 1996	Dec. 20, 1999	109,350	--
Azerbaijan	Dec. 20, 1996	Jan. 24, 2000	93,600	11,700
Benin	Aug. 28, 1996	Jan. 7, 2000	27,180	10,872
Bolivia	Sep. 18, 1998	Sep. 17, 2001	100,960	67,307
Burkina Faso	Sep. 10, 1999	Sep. 9, 2002	39,120	33,530
Cambodia	Oct. 22, 1999	Oct. 21, 2002	58,500	50,143
Cameroon	Aug. 20, 1997	Aug. 19, 2000	162,120	36,030
Central African Republic	Jul. 20, 1998	Jul. 19, 2001	49,440	32,960
Cote d'Ivoire	Mar. 17, 1998	Mar. 16, 2001	285,840	161,976
Djibouti	Oct. 18, 1999	Oct. 17, 2002	19,082	16,356
Gambia, The	Jun. 29, 1998	Jun. 28, 2001	20,610	17,175
Ghana	May. 3, 1999	May. 2, 2002	155,000	132,840
Guinea	Jan. 13, 1997	Jan. 12, 2000	70,800	23,600
Guyana	Jul. 15, 1998	Jul. 14, 2001	53,760	35,840
Honduras	Mar. 26, 1999	Mar. 25, 2002	156,750	96,900
Kyrgyz Republic	Jun. 26, 1998	Jun. 25, 2001	73,380	43,000
Macedonia, former Yugoslav Republic of	Apr. 11, 1997	Apr. 10, 2000	54,560	27,279
Madagascar	Nov. 27, 1996	Jul. 27, 2000	81,360	40,680
Malawi	Oct. 18, 1995	Dec. 16, 1999	50,960	--
Mali	Aug. 6, 1999	Aug. 5, 2002	46,650	39,900
Mauritania	Jul. 21, 1999	Jul. 20, 2002	42,490	36,420
Mongolia	Jul. 30, 1997	Jul. 29, 2000	33,390	21,889
Mozambique	Jun. 28, 1999	Jun. 27, 2002	58,800	50,400
Nicaragua	Mar. 18, 1998	Mar. 17, 2001	148,955	53,820
Pakistan	Oct. 20, 1997	Oct. 19, 2000	682,380	417,010
Rwanda	Jun. 24, 1998	Jun. 23, 2001	71,400	47,600
Senegal	Apr. 20, 1998	Apr. 19, 2001	107,010	57,072
Tajikistan, Republic of	Jun. 24, 1998	Jun. 23, 2001	100,300	53,340
Tanzania	Nov. 8, 1996	Feb. 7, 2000	181,590	--
Uganda	Nov. 10, 1997	Nov. 9, 2000	100,425	26,780
Yemen, Republic of	Oct. 29, 1997	Oct. 28, 2000	264,750	114,750
Zambia	Mar. 25, 1999	Mar. 24, 2002	254,450	244,450
			3,800,002	2,025,311

1/ The Saudi Fund for Development may also provide resources to support arrangements under the ESAF through loans to qualifying members in association with loans under the ESAF. As at October 31, 1999, SDR 49.5 million of such associated loans had been disbursed.

Enhanced Structural Adjustment Facility Trust**Schedule of Repayments of Loans Receivable
as at October 31, 1999***(In thousands of SDRs)*

Periods of Repayment, Financial Year Ending April 30	Loan Account
2000	246,947
2001	511,686
2002	680,726
2003	722,241
2004	834,998
2005	876,190
2006	798,500
2007	536,414
2008	398,086
2009	201,647
2010	33,822
2011	--
Total	5,841,257

**II. Financial Statements
of the
Enhanced Structural Adjustment
Facility Administered Accounts**

Enhanced Structural Adjustment Facility Administered Accounts

Balance Sheets as at October 31, 1999

(In thousands of SDRs)

(Note 1)

	<u>Austria</u>	<u>Belgium</u>	<u>Botswana</u>	<u>Greece</u>
Assets				
Investments (Note 2)	50,000	180,000	6,894	31,500
Interest receivable	140	2,609	59	559
	<u>50,140</u>	<u>182,609</u>	<u>6,953</u>	<u>32,059</u>
Resources and Liabilities				
Resources	62	2,248	13	456
Deposits (Note 3)	50,000	180,000	6,894	31,500
Interest payable	78	361	46	103
	<u>50,140</u>	<u>182,609</u>	<u>6,953</u>	<u>32,059</u>
Indonesia Iran, I. R. of Portugal				
Assets				
Investments (Note 2)		25,000	5,000	13,146
Interest receivable		400	43	306
		<u>25,400</u>	<u>5,043</u>	<u>13,452</u>
Resources and Liabilities				
Resources		273	33	275
Deposits (Note 3)		25,000	5,000	13,146
Interest payable		127	10	31
		<u>25,400</u>	<u>5,043</u>	<u>13,452</u>

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

/s/ Eduard Brau
Treasurer

/s/ Stanley Fischer
Acting Managing Director

Enhanced Structural Adjustment Facility Administered Accounts

Income Statements for the Six Months Ended October 31, 1999

(In thousands of SDRs)

(Note 1)

	<u>Austria</u>	<u>Belgium</u>	<u>Botswana</u>	<u>Greece</u>
Investment income	882	3,370	118	631
Interest expense on deposits	126	454	70	88
Net Income	<u>756</u>	<u>2,916</u>	<u>48</u>	<u>543</u>

	<u>Indonesia</u>	<u>Iran, I. R. of</u>	<u>Portugal</u>
Investment income	451	86	243
Interest expense on deposits	199	13	33
Net Income	<u>252</u>	<u>73</u>	<u>210</u>

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

Enhanced Structural Adjustment Facility Administered Accounts

Statements of Changes in Resources for the Six Months Ended October 31, 1999

(In thousands of SDRs)
(Note 1)

	Austria	Belgium	Botswana	Greece
Balance April 30, 1999	--	3,287	--	1,112
Net income	756	2,916	48	543
Transfers from (to)				
Enhanced Structural Adjustment Facility Trust Subsidy Account	(694)	(3,955)	(35)	(1,199)
Balance, October 31, 1999	<u>62</u>	<u>2,248</u>	<u>13</u>	<u>456</u>
		Indonesia	Iran, I. R. of	Portugal
Balance April 30, 1999		272	18	47
Net income		252	73	210
Transfers from (to)				
Enhanced Structural Adjustment Facility Trust Subsidy Account		(251)	(58)	18
Balance, October 31, 1999		<u>273</u>	<u>33</u>	<u>275</u>

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

Enhanced Structural Adjustment Facility Administered Accounts

Saudi Fund for Development Special Account

Statements of Receipts and Uses of Resources for the period July 31, 1991 through October 31, 1999

(In thousands of SDRs)
(Note 1)

Receipts of Resources		
Transfers from Saudi Fund for Development		
Transfers through April 30, 1999		49,500
Cumulative repayments of associated loans		
Repayments through April 30, 1999	9,350	
Current year repayments	1,950	
		<u>11,300</u>
Interest on associated loans		
Receipts through April 30, 1999	1,302	
Current year receipts	102	
Accrued interest on associated loans	67	
		<u>1,471</u>
		<u>62,271</u>
		<u><u>62,271</u></u>
Uses of Resources		
Associated loans to members (Note 4)		
Loans through April 30, 1999		49,500
Cumulative repayments to Saudi Fund for Development		
Repayments through April 30, 1999	9,350	
Current year repayments	1,950	
		<u>11,300</u>
Interest on transfers		
Payments through April 30, 1999	1,302	
Current year payments	102	
Accrued interest on associated loans	67	
		<u>1,471</u>
		<u>62,271</u>
		<u><u>62,271</u></u>

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

Enhanced Structural Adjustment Facility Trust Administered Accounts

Notes to the Financial Statements

as at October 31, 1999

Purpose

At the request of certain member countries, the IMF established administered accounts for the benefit of the Subsidy Account of the Enhanced Structural Adjustment Facility Trust (the ESAF Trust). The administered accounts comprise deposits made by contributors. The difference between interest earned by the administered accounts and the interest payable on deposits is transferred to the Subsidy Account of the ESAF Trust.

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

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

1. Accounting Practices

The accounts are expressed in terms of the SDR. The value of the SDR is determined by the IMF each day by summing the values in U.S. dollars, based on market exchange rates, of a basket of currencies of five members. The IMF reviews the SDR valuation basket every five years. The currencies in the basket and their amounts are as follows:

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

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

Enhanced Structural Adjustment Facility Trust Administered Accounts

Notes to the Financial Statements

as at October 31, 1999

2. Investments

The resources of each administered account are invested in SDR-denominated deposits and valued at cost, which approximates market value.

3. Deposits

The Administered Account Austria was established on December 27, 1988 for the administration of resources deposited in the account by the Austrian National Bank. Two deposits (one of SDR 60.0 million made on December 30, 1988, and one of SDR 50.0 million made on August 10, 1995) are to be repaid in ten equal semiannual installments beginning five and a half years after the date of each deposit and ending at the end of the tenth year after the date of each deposit. The deposits bear interest at a rate of $\frac{1}{2}$ of 1 percent a year. The first deposit from Austria had been repaid in full as of October 31, 1999.

The Administered Account Belgium was established on July 27, 1988 for the administration of resources deposited in the account by the National Bank of Belgium. Four deposits (SDR 30.0 million made on July 29, 1988; SDR 35.0 million made on December 30, 1988; SDR 35.0 million made on June 30, 1989; and SDR 80.0 million made on April 29, 1994) have an initial maturity of six months and are renewable by the IMF, on the same basis. The final maturity of each deposit, including renewals, will be ten years from the initial date of the individual deposits. The deposits bear interest at a rate of $\frac{1}{2}$ of 1 percent a year. In accordance with an addendum to the account, effective on July 24, 1998, the maturities of the first three deposits will be extended by the National Bank of Belgium, for further periods of six months, provided that the total maturity period of each deposit does not exceed five years. The deposits shall be invested by the IMF, and the IMF shall pay the National Bank of Belgium interest on each deposit at an annual rate of $\frac{1}{2}$ of 1 percent. The difference between the interest paid to the National Bank of Belgium and the interest earned on the deposits (net of any cost to the IMF) shall be retained in the account and invested, pending further disposition by the National Bank of Belgium.

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

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

Enhanced Structural Adjustment Facility Trust Administered Accounts

Notes to the Financial Statements

as at October 31, 1999

totaling SDR 15.0 million was repaid on October 4, 1999.

The Administered Account Greece was established on November 30, 1988 for the administration of resources deposited in the account by the Bank of Greece. Two deposits of SDR 35.0 million each (December 15, 1988 and April 29, 1994), are to be repaid in ten equal semiannual installments beginning five and a half years after the date of deposit and will be completed at the end of the tenth year after the date of the deposits. The deposits bear interest at a rate of $\frac{1}{2}$ of 1 percent a year. The first deposit from Greece had been repaid in full as of October 31, 1999.

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

The Administered Account Islamic Republic of Iran was established on June 6, 1994 for the administration of resources deposited in the account by the Central Bank of the Islamic Republic of Iran (CBIRI). The CBIRI has made five annual deposits, each of SDR 1.0 million. All of the deposits will be repaid at the end of ten years after the date of the first deposit. Each deposit bears interest at a rate of $\frac{1}{2}$ of 1 percent a year.

The Administered Account Portugal was established on May 16, 1994 for the administration of resources deposited in the account by the Banco de Portugal (BdP). The BdP has agreed to make six annual deposits, each of SDR 2.2 million. Each deposit is to be repaid in five equal annual installments beginning six years after the date of the deposit and will be completed at the end of the tenth year after the date of the deposit. Each deposit bears interest at a rate of $\frac{1}{2}$ of 1 percent a year.

4. Associated Loans

The SFD has provided resources to support arrangements under the ESAF through loans in association with loans under the ESAF. Funds become available under an associated loan after a bilateral agreement between the SFD and the recipient country has been effected. Amounts denominated in SDRs, for disbursement to a recipient country under an associated loan, are placed by the SFD in the Special Account for disbursement by the IMF simultaneously with disbursements under an ESAF arrangement. These loans are repayable in ten equal semiannual installments commencing not later than the end of the first six months of the sixth year, and are to be completed at the end of the tenth year after the date of disbursement. Interest on the outstanding balance is currently set at a rate of $\frac{1}{2}$ of 1 percent a year.

**III. Financial Statements
of the
ESAF-HIPC Trust**

ESAF-HIPC Trust

Balance Sheet as at October 31, 1999

(In thousands of SDRs)
(Note 1)

	ESAF-HIPC Trust Account	Umbrella Account for HIPC Operations	Combined
Assets			
Investments (Note 2)	117,764	159,207	276,971
Transfer receivable (Note 3)	16,415	--	16,415
Interest receivable	1,068	2,950	4,018
Total Assets	<u>135,247</u>	<u>162,157</u>	<u>297,404</u>
Resources and Liabilities			
Resources	62,135	162,157	224,292
Deposits (Note 4)	72,607	--	72,607
Interest payable	505	--	505
Total Resources and Liabilities	<u>135,247</u>	<u>162,157</u>	<u>297,404</u>

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

/s/ Eduard Brau
Treasurer

/s/ Stanley Fischer
Acting Managing Director

ESAF-HIPC Trust

Income Statement and Changes in Resources for the Six Months Ended October 31, 1999

(In thousands of SDRs)
(Note 1)

	ESAF-HIPC Trust Account	Umbrella Account for HIPC Operations	Combined
Balance, April 30, 1999	<u>99,651</u>	<u>58,761</u>	<u>158,412</u>
Transfers (Note 3)	79,991	--	79,991
Contributions received (Note 3)	20	118,730	118,750
HIPC grants (Note 5)	(118,730)	--	(118,730)
Disbursements (Note 5)	--	(17,822)	(17,822)
Income earned on investments (Note 2)	1,669	2,488	4,157
Interest expense on deposits (Note 4)	(466)	--	(466)
Net changes in resources	<u>(37,516)</u>	<u>103,396</u>	<u>65,880</u>
Balance, October 31, 1999	<u><u>62,135</u></u>	<u><u>162,157</u></u>	<u><u>224,292</u></u>

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

ESAF-HIPC Trust

Notes to the Financial Statements

as at October 31, 1999

Purpose

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

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

ESAF-HIPC Trust Account

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

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

Umbrella Account for HIPC Operations

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

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

ESAF-HIPC Trust

Notes to the Financial Statements

as at October 31, 1999

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

1. Accounting Practices

The accounts are expressed in terms of the SDR. The value of the SDR is determined by the IMF each day by summing the values in U.S. dollars, based on market exchange rates, of a basket of currencies of five members. The IMF reviews the SDR valuation basket every five years. The currencies in the basket and their amounts are as follows:

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

Members are not obligated to maintain the SDR value of their currencies held in the accounts of the ESAF-HIPC Trust.

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

2. Investments

The resources of the ESAF-HIPC Trust are invested pending their use. Investments are denominated in SDRs or in currency and are carried at cost, which does not exceed net realizable value. Pending their investment, resources may be temporarily held in currency, which also may give rise to valuation gains and losses.

ESAF-HIPC Trust

Notes to the Financial Statements

as at October 31, 1999

3. Contributions and Transfers

ESAF-HIPC Trust Account

The Trustee accepts contributions of resources on such terms and conditions as agreed between the ESAF-HIPC Trust and the contributor. At October 31, 1999, seven contributions amounting to SDR 53.3 million had been received: SDR 2.3 million from Finland; SDR 1.1 million from Nigeria; SDR 27.2 million and SDR 19.1 million, respectively, from Japan; SDR 3.6 million from the Netherlands; and two amounts of SDR 20,000 each from Belize. The contribution from the Netherlands is earmarked for interim ESAF subsidy operations.

Total transfers from the ESAF Trust Reserve Account, through the Special Disbursement Account, and the General Resources Account amounted to SDR 149.3 million and SDR 9.7 million respectively at October 31, 1999. At October 31, 1999, there was a transfer receivable from the General Resources Account amounting to SDR 16.4 million.

Umbrella Account

The Umbrella Account receives the proceeds of grants or loans disbursed by the ESAF-HIPC Trust on behalf of an eligible member. Four grants amounting to SDR 51.5 million, SDR 21.2 million, SDR 25.6 million, and SDR 93.2 million had been received on behalf of Uganda, Bolivia, Guyana, and Mozambique respectively, at October 31, 1999.

4. Deposits

ESAF-HIPC Trust Account

The Trustee accepts deposits, loans and other types of investments made by contributors to the ESAF-HIPC Trust on such terms and conditions as agreed between the ESAF-HIPC Trust and the Contributor. At October 31, 1999, nine deposits amounting to SDR 72.6 million had been received by the ESAF-HIPC Trust Account. The first deposit of SDR 14.6 million bears interest at a rate of 2 percent a year and is to be repaid in one installment five years after the date of deposit, made on April 30, 1997. Three deposits of SDR 1 million each, which bear interest at a rate of ½ of 1 percent a year and are to be repaid in one installment ten years after the date of the initial deposit, were made on May 30, 1997, May 30, 1998 and May 30, 1999 respectively. Four deposits of SDR 15 million, SDR 10 million, SDR 5 million, and SDR 10 million respectively, bear interest at a rate of 2 percent a year and are to be repaid in one installment ten years after the date of the deposits, made on June 29, 1998, November 20, 1998, August 24, 1999, and August 30, 1999 respectively.

ESAF-HIPC Trust

Notes to the Financial Statements

as at October 31, 1999

The ninth deposit of SDR 15 million bears interest at a rate of $\frac{1}{2}$ of 1 percent a year and is to be repaid in one installment five years after the date of the initial deposit, made on October 4, 1999.

5. Grants and Disbursements

ESAF-HIPC Trust Account

The proceeds of grants or loans made on behalf of an eligible member are paid in a single disbursement to the Umbrella Account for the benefit of that member. Resources needed for interim ESAF subsidy operations will be drawn by the Trustee as needed. At October 31, 1999, four disbursements of SDR 51.5 million, SDR 21.2 million, SDR 25.6 million, and SDR 93.2 million had been made to the Umbrella Account for the benefit of Uganda, Bolivia, Guyana, and Mozambique respectively.

Umbrella Account

The resources of a subaccount within the Umbrella Account, including any income from investments, shall be used to meet the member's debt-service payments on its existing debt to the IMF as they fall due in accordance with the schedule agreed upon by the Trustee and the member. At October 31, 1999, disbursements of SDR 16.2 million, SDR 10.1 million, SDR 4.1 million, and SDR 4.1 million had been made from the subaccounts of Uganda, Bolivia, Guyana, and Mozambique respectively, in accordance with the agreed schedules.

**IV. Financial Statements
of
Administered Accounts Established
at the
Request of Members**

**Administered Accounts
Established at the Request of Members**

**Balance Sheets
as at October 31, 1999**

(Note 1)

	Administered Account Japan	Administered Account for Selected Fund Activities - Japan	Framework Administered Account for Technical Assistance Activities	Administered Account for Rwanda
	<i>(In thousands of U.S. dollars)</i>		<i>(In thousands of SDRs)</i>	
Assets				
Investments (Note 2)	104,400	17,581	3,173	372
Currency deposit	67	--	--	--
Interest receivable	30	--	--	3
	<hr/>	<hr/>	<hr/>	<hr/>
Total Assets	104,497	17,581	3,173	375
	=====	=====	=====	=====
Resources				
Total Resources	104,497	17,581	3,173	375
	=====	=====	=====	=====

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

/s/ Eduard Brau
Treasurer

/s/ Stanley Fischer
Acting Managing Director

**Administered Accounts
Established at the Request of Members
Income Statements and Changes in Resources
for the Six Months Ended October 31, 1999
(Note 1)**

	Administered Account for Selected Activities - Japan	Administered Account for Technical Assistance Activities	Administered Account for Rwanda
	<i>(In thousands of U.S. dollars)</i>		<i>(In thousands of SDRs)</i>
Balance, April 30, 1999	101,898	25,998	4,798
Contributions	--	627	294
Income earned on investments (Note 2)	2,599	647	100
	<u>104,497</u>	<u>27,272</u>	<u>5,192</u>
Payments to beneficiaries	--	9,691	2,019
Balance, October 31, 1999	<u>104,497</u>	<u>17,581</u>	<u>3,173</u>
	=====	=====	=====

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

Administered Accounts Established at the Request of Members

Notes to the Financial Statements

as at October 31, 1999

Purpose

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

Administered Account Japan

At the request of Japan, the IMF established an account on March 3, 1989 to administer resources, made available by Japan or other countries with Japan's concurrence, that are to be used to assist certain members with overdue obligations to the IMF. The resources of the account are to be disbursed in amounts specified by Japan and to members designated by Japan. At October 31, 1999, cumulative resources received amounted to \$135.2 million, of which \$72.5 million had been disbursed.

Administered Account for Selected Fund Activities - Japan

At the request of Japan, the IMF established the Administered Technical Assistance Account - Japan on March 19, 1990 to administer resources contributed by Japan to finance technical assistance to member countries. On July 21, 1997 the account was renamed the Administered Account for Selected Fund Activities - Japan and amended to include the administration of resources contributed by Japan in support of the IMF's Regional Office for Asia and the Pacific (OAP). The resources of the account designated for technical assistance activities are used with the approval of Japan and include the provision of scholarships; the resources designated for the OAP are used as agreed between Japan and the IMF for certain activities of the IMF with respect to Asia and the Pacific through the OAP. Disbursements can also be made from the account to the General Resources Account to reimburse the IMF for qualifying technical assistance projects and OAP expenses. At October 31, 1999, cumulative contributions received by the account designated for technical assistance amounted to \$122.3 million, of which \$110.8 million had been disbursed.

Cumulative contributions include \$5.9 million earmarked for scholarships, of which \$5.7 million had been disbursed at October 31, 1999. At October 31, 1999, cumulative contributions designated for the OAP amounted to \$2.8 million, of which \$2.3 million had been disbursed.

Administered Accounts Established at the Request of Members

Notes to the Financial Statements

as at October 31, 1999

Framework Administered Account for Technical Assistance Activities

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

Resources are to be used in accordance with the written understandings between the contributor and the Managing Director. Disbursements can also be made from the Framework Account to the General Resources Account to reimburse the IMF for its costs incurred on behalf of technical assistance activities financed by resources from the Framework Account. At October 31, 1999, cumulative contributions received by the account amounted to \$12.1 million, of which \$9.5 million had been disbursed.

Subaccount for Japan Advanced Scholarship Program

At the request of Japan, this subaccount was established on June 6, 1995 to finance the cost of studies and training of nationals of member countries in macroeconomics and related subjects at selected universities and institutions. The scholarship program focuses primarily on the training of nationals of Asian member countries, including Japan. At October 31, 1999, cumulative contributions received amounted to \$4.3 million, of which \$3.2 million had been disbursed.

Rwanda-Macroeconomic Management Capacity Subaccount

At the request of Rwanda, this subaccount was established on December 20, 1995 to finance technical assistance to rehabilitate and strengthen Rwanda's macroeconomic management capacity. At October 31, 1999, cumulative contributions received amounted to \$1.5 million, of which \$1.5 million had been disbursed.

Australia-IMF Scholarship Program for Asia Subaccount

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

Administered Accounts Established at the Request of Members

Notes to the Financial Statements

as at October 31, 1999

growth and development. The program focusses primarily on the training of nationals of Asian countries. At October 31, 1999, cumulative contributions received amounted to \$0.8 million, of which \$0.7 million has been disbursed.

Switzerland Technical Assistance Subaccount

At the request of Switzerland, this subaccount was established on August 27, 1996 to finance the costs of technical assistance activities of the IMF that consist of policy advice and training in macroeconomic management. At October 31, 1999, cumulative contributions received amounted to \$4.6 million, of which \$3.4 million had been disbursed.

French Technical Assistance Subaccount

At the request of France, this subaccount was established on September 30, 1996 to cofinance the costs of training in economic fields for nationals of certain member countries. At October 31, 1999, cumulative contributions received amounted to \$0.39 million, of which \$0.31 million had been disbursed.

Denmark Technical Assistance Subaccount

At the request of Denmark, this subaccount was established on August 25, 1998 to finance the costs of technical assistance activities of the IMF that consist of advising on policy and administrative reforms in the fiscal, monetary, and related statistical fields. At October 31, 1999, cumulative contributions received amounted to \$0.47 million, of which \$0.31 million had been disbursed.

Administered Account for Rwanda

At the request of the Netherlands, Sweden, and the United States ("the donor countries"), the IMF established an account on October 27, 1995 to administer resources contributed by the donor countries to provide grants to Rwanda. These grants are to be used for reimbursing the service charge and reducing, to the equivalent of a rate of $\frac{1}{2}$ of 1 percent a year, the rate of the quarterly charges payable by Rwanda on its use of the IMF's financial resources under the Compensatory and Contingency Financing Facility (CCFF). At October 31, 1999, cumulative contributions received by the account amounted to SDR 1.54 million, of which SDR 1.31 million had been disbursed.

Administered Accounts Established at the Request of Members

Notes to the Financial Statements

as at October 31, 1999

1. Accounting Practices

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

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

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

Administered Account for Rwanda

The accounts are expressed in terms of the SDR. The value of the SDR is determined by the IMF each day by summing the values in U.S. dollars, based on market exchange rates, of a basket of currencies of five members. The IMF reviews the SDR valuation basket every five years. The currencies in the basket and their amounts are as follows:

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

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

Administered Accounts Established at the Request of Members

Notes to the Financial Statements

as at October 31, 1999

2. Investments

The assets of the accounts are invested pending their disbursement and are valued at cost, which approximates market value. Interest received on these assets varies and is market related.

3. Accounts Termination

Administered Account Japan

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

Administered Account for Selected Fund Activities - Japan

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

Framework Administered Account for Technical Assistance Activities

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

Administered Account for Rwanda

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

**V. Financial Statements
of the
Trust Fund**

Trust Fund

Balance Sheet as at October 31, 1999

(In thousands of SDRs)
(Note 1)

Assets

Loans receivable (Note 2)	89,125
Interest and charges receivable and accrued (Note 3)	26,624

Total Assets	115,749
--------------	---------

Resources and Deferred Income

Trust resources	89,125
Deferred income (Note 3)	26,624

Total Resources and Deferred Income	115,749
-------------------------------------	---------

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

/s/ Eduard Brau
Treasurer

/s/ Stanley Fischer
Acting Managing Director

Trust Fund

Income Statement for the Six Months Ended October 31, 1999

(In thousands of SDRs)
(Note 1)

Income	
Interest and charges on loans (Note 2)	225
Deferred income, net of settlements (Note 3)	(225)
	<hr/>
Net Income	--
	<hr/> <hr/>

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

Trust Fund

Statement of Changes in Resources for the Six Months Ended October 31, 1999

(In thousands of SDRs)
(Note 1)

Balance, April 30, 1999	89,345
Net income	--
	<hr/>
Balance before transfers to the Special Disbursement Account	89,345
Transfers to the Special Disbursement Account (Note 4)	(220)
	<hr/>
Balance, October 31, 1999	<u><u>89,125</u></u>

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

Trust Fund

Notes to the Financial Statements

as at October 31, 1999

Purpose

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

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

1. Accounting Practices

The accounts are expressed in terms of the SDR. The value of the SDR is determined by the IMF each day by summing the values in U.S. dollars, based on market exchange rates, of a basket of currencies of five members. The IMF reviews the SDR valuation basket every five years. The currencies in the basket and their amounts are as follows:

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

The accounts are maintained on the accrual basis; accordingly, income is recognized as it is earned, and expenses are recorded as they are incurred, except that interest income from members that are overdue in settling their obligations to the Trust Fund by six months or more is deferred and is recognized as income only when paid, unless the member has remained current in settling charges when due (see Note 3). Following the termination of the Trust Fund as of April 30, 1981, residual administrative costs have been absorbed by the General Resources Account of the IMF.

Trust Fund

Notes to the Financial Statements

as at October 31, 1999

2. Loans

Loans were made from the Trust Fund to those eligible members that qualified for assistance in accordance with the provisions of the Trust Fund instrument. The final Trust Fund loan installment was due on March 31, 1991. Interest on the outstanding loan balances is charged at the rate of $\frac{1}{2}$ of 1 percent a year, although special charges have been levied on overdue payments of interest and principal since February 1986. Beginning May 1, 1993, special charges on overdue obligations to the Trust Fund have been suspended for members who are more than six months overdue.

3. Overdue Obligations

At October 31, 1999, three members with obligations to the Trust Fund were six months or more overdue in discharging their obligations to the Trust Fund. The recognition of interest income on the loans outstanding to these members and of special charges due from them is being deferred. At October 31, 1999, total deferred income amounted to SDR 26.6 million. Overdue loan repayments and interest and special charges due from these members were as

	<u>Loans</u>	<u>Interest and Special Charges</u>
	<i>In millions of SDRs</i>	
Total overdue	89.1	26.5
Overdue six months or more	89.1	26.3
Overdue three years or more	89.1	25.1

Trust Fund

Notes to the Financial Statements

as at October 31, 1999

The type and duration of the arrears of these members at October 31, 1999 were as follows:

Member	Loans	Interest and Special Charges	Total	Longest Overdue Obligation
<i>In millions of SDRs</i>				
Liberia	23.4	6.9	30.3	January 1985
Somalia	6.5	1.3	7.8	July 1987
Sudan	<u>59.2</u>	<u>18.3</u>	<u>77.5</u>	June 1985
Total	<u>89.1</u>	<u>26.5</u>	<u>115.6</u>	

4. Transfer of Resources

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

**VI. Financial Statements
of the
Supplementary Financing Facility
Subsidy Account**

Supplementary Financing Facility Subsidy Account

Balance Sheet as at October 31, 1999

(In thousands of SDRs)

(Note 1)

Assets	
Deposits (Note 2)	2,278
Interest receivable	20
Total Assets	<u>2,298</u>
Resources	
Total Resources	<u>2,298</u>

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

/s/ Eduard Brau
Treasurer

/s/ Stanley Fischer
Acting Managing Director

**Supplementary Financing Facility
Subsidy Account**

**Income Statement and Changes in Resources
for the Six Months Ended October 31, 1999**

(In thousands of SDRs)

(Note 1)

Balance, April 30, 1999	2,259
Investment income	39
	<hr/>
Balance before transfers	2,298
Transfers to the Special Disbursement Account (Note 3)	--
	<hr/>
Balance, October 31, 1999	2,298
	<hr/> <hr/>

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

Supplementary Financing Facility Subsidy Account

Notes to the Financial Statements

as at October 31, 1999

Purpose

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

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

1. Accounting Practices

The accounts are expressed in terms of the SDR. The value of the SDR is determined by the IMF each day by summing the values in U.S. dollars, based on market exchange rates, of a basket of currencies of five members. The IMF reviews the SDR valuation basket every five years. The currencies in the basket and their amounts are as follows:

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

Supplementary Financing Facility Subsidy Account

Notes to the Financial Statements

as at October 31, 1999

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

2. Deposits

The assets of the Subsidy Account, pending their disbursement, are held in the form of interest-earning time deposits denominated in SDRs.

3. Transfer of Resources

Resources in excess of the remaining subsidy payments are to be transferred to the Special Disbursement Account. At October 31, 1999, subsidy payments totaling SDR 2.2 million had not been made to Liberia and Sudan and were being held pending the payment of overdue charges by these members.

**VII. Financial Statements
of the
Retired Staff Benefits
Investment Account**

Retired Staff Benefits Investment Account

Balance Sheet as at October 31, 1999

(In thousands of U.S. dollars)
(Note 1)

Assets	
Investments (Note 2)	
Cash equivalents	14,838
Other	196,484
Accrued interest receivable	1,214
	<hr/>
Total Assets	212,536
	<hr/> <hr/>
Resources and Liabilities	
Resources	211,624
Accounts payable	912
	<hr/>
Total Resources and Liabilities	212,536
	<hr/> <hr/>

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

/s/ Eduard Brau
Treasurer

/s/ Stanley Fischer
Acting Managing Director

Retired Staff Benefits Investment Account

Income Statement and Changes in Resources for the Six Months Ended October 31, 1999

(In thousands of U.S. dollars)

(Note 1)

Balance, April 30, 1999	198,185
Contributions	4,800
Income earned on investments (Note 2)	4,156
Net gain in current value of investments (Note 2)	5,084
Investment fees	(601)
Balance, October 31, 1999	<u>211,624</u>

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

Retired Staff Benefits Investment Account

Notes to the Financial Statements

as at October 31, 1999

Purpose

The Retired Staff Benefits Investment Account ("the RSBIA") was established to hold, administer, and invest resources contributed by the IMF for meeting postretirement medical and life insurance benefits to eligible retirees of the IMF and other beneficiaries. The RSBIA accumulates resources to finance benefits to current and future retirees.

The assets of the RSBIA consist of the IMF's contributions and the income earned thereon. Assets are within the sole ownership of the IMF and are to be used to meet the claims of retirees and the administrative costs of the RSBIA. Contributions are made periodically from the General Resources Account to the RSBIA, taking into consideration the actuarial valuation of the IMF's cumulative cost of these benefits. Cumulative contributions received by the RSBIA amounted to \$155 million at October 31, 1999.

The portion of the cumulative past-service cost that has been charged to income in the General Resources Account is fully funded.

The assets of the RSBIA are kept separate from the assets of all other accounts of, or administered by, the Fund and are not to be used to discharge liabilities or to meet losses incurred in the administration of other accounts.

1. Accounting Practices

The RSBIA is expressed in U.S. dollars. All transactions and operations of the RSBIA, including the transfers to and by the RSBIA, are denominated in U.S. dollars. The cost of transactions in other currencies—for example, the payment of future benefits—will be paid by the RSBIA.

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

2. Investments

Resources placed to the RSBIA have been invested by the IMF. In accordance with its investment policy, the RSBIA invests in equity securities, debt securities, short-term investments, and real estate. Investments in securities listed on stock exchanges are valued at the last reported market sales price on the last business day of the accounting period. Over-the-counter securities are valued at their bid price on the last business day of the accounting period. The valuation of purchases and sales is made on the trade date basis.

Retired Staff Benefits Investment Account

Notes to the Financial Statements

as at October 31, 1999

The net gain in the current value of investments represents the gains and losses realized during the year from the sale of investments, the unrealized appreciation and depreciation of the market value of investments, and, for investments denominated in currencies other than the U.S. dollar, valuation differences arising from exchange rate changes of other currencies against the dollar market value.

A summary of the RSBIA's investments at market values is as follows:

In millions of U.S. dollars

Equity securities	109.9
Debt securities	61.5
Real estate	26.2
Short-term investments	<u>14.9</u>
	<u>212.5</u>

In addition to these investments, the RSBIA held commitments in fixed-income futures contracts to minimize interest rate risk. At October 31, 1999, the notional value of these derivatives amounted to \$1.1 million and the unrealized gain was less than \$0.1 million.

3. Actuarial Valuation

Eligible retirees can elect to continue their life insurance coverage and medical coverage. The cost of these benefits is actuarially determined, based on the data in effect at the beginning of the year. The IMF's actuarially determined cost is estimated at \$198 million at April 30, 1999. Each year the IMF amortizes a portion of the past-service cost and recognizes the increase in the liability during the year as an expense in the General Resources Account. These amounts, less the return on investments, are transferred to the RSBIA to be held and invested pending their use by the IMF.

It is expected that the RSBIA will be a net recipient of resources until the unfunded cost is fully amortized and its assets meet the cost of benefits to retirees.

4. Account Termination

The RSBIA can be terminated by the IMF at any time. After meeting any existing obligations, the resources remaining in the RSBIA are to be transferred to the General Resources Account of the IMF.