APPENDIXES

Appendix contents

International reserves

Total international reserves, including gold, increased by 20 percent during 2005 and stood at SDR 3.3 trillion at the end of the year (Table I.1). Foreign exchange reserves, which constitute the largest component of official reserve holdings, grew by 21 percent, to SDR 2.9 trillion. IMF-related assets, which make up the rest of nongold reserves, declined by 36 percent to SDR 49 billion, reflecting the recent decline in outstanding credit to member countries. The market value of gold held by monetary authorities increased by 25 percent to SDR 317 billion in 2005.[1]

Foreign exchange reserves

Foreign exchange reserves represented 98 percent of nongold assets at the end of 2005. Developing countries held 69 percent of all foreign exchange reserves (SDR 2.0 trillion), having increased their holdings by 29 percent relative to end–2004. During 2005, foreign exchange holdings of industrial countries rose by 7 percent to SDR 904 billion, and the foreign exchange assets of oil-exporting developing countries, which amounted to 9 percent of all developing countries' foreign exchange reserves, increased by 35 percent to SDR 179 billion.

Holdings of IMF-related assets

During 2005, total IMF-related assets (that is, reserve positions in the IMF and SDRs) declined by 36 percent, more sharply than in the previous year. Members' reserve positions in the IMF—which consist of members' reserve tranche and creditor positions—declined by 49 percent to SDR 29 billion, while the SDR holdings of IMF members remained at SDR 20 billion. The decline in the reserve positions was mostly attributed to industrial countries, which account for more than three-fourths of the reserve positions and SDR holdings.

Gold reserves

The market value of gold reserves increased by 25 percent to SDR 317 billion in 2005, as the strong gold price more than offset the 2 percent decline in the physical stock of official gold. However, the share of gold in official reserves in 2005 (10 percent) is much lower than in the early 1980s when gold accounted for about half of all official reserves. Most of the gold reserves (82 percent) are held by industrial countries, for which gold constituted 22 percent of their total reserves at the end of 2005. Gold reserves accounted for 3 percent of the total reserves of developing countries.

Developments during the first quarter of 2006

During the first quarter of 2006, total reserve assets rose by SDR 125 billion and foreign exchange reserves by SDR 96 billion. Reflecting the continued strength of gold price in the first quarter, the market value of gold reserves increased by SDR 39 billion, while holdings of IMF-related assets declined by SDR 9 billion.

Currency composition of foreign exchange reserves[2]

The currency composition of foreign exchange reserves has changed gradually over the past decade. The share of U.S. dollar holdings in foreign exchange reserves peaked at 71 percent over the 1999–2001 period (Table I.2), and declined to 67 percent in 2002, driven by the fall in the value of U.S. dollar holdings and a reduced share of U.S. dollar assets in net purchases of reserves (Table I.3). Over the two subsequent years, the dollar share remained at a similar level, as the quantity increase in dollar holdings offset the weakening of the U.S. dollar vis-à-vis other major currencies. In 2005, the share of dollar holdings increased slightly, reflecting the strengthening of the dollar vis-à-vis other reserve currencies (see the last paragraph for details).

The share of the euro, which replaced 11 European currencies and the European currency unit (ECU) on January 1, 1999, increased sharply between 1999 and 2003 and has since remained broadly stable at around 25 percent of total foreign exchange reserves. Given that at the introduction of the euro, the euro system's reserves previously denominated in euro-legacy currencies[3] became domestic assets of the euro area, the share of the euro in 1999–2005 is not directly comparable with the previous years' combined share of the four euro-legacy currencies identified in Table I.2: deutsche mark, French franc, Netherlands guilder, and private ECU.

The share of the Japanese yen in total foreign exchange reserves declined from 7 percent at end–1996 to 4 percent at the end of 2005. The share of pound sterling reached nearly 4 percent at end–2005, while that of the Swiss franc remained well below 1 percent. The share of other currencies not identified in Table I.2 has been less than 2 percent since 1999. The share of unallocated reserves, for which no information on currency composition is available, rose to more than 30 percent of global reserves in 2005.

For industrial countries, the share of U.S. dollar holdings rose to 74 percent at the end of 2005, slightly exceeding the high value of 1999. The share of the euro in industrial countries' foreign exchange reserves declined slightly to 19 percent in 2005, while the share of the yen decreased further to slightly over 3 percent in 2005. The shares of pound sterling and Swiss franc have remained broadly constant.

The share of the U.S. dollar in developing countries' foreign exchange reserves remained close to 60 percent in 2005, lower than the average in

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

[2]In December 2005, the IMF began quarterly publication on its Web site of data on the currency composition of official foreign exchange reserves; see *www.imf.org/external/np/sec/pr/2005/pr05284.htm.*

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

preceding years.[4] Holdings of the euro remain around 29 percent of those countries' foreign exchange reserves, 10 percentage points higher than the euro's share in its initial years (1999 and 2000). Over the past decade, the share of the yen gradually decreased by about 4 percentage points, to 4 percent at the end of 2005, while the share of pound sterling has increased by about 2 percentage points, to 5 percent in 2005. The share of the Swiss franc has remained below 1 percent over the same period.

[4]This calculation does not include unallocated reserves, which account for nearly half of all official foreign exchange reserves held by developing countries.

Changes in the SDR value of foreign exchange reserves can be decomposed into quantity and valuation (price) changes (Table I.3). Official reserves held in U.S. dollars increased by SDR 190 billion in 2005, reflecting a quantity increase in U.S. dollar holdings of SDR 90 billion and a valuation increase of SDR 99 billion. Euro holdings increased by SDR 55 billion, as a quantity increase of SDR 82 billion was offset by a valuation decline of SDR 27 billion. Japanese yen holdings increased by SDR 5 billion as a quantity increase of SDR 8 billion was offset by a valuation decline of SDR 3 billion. Pound sterling holdings increased by SDR 16 billion whereas Swiss franc holdings remained broadly unchanged.

Table I.1 Official holdings of reserve assets[1]

(In billions of SDRs)

	2000	2001	2002	2003	2004	2005	March 2006
All countries							
Total reserves excluding gold							
Fund-related assets							
Reserve positions in the Fund	47.4	56.9	66.1	66.5	55.8	28.6	22.2
SDRs	18.5	19.6	19.7	19.9	20.3	20.1	17.3
Subtotal, Fund-related assets	**65.9**	**76.4**	**85.7**	**86.4**	**76.1**	**48.6**	**39.5**
Foreign exchange	1,491.0	1,633.6	1,772.0	2,038.5	2,414.3	2,918.8	3,014.6
Total reserves excluding gold	**1,556.8**	**1,710.1**	**1,857.8**	**2,124.9**	**2,490.4**	**2,967.5**	**3,054.1**
Gold[2]							
Quantity (millions of ounces)	952.4	943.0	931.2	913.6	900.0	882.0	879.5
Value at London market price	200.6	207.5	234.8	256.5	253.8	316.6	355.2
Total reserves including gold	**1,757.5**	**1,917.5**	**2,092.5**	**2,381.4**	**2,744.2**	**3,284.0**	**3,409.3**
Industrial countries							
Total reserves excluding gold							
Fund-related assets							
Reserve positions in the Fund	39.7	47.0	53.7	52.6	43.6	21.0	15.8
SDRs	14.4	16.0	15.8	15.3	15.3	12.4	12.5
Subtotal, Fund-related assets	**54.1**	**62.9**	**69.5**	**67.9**	**58.9**	**33.4**	**28.2**
Foreign exchange	602.6	627.2	662.4	753.1	846.5	904.1	897.5
Total reserves excluding gold	**656.7**	**690.2**	**731.9**	**821.0**	**905.3**	**937.6**	**925.7**
Gold[2]							
Quantity (millions of ounces)	796.5	783.5	769.8	754.3	740.6	723.8	721.5
Value at London market price	167.8	172.4	194.1	211.8	208.9	259.8	291.4
Total reserves including gold	**824.5**	**862.6**	**926.0**	**1,032.8**	**1,114.2**	**1,197.3**	**1,217.1**
Developing countries							
Total reserves excluding gold							
Fund-related assets							
Reserve positions in the Fund	7.7	9.9	12.3	13.9	12.2	7.6	6.4
SDRs	4.1	3.6	3.9	4.6	5.0	7.6	4.8
Subtotal, Fund-related assets	**11.8**	**13.5**	**16.2**	**18.5**	**17.2**	**15.2**	**11.3**
Foreign exchange	888.3	1,006.4	1,109.6	1,285.4	1,567.8	2,014.7	2,117.1
Total reserves excluding gold	**900.1**	**1,019.9**	**1,125.9**	**1,303.9**	**1,585.1**	**2,029.9**	**2,128.4**
Gold[2]							
Quantity (millions of ounces)	155.9	159.4	161.3	159.3	159.4	158.2	158.0
Value at London market price	32.8	35.1	40.7	44.7	45.0	56.8	63.8
Total reserves including gold	**932.9**	**1,055.0**	**1,166.5**	**1,348.7**	**1,630.0**	**2,086.7**	**2,192.2**

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

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

[1]End-of-year figures for all years except 2006. "Fund-related assets" are composed of reserve positions in the IMF and SDR holdings of all IMF members. The entries under "Foreign exchange" and "Gold" comprise official holdings of those IMF members for which data are available and certain countries or areas.

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

Table I.2 Share of national currencies in total identified official holdings of foreign exchange, end of year[1]

(In percent)

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
All countries										
U.S. dollar	62.1	65.2	69.4	71.0	71.0	71.4	67.0	65.9	65.8	66.5
Japanese yen	6.7	5.8	6.2	6.4	6.1	5.1	4.4	3.9	3.8	3.6
Pound sterling	2.7	2.6	2.7	2.9	2.8	2.7	2.8	2.8	3.4	3.7
Swiss franc	0.3	0.3	0.3	0.2	0.3	0.3	0.4	0.2	0.2	0.1
Euro[2]	–	–	–	17.9	18.4	19.3	23.9	25.3	25.0	24.4
Deutsche mark	14.7	14.5	13.8	–	–	–	–	–	–	–
French franc	1.8	1.4	1.6	–	–	–	–	–	–	–
Netherlands guilder	0.2	0.4	0.3	–	–	–	–	–	–	–
ECUs[3]	7.1	6.0	1.2	–	–	–	–	–	–	–
Other currencies[4]	4.3	3.8	4.5	1.6	1.5	1.2	1.5	1.9	1.8	1.6
Industrial countries										
U.S. dollar	57.4	59.1	67.6	73.5	72.5	72.7	68.9	70.5	71.5	73.7
Japanese yen	5.7	5.9	6.9	6.7	6.5	5.6	4.4	3.8	3.6	3.3
Pound sterling	2.1	2.0	2.1	2.2	2.0	1.9	2.1	1.5	1.9	2.1
Swiss franc	0.1	0.1	0.2	0.1	0.2	0.3	0.6	0.2	0.1	0.1
Euro[2]	–	–	–	16.1	17.1	18.0	22.4	22.1	20.9	19.2
Deutsche mark	15.9	16.2	13.4	–	–	–	–	–	–	–
French franc	1.7	0.9	1.2	–	–	–	–	–	–	–
Netherlands guilder	0.2	0.2	0.2	–	–	–	–	–	–	–
ECUs[3]	12.3	11.2	2.3	–	–	–	–	–	–	–
Other currencies[4]	4.7	4.4	6.2	1.4	1.6	1.5	1.7	1.9	2.0	1.6
Developing countries										
U.S. dollar	68.5	72.4	71.2	68.2	69.3	70.1	65.2	61.3	60.2	60.5
Japanese yen	8.1	5.7	5.6	6.0	5.8	4.6	4.4	4.0	4.1	3.8
Pound sterling	3.5	3.3	3.3	3.7	3.5	3.5	3.5	4.0	4.9	5.1
Swiss franc	0.6	0.6	0.5	0.4	0.3	0.3	0.2	0.2	0.2	0.2
Euro	–	–	–	19.9	19.8	20.6	25.4	28.5	29.0	28.8
Deutsche mark	13.0	12.5	14.3	–	–	–	–	–	–	–
French franc	2.0	2.1	2.1	–	–	–	–	–	–	–
Netherlands guilder	0.3	0.5	0.4	–	–	–	–	–	–	
ECUs[3]	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other currencies[4]	3.9	3.0	2.7	1.7	1.3	1.0	1.3	2.0	1.6	1.6
Memorandum items:										
Unallocated reserves[5]										
All countries	21.8	21.3	22.1	22.9	21.8	23.8	25.5	26.5	29.6	32.6
Industrial countries	2.2	2.1	1.1	1.1	0.4	0.4	0.4	0.3	0.3	0.5
Developing countries	38.6	36.1	36.5	37.8	36.4	38.3	40.6	41.9	45.4	47.0

Note: Components may not sum to total because of rounding. Country coverage changes marginally every year, but the changes were larger than usual in 1996 (broader coverage) and in 2000 (narrower coverage). The data for 2005 are preliminary.

[1]The currency shares are calculated for the reserves of member countries that report the currency composition of their foreign exchange reserves. The data include minimal estimation undertaken mainly for late reporters. Reserves for which currency composition is not reported are shown under "Unallocated reserves."

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

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

[4]Foreign exchange reserves of IMF member countries and the sum of the reserves that are reported to be held in currencies other than those listed above.

[5]Foreign exchange reserves whose currency composition information is not submitted to the IMF, in percent of total official foreign exchange reserves held by each group of countries.

Table I.3 Currency composition of official holdings of foreign exchange, end of year[1]

(In millions of SDRs)

	1997	1998	1999	2000	2001	2002	2003	2004	2005
U.S. dollar									
Change in holdings	85,753	16,854	80,421	115,475	62,331	–5,105	102,180	132,099	189,643
Quantity change	49,035	43,129	64,551	75,793	31,686	64,799	186,807	182,177	90,490
Price change	36,718	–26,275	15,870	39,682	30,645	–69,903	–84,626	–50,078	99,153
Year-end value	614,331	631,185	711,606	827,081	889,412	884,307	986,487	1,118,587	1,308,229
Japanese yen									
Change in holdings	–2,774	2,373	7,128	7,643	–8,421	–5,538	1,420	6,304	5,100
Quantity change	171	–1,947	–1,547	12,352	–1,674	–6,421	141	7,378	8,007
Price change	–2,945	4,319	8,675	–4,708	–6,747	882	1,279	–1,074	–2,906
Year-end value	54,465	56,838	63,966	71,609	63,188	57,650	59,070	65,374	70,474
Pound sterling									
Change in holdings	1,484	–103	4,764	3,060	1,659	3,433	4,261	16,026	16,227
Quantity change	549	851	4,861	3,886	1,410	2,465	3,748	14,408	18,409
Price change	934	–954	–97	–825	249	968	513	1,618	–2,182
Year-end value	24,351	24,248	29,013	32,073	33,732	37,165	41,426	57,452	73,679
Swiss franc									
Change in holdings	710	–278	–700	828	342	1,901	–2,062	–541	28
Quantity change	743	–313	–388	734	308	1,400	–2,162	–671	223
Price change	–33	35	–313	94	34	502	100	129	–195
Year-end value	3,287	3,009	2,308	3,137	3,479	5,380	3,318	2,777	2,805
Euro									
Change in holdings	–	–	44,303[2]	34,562	25,765	74,676	63,509	46,555	54,518
Quantity change	–	–	64,817	38,320	29,498	48,289	29,630	33,065	81,788
Price change	–	–	–20,514	–3,758	–3,733	26,386	33,879	13,490	–27,270
Year-end value	–	–	179,924	214,486	240,252	314,927	378,436	424,991	479,509
Deutsche mark									
Change in holdings	11,512	–10,958	–	–	–	–	–	–	–
Quantity change	21,123	–14,619	–	–	–	–	–	–	–
Price change	–9,612	3,661	–	–	–	–	–	–	–
Year-end value	136,631	125,673	–	–	–	–	–	–	–
French franc									
Change in holdings	–2,170	1,209	–	–	–	–	–	–	–
Quantity change	–1,082	881	–	–	–	–	–	–	–
Price change	–1,088	327	–	–	–	–	–	--	–
Year-end value	13,574	14,782	–	–	–	–	–	–	–
Netherlands guilder									
Change in holdings	1,265	–828	–	–	–	–	–	–	–
Quantity change	1,447	–944	–	–	–	–	–	–	–
Price change	–182	115	–	–	–	–	–	–	–
Year-end value	3,306	2,478	–	–	–	–	–	–	–
European currency unit									
Change in holdings	–3,245	–46,128	–	–	–	–	–	–	–
Quantity change	511	–47,599	–	–	–	–	–	–	–
Price change	–3,755	1,472	–	–	–	–	–	–	–
Year-end value	57,018	10,890	–	–	–	–	–	–	–
Sum of the above[3]									
Change in holdings	92,536	–37,859	135,915	161,569	81,676	69,367	169,308	200,443	265,516
Quantity change	72,498	–20,560	132,294	131,085	61,227	110,532	218,164	236,358	198,917
Price change	20,038	–17,300	3,621	30,484	20,448	–41,165	–48,856	–35,915	66,599
Year-end value	906,963	869,104	986,817	1,148,386	1,230,062	1,299,429	1,468,737	1,669,180	1,934,696
Other currencies									
Change in holdings	–1,498	5,275	–25,014	1,275	–1,505	4,362	8,930	2,097	542
Year-end value	35,480	40,754	15,740	17,015	15,510	19,872	28,802	30,899	31,441
Total official holding[4]									
Change in holdings	108,672	–30,334	132,247	191,241	142,685	138,380	266,460	375,826	504,529
Year-end value	1,197,810	1,167,476	1,299,723	1,490,964	1,633,650	1,772,030	2,038,490	2,414,316	2,918,845

Note: Components may not sum to total because of rounding. Country usage changes marginally every year, but the changes were larger than usual in 1996 (broader coverage) and in 2000 (narrower coverage). The data for 2005 are preliminary.

[1]The currency composition of official foreign exchange reserves as reported by countries, including minimal estimation undertaken mainly for late reporters. Quantity changes are derived by multiplying the changes in official holdings of each currency from the end of one quarter to the next by the average of the two SDR prices of that currency prevailing at the corresponding dates. This procedure converts the change in the quantity of national currency from own units to SDR units of account. Subtracting the SDR value of the quantity change so derived from the quarterly change in the SDR value of foreign exchange held at the end of two successive quarters and cumulating these differences yields the effect of price changes over the years shown.

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

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

[4]Includes "Unallocated reserves" whose currency composition could not be ascertained.

Financial operations and transactions

The tables in this appendix supplement the information given in Chapter 8 on the IMF's financial operations and policies. Components may not sum to total because of rounding.

Table II.1 Arrangements approved during financial years ended April 30, 1953–2006

Financial year	Number of Arrangements					Amounts committed under Arrangements (In millions of SDRs)				
	Stand-By	EFF	SAF	PRGF	Total	Stand-By	EFF	SAF	PRGF	Total
1953	2	–	–	–	2	55	–	–	–	55
1954	2	–	–	–	2	63	–	–	–	63
1955	2	–	–	–	2	40	–	–	–	40
1956	2	–	–	–	2	48	–	–	–	48
1957	9	–	–	–	9	1,162	–	–	–	1,162
1958	11	–	–	–	11	1,044	–	–	–	1,044
1959	15	–	–	–	15	1,057	–	–	–	1,057
1960	14	–	–	–	14	364	–	–	–	364
1961	15	–	–	–	15	460	–	–	–	460
1962	24	–	–	–	24	1,633	–	–	–	1,633
1963	19	–	–	–	19	1,531	–	–	–	1,531
1964	19	–	–	–	19	2,160	–	–	–	2,160
1965	24	–	–	–	24	2,159	–	–	–	2,159
1966	24	–	–	–	24	575	–	–	–	575
1967	25	–	–	–	25	591	–	–	–	591
1968	32	–	–	–	32	2,352	–	–	–	2,352
1969	26	–	–	–	26	541	–	–	–	541
1970	23	–	–	–	23	2,381	–	–	–	2,381
1971	18	–	–	–	18	502	–	–	–	502
1972	13	–	–	–	13	314	–	–	–	314
1973	13	–	–	–	13	322	–	–	–	322
1974	15	–	–	–	15	1,394	–	–	–	1,394
1975	14	–	–	–	14	390	–	–	–	390
1976	18	2	–	–	20	1,188	284	–	–	1,472
1977	19	1	–	–	20	4,680	518	–	–	5,198
1978	18	–	–	–	18	1,285	–	–	–	1,285
1979	14	4	–	–	18	508	1,093	–	–	1,600
1980	24	4	–	–	28	2,479	797	–	–	3,277
1981	21	11	–	–	32	5,198	5,221	–	–	10,419
1982	19	5	–	–	24	3,106	7,908	–	–	11,014
1983	27	4	–	–	31	5,450	8,671	–	–	14,121
1984	25	2	–	–	27	4,287	95	–	–	4,382
1985	24	–	–	–	24	3,218	–	–	–	3,218
1986	18	1	–	–	19	2,123	825	–	–	2,948
1987	22	–	10	–	32	4,118	–	358	–	4,476
1988	14	1	15	–	30	1,702	245	670	–	2,617
1989	12	1	4	7	24	2,956	207	427	955	4,545
1990	16	3	3	4	26	3,249	7,627	37	415	11,328
1991	13	2	2	3	20	2,786	2,338	15	454	5,593
1992	21	2	1	5	29	5,587	2,493	2	743	8,826
1993	11	3	1	8	23	1,971	1,242	49	527	3,789
1994	18	2	1	7	28	1,381	779	27	1,170	3,357
1995	17	3	–	11	31	13,055	2,335	–	1,197	16,587
1996	19	4	1	8	32	9,645	8,381	182	1,476	19,684
1997	11	5	–	12	28	3,183	1,193	–	911	5,287
1998	9	4	–	8	21	27,336	3,078	–	1,738	32,152
1999	5	4	–	10	19	14,325	14,090	–	998	29,413
2000	11	4	–	10	25	15,706	6,582	–	641	22,929
2001	11	1	–	14	26	13,093	–9	–	1,249	14,333
2002	9	–	–	9	18	39,439	–	–	1,848	41,287
2003	10	2	–	10	22	28,597	794	–	1,180	30,571
2004	5	–	–	10	15	14,519	–	–	967	15,486
2005	6	–	–	8	14	1,188	–	–	525	1,713
2006	5	1	–	7	13	8,336	9	–	129	8,474

Table II.2 Arrangements in effect as of April 30, 1997–2006

Financial year	Number of Arrangements as of April 30				Amounts committed under Arrangements as of April 30 (In millions of SDRs)			
	Stand-By	EFF	PRGF	Total	Stand-By	EFF	PRGF	Total
1997	14	11	35	60	3,764	10,184	4,048	17,996
1998	14	13	33	60	28,323	12,336	4,410	45,069
1999	9	12	35	56	32,747	11,401	4,186	48,334
2000	16	11	31	58	45,606	9,798	3,516	58,920
2001	17	8	37	62	34,906	8,697	3,298	46,901
2002	13	4	35	52	44,095	7,643	4,201	55,939
2003	15	3	36	54	42,807	4,432	4,450	51,689
2004	11	2	36	49	53,944	794	4,356	59,094
2005	10	2	31	43	11,992	794	2,878	15,664
2006	10	1	27	38	9,534	9	1,770	11,313

Table II.3 Stand-By and Extended Arrangements in effect during financial year ended April 30, 2006

(In millions of SDRs)

Member	Arrangement dates		Amounts approved		Undrawn balance	
	Effective date	Expiration date	Prior to FY2006	In FY2006	At date of termination	As of April 30, 2006
Argentina	9/20/2003	1/5/2006	8,981	–	4,810	–
Bolivia[1]	4/2/2003	3/31/2006	172	-26	34	–
Bulgaria	8/6/2004	9/5/2006	100	–	–	100
Colombia	1/15/2003	5/2/2005	1,548	–	1,548	–
Colombia	5/2/2005	11/2/2006	–	405	–	405
Croatia[2]	8/4/2004	11/15/2006	97	2	–	99
Dominican Republic	1/31/2005	5/31/2007	438	–	–	289
Gabon	5/28/2004	7/31/2005	69	–	28	–
Iraq	12/23/2005	3/22/2007	–	475	–	475
Macedonia, FYR	8/31/2005	8/30/2008	–	52	–	41
Paraguay	12/15/2003	11/30/2005	50	–	50	–
Peru	6/9/2004	8/16/2006	287	–	–	287
Romania	7/7/2004	7/6/2006	250	–	–	250
Turkey	5/11/2005	5/10/2008	–	6,662	–	4,997
Uruguay	6/8/2005	6/7/2008	–	766	–	588
Total for Stand-By Arrangements			**11,992**	**8,336**	**6,470**	**7,532**
Albania	2/1/2006	1/31/2009	–	9	–	7
Sri Lanka	4/18/2003	4/17/2006	144	–	124	–
Serbia and Montenegro	5/14/2002	2/28/2006	650	–	–	–
Total for Extended Arrangements			**794**	**9**	**124**	**7**
Total			**12,786**	**8,345**	**6,594**	**7,539**

[1]Reduced by SDR 26 million on 10/31/2005.
[2]Augmentated by SDR 2 million on 3/29/2006.

Table II.4 Arrangements under the Poverty Reduction and Growth Facility in effect during financial year ended April 30, 2006

(In millions of SDRs)

Member	Arrangement dates		Amounts approved		Undrawn balance	
	Effective date	Expiration date	Prior to FY2006	In FY2006	At date of termination	As of April 30, 2006
Albania	02/01/06	01/31/09	–	9	–	7
Albania[1]	06/21/02	11/20/05	28	–	–	–
Armenia	05/25/05	05/24/08	–	23	–	16
Azerbaijan[1,2]	07/06/01	07/04/05	68	–	13	–
Bangladesh[1,3]	06/20/03	12/31/06	400	–	–	117
Benin	08/05/05	08/04/08	–	6	–	5
Burkina Faso[1]	06/11/03	09/30/06	24	–	–	3
Burundi	01/23/04	01/22/07	69	–	–	29
Cameroon	10/24/05	10/23/08	–	19	–	16
Cape Verde[1]	04/10/02	07/31/05	9	–	–	–
Chad	02/16/05	02/15/08	25	–	–	21
Congo, Dem. Rep. of[1]	06/12/02	03/31/06	580	–	27	–
Congo, Rep. of	12/06/04	12/05/07	55	–	–	39
Dominica	12/29/03	12/28/06	8	–	–	2
Gambia, The	07/18/02	07/17/05	20	–	17	–
Georgia	06/04/04	06/03/07	98	–	–	42
Ghana[1]	05/09/03	10/31/06	185	–	–	79
Grenada	04/17/06	04/16/09	–	11	–	9
Guyana[1]	09/20/02	09/12/06	55	–	–	9
Honduras	02/27/04	02/26/07	71	–	–	31
Kenya[4]	11/21/03	11/20/06	225	–	–	150
Kyrgyz Republic	03/15/05	03/14/08	9	–	–	6
Malawi	08/05/05	08/04/08	–	38	–	28
Mali	06/23/04	06/22/07	9	–	–	4
Mongolia[1]	09/28/01	07/31/05	28	–	16	–
Mozambique	07/06/04	07/05/07	11	–	–	5
Nepal	11/19/03	11/18/06	50	–	–	36
Nicaragua[1]	12/13/02	12/12/06	98	–	–	28
Niger[5]	01/31/05	01/30/08	7	20	–	15
Rwanda[1]	08/12/02	06/11/06	4	–	–	1
São Tomé and Príncipe	08/01/05	07/31/08	–	3	–	2
Senegal	04/28/03	04/27/06	24	–	–	–
Sierra Leone[1]	09/26/01	06/25/05	131	–	–	–
Sri Lanka	04/18/03	04/17/06	269	–	231	–
Tajikistan[1]	12/11/02	02/10/06	65	–	–	–
Tanzania	08/16/03	08/15/06	20	–	–	3
Uganda[1]	09/13/02	01/31/06	14	–	–	–
Zambia	06/16/04	06/15/07	220	–	–	33
Total			**2,879**	**129**	**304**	**736**

[1]Arrangements are initially approved for a period of three years. An expiration date beyond that reflects an extension.
[2]Reduced by SDR 13 million on 12/22/04.
[3]Augmented by SDR 53 million on 7/28/04.
[4]Augmented by SDR 50 million on 12/20/04.
[5]Augmented by SDR 20 million on 11/14/05.

Table II.5 Summary of disbursements, repurchases, and repayments, financial years ended April 30, 1948–2006

(In millions of SDRs)

Financial year	Disbursements: Purchases[1]	Disbursements: Trust Fund loans	Disbursements: SAF loans	Disbursements: PRGF loans	Disbursements: Total	Repurchases and repayments: Repurchases	Repurchases and repayments: Trust Fund repayments	Repurchases and repayments: SAF/PRGF repayments	Repurchases and repayments: Total	Total Fund credit outstanding[2]
1948	606	–	–	–	606	–	–	–	–	133
1949	119	–	–	–	119	–	–	–	–	193
1950	52	–	–	–	52	24	–	–	24	204
1951	28	–	–	–	28	19	–	–	19	176
1952	46	–	–	–	46	37	–	–	37	214
1953	66	–	–	–	66	185	–	–	185	178
1954	231	–	–	–	231	145	–	–	145	132
1955	49	–	–	–	49	276	–	–	276	55
1956	39	–	–	–	39	272	–	–	272	72
1957	1,114	–	–	–	1,114	75	–	–	75	611
1958	666	–	–	–	666	87	–	–	87	1,027
1959	264	–	–	–	264	537	–	–	537	898
1960	166	–	–	–	166	522	–	–	522	330
1961	577	–	–	–	577	659	–	–	659	552
1962	2,243	–	–	–	2,243	1,260	–	–	1,260	1,023
1963	580	–	–	–	580	807	–	–	807	1,059
1964	626	–	–	–	626	380	–	–	380	952
1965	1,897	–	–	–	1,897	517	–	–	517	1,480
1966	2,817	–	–	–	2,817	406	–	–	406	3,039
1967	1,061	–	–	–	1,061	340	–	–	340	2,945
1968	1,348	–	–	–	1,348	1,116	–	–	1,116	2,463
1969	2,839	–	–	–	2,839	1,542	–	–	1,542	3,299
1970	2,996	–	–	–	2,996	1,671	–	–	1,671	4,020
1971	1,167	–	–	–	1,167	1,657	–	–	1,657	2,556
1972	2,028	–	–	–	2,028	3,122	–	–	3,122	840
1973	1,175	–	–	–	1,175	540	–	–	540	998
1974	1,058	–	–	–	1,058	672	–	–	672	1,085
1975	5,102	–	–	–	5,102	518	–	–	518	4,869
1976	6,591	–	–	–	6,591	960	–	–	960	9,760
1977	4,910	32	–	–	4,942	868	–	–	868	13,687
1978	2,503	268	–	–	2,771	4,485	–	–	4,485	12,366
1979	3,720	670	–	–	4,390	4,859	–	–	4,859	9,843
1980	2,433	962	–	–	3,395	3,776	–	–	3,776	9,967
1981	4,860	1,060	–	–	5,920	2,853	–	–	2,853	12,536
1982	8,041	–	–	–	8,041	2,010	–	–	2,010	17,793
1983	11,392	–	–	–	11,392	1,555	18	–	1,574	26,563
1984	11,518	–	–	–	11,518	2,018	111	–	2,129	34,603
1985	6,289	–	–	–	6,289	2,730	212	–	2,943	37,622
1986	4,101	–	–	–	4,101	4,289	413	–	4,702	36,877
1987	3,685	–	139	–	3,824	6,169	579	–	6,749	33,443
1988	4,153	–	445	–	4,597	7,935	528	–	8,463	29,543
1989	2,541	–	290	264	3,095	6,258	447	–	6,705	25,520
1990	4,503	–	419	408	5,329	6,042	356	–	6,398	24,388
1991	6,955	–	84	491	7,530	5,440	168	–	5,608	25,603
1992	5,308	–	125	483	5,916	4,768	–	1	4,770	26,736
1993	8,465	–	20	573	9,058	4,083	–	36	4,119	28,496
1994	5,325	–	50	612	5,987	4,348	52	112	4,513	29,889
1995	10,615	–	14	573	11,202	3,984	4	244	4,231	36,837
1996	10,870	–	182	1,295	12,347	6,698	7	395	7,100	42,040
1997	4,939	–	–	705	5,644	6,668	5	524	7,196	40,488
1998	20,000	–	–	973	20,973	3,789	1	595	4,385	56,026
1999	24,071	–	–	826	24,897	10,465	–	627	11,092	67,175
2000	6,377	–	–	513	6,890	22,993	–	634	23,627	50,370
2001	9,599	–	–	630	10,229	11,243	–	588	11,831	48,691
2002	29,194	–	–	952	30,146	19,207	–	769	19,976	58,699
2003	21,784	–	–	1,218	23,002	7,784	–	928	8,712	72,879
2004	17,830	–	–	865	18,695	21,638	–	890	22,528	69,031
2005	1,608	–	–	771	2,379	13,907	–	923	14,830	56,576
2006	2,156	–	–	403	2,559	32,783	–	3,208	35,991	23,144

[1]Includes reserve tranche purchases.
[2]Excludes reserve tranche purchases; includes outstanding associated loans from the Saudi Fund for Development.

Table II.6 Purchases and loans from the IMF, financial year ended April 30, 2006

(In millions of SDRs)

Member	Reserve tranche	Emergency assistance	Stand-By/ credit tranche	Extended Fund Facility	SRF	Total purchases	PRGF loans	Total purchases and loans
Albania	–	–	–	1	–	1	5	6
Armenia	–	–	–	–	–	–	7	7
Bangladesh	–	–	–	–	–	–	134	134
Benin	–	–	–	–	–	–	1	1
Burkina Faso	–	–	–	–	–	–	7	7
Burundi	–	–	–	–	–	–	7	7
Cameroon	–	–	–	–	–	–	3	3
Cape Verde	–	–	–	–	–	–	1	1
Central African Republic	–	7	–	–	–	7	–	7
Congo, Dem. Rep. of	–	–	–	–	–	–	27	27
Congo, Rep. of	–	–	–	–	–	–	8	8
Dominica	–	–	–	–	–	–	1	1
Dominican Republic	–	–	96	–	–	96	–	96
Georgia	–	–	–	–	–	–	28	28
Ghana	–	–	–	–	–	–	26	26
Grenada	–	–	–	–	–	–	2	2
Guyana	–	–	–	–	–	–	19	19
Haiti	–	10	–	–	–	10	–	10
Honduras	–	–	–	–	–	–	10	10
Kyrgyz Republic	–	–	–	–	–	–	1	1
Macedonia, FYR	–	–	11	–	–	11	–	11
Malawi	–	–	–	–	–	–	10	10
Mali	–	–	–	–	–	–	3	3
Mozambique	–	–	–	–	–	–	2	2
Nicaragua	–	–	–	–	–	–	14	14
Niger	–	–	–	–	–	–	11	11
Rwanda	–	–	–	–	–	–	1	1
São Tomé and Príncipe	–	–	–	–	–	–	1	1
Senegal	–	–	–	–	–	–	14	14
Serbia and Montenegro	–	–	–	188	–	188	–	188
Sierra Leone	–	–	–	–	–	–	14	14
Tajikistan	–	–	–	–	–	–	20	20
Tanzania	–	–	–	–	–	–	6	6
Turkey	–	–	1,666	–	–	1,666	–	1,666
Uganda	–	–	–	–	–	–	4	4
Uruguay	–	–	178	–	–	178	–	178
Zambia	–	–	–	–	–	–	16	16
Total	**–**	**17**	**1,951**	**189**	**–**	**2,156**	**403**	**2,559**

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

Table II.7 Repurchases and repayments to the IMF, financial year ended April 30, 2006

(In millions of SDRs)

Member	Stand-By/ Credit Tranche	Extended Fund Facility	Others[1]	Total repurchases	SAF/PRGF and Trust Fund repayments[2]	Total repurchases and repayments
Albania	–	–	–	–	7	7
Algeria	–	358	–	358	–	358
Argentina	7,994	107	–	8,101	–	8,101
Armenia	–	–	1	1	22	23
Azerbaijan	–	9	5	14	16	30
Benin	–	–	–	–	40	40
Bolivia	102	–	–	102	89	191
Bosnia and Herzegovina	27	–	–	27	–	27
Brazil	15,356	–	–	15,356	–	15,356
Bulgaria	198	235	–	433	–	433
Burkina Faso	–	–	–	–	71	71
Cambodia	–	–	–	–	59	59
Cameroon	–	–	–	–	202	202
Central African Rep.	–	–	–	–	3	3
Chad	–	–	–	–	11	11
Congo, Rep. of	4	–	–	4	3	7
Cote d'Ivoire	–	–	–	–	62	62
Djibouti	–	–	–	–	1	1
Dominica	0.5	–	–	0.5	–	1
Dominican Republic	11	–	–	11	–	11
Ecuador	96	–	–	96	–	96
Ethiopia	–	–	–	–	115	115
Gabon	3	10	–	13	–	13
Gambia, The	–	–	–	–	2	2
Georgia	–	–	2	2	34	36
Ghana	–	–	–	–	295	295
Grenada	–	–	0.4	0.4	–	0.4
Guinea	–	–	–	–	14	14
Guinea-Bissau	–	–	–	–	2	2
Guyana	–	–	–	–	53	53
Haiti	–	–	–	–	3	3
Honduras	–	–	–	–	119	119
Indonesia	–	826	–	826	–	826
Jordan	5	48	–	54	–	54
Kenya	–	–	–	–	8	8
Kyrgyz Republic	–	–	–	–	21	21
Lao P.D.R.	–	–	–	–	4	4
Liberia	0.2	–	–	0.2	–	0.2
Macedonia, FYR	0.5	0.3	1	2	5	7
Madagascar	–	–	–	–	143	143
Malawi	–	–	4	4	9	14
Mali	–	–	–	–	87	87
Mauritania	–	–	–	–	10	10
Moldova	–	15	–	15	–	15
Mongolia	–	–	–	–	5	5
Mozambique	–	–	–	–	122	122
Nicaragua	–	–	–	–	150	150
Niger	–	–	–	–	83	83
Pakistan	39	19	–	58	53	111
Panama	–	7	–	7	–	7
Papua New Guinea	12	–	–	12	–	12
Peru	–	27	–	27	–	27
Philippines	59	126	–	185	–	185
Romania	127	–	–	127	–	127
Rwanda	–	–	–	–	58	58
São Tomé and Príncipe	–	–	–	–	0.1	0.1
Senegal	–	–	–	–	122	122
Serbia and Montenegro	63	–	44	106	–	106
Sierra Leone	–	–	–	–	6	6
Sri Lanka	62	–	–	62	–	62

Table II.7 *(concluded)*

Member	Stand-By/ Credit Tranche	Extended Fund Facility	Others[1]	Total repurchases	SAF/PRGF and Trust Fund repayments[2]	Total repurchases and repayments
Sudan	5	6	8.5	19	–	19
Tajikistan	–	–	–	–	78	78
Tanzania	–	–	–	–	263	263
Togo	–	–	–	–	8	8
Turkey	5,849	–	–	5,849	–	5,849
Uganda	–	–	–	–	118	118
Ukraine	–	231	–	231	–	231
Uruguay	553	–	–	553	–	553
Uzbekistan	–	–	8	8	–	8
Vietnam	–	–	–	–	30	30
Yemen, Republic of	–	9	–	9	30	39
Zambia	–	–	–	–	571	571
Zimbabwe	64	45	–	109	0.2	110
Total	**30,630**	**2,077**	**74**	**32,783**	**3,208**	**35,991**

[1]Includes Compensatory and Contingency Financing Facility, Systemic Transformation Facility, Natural Disaster Emergency Assistance, Post-Conflict Emergency Assistance, and Supplementary Financing Facility.
[2]Includes MDRI debt relief provided to 19 eligible countries in January and to Cameroon in April 2006.

Table II.8 Outstanding IMF credit by facility and policy, financial years ended April 30, 1997–2006

(In millions of SDRs and percent of total)

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
					(In millions of SDRs)					
Stand-By Arrangements[1]	18,064	25,526	25,213	21,410	17,101	28,612	34,241	42,100	35,818	11,666
Extended Arrangements	11,155	12,521	16,574	16,808	16,108	15,538	14,981	13,751	9,365	7,477
Supplemental Reserve Facility	–	7,100	12,655	–	4,085	5,875	15,700	6,028	4,569	–
Compensatory and Contingency Financing Facility	1,336	685	2,845	3,032	2,992	745	413	120	84	84
Systemic Transformation Facility	3,984	3,869	3,364	2,718	1,933	1,311	644	154	18	–
Subtotal (GRA)	**34,539**	**49,701**	**60,651**	**43,968**	**42,219**	**52,081**	**65,978**	**62,153**	**49,854**	**19,227**
SAF Arrangements	954	730	565	456	432	341	137	86	45	9
PRGF Arrangements[2]	4,904	5,505	5,870	5,857	5,951	6,188	6,676	6,703	6,588	3,819
Trust Fund	90	90	89	89	89	89	89	89	89	89
Total	**40,488**	**56,026**	**67,175**	**50,370**	**48,691**	**58,699**	**72,879**	**69,031**	**56,576**	**23,144**
					(Percent of total)					
Stand-By Arrangements[1]	45	46	38	43	35	49	47	61	63	50
Extended Arrangements	28	22	25	33	33	26	21	20	17	33
Supplemental Reserve Facility	–	13	19	–	9	10	21	9	8	–
Compensatory and Contingency Financing Facility	3	1	4	6	6	1	1	–[3]	–[3]	–[3]
Systemic Transformation Facility	10	7	5	5	4	2	1	–[3]	–[3]	–[3]
Subtotal (GRA)	**85**	**89**	**90**	**87**	**87**	**88**	**91**	**90**	**88**	**83**
SAF Arrangements	2	1	1	1	1	1	–[3]	–[3]	–[3]	–[3]
PRGF Arrangements[2]	12	10	9	12	12	11	9	10	12	17
Trust Fund	–[3]	–[3]	–[3]	–[3]	–[3]	–[3]	–[3]	–[3]	–[3]	–[3]
Total	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**

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

Table II.9 Summary of bilateral contributions to the PRGF-ESF and PRGF-HIPC Trusts

(In millions of SDRs; cumulative through April 30, 2006)

	PRGF-ESF Trust			PRGF-HIPC Trust
	Subsidy contributions "as needed"[1]			
	Committed	Of which, used for MDRI debt relief	Loan commitments	Subsidies and HIPC grant contributions "as needed"[1]
Total	**3,352.9**	**1,120.0**	**15,759.7**	**1,561.6**
Major industrial countries	**2,238.5**	**818.8**	**12,864.8**	**880.5**
Canada	237.4	84.8	700.0	48.8
France	378.2	116.4	2,900.0	82.2
Germany	186.8	66.1	2,750.0	127.2
Italy	148.7	84.4	1,380.0	63.6
Japan	683.6	253.4	5,134.8	144.0
United Kingdom	439.1	155.4	–	82.2
United States	164.6	58.3	–	332.6
Other advanced countries	**931.1**	**250.4**	**2,452.8**	**299.7**
Australia	16.0	3.7	–	24.8
Austria	58.7	–	–	14.3
Belgium	111.6	39.5	350.0	35.3
Denmark	66.7	23.6	100.0	18.5
Finland	42.8	15.1	–	8.0
Greece	37.7	13.3	–	6.3
Iceland	4.3	1.5	–	0.9
Ireland	7.9	2.4	–	5.9
Israel	–	–	–	1.8
Korea	61.8	21.0	92.7	15.9
Luxembourg	13.6	–	–	0.7
Netherlands	134.3	–	450.0	45.4
New Zealand	–	–	–	1.7
Norway	44.2	15.7	150.0	18.5
Portugal	4.2	1.4	–	6.6
San Marino	–	–	–	0.05
Singapore	18.3	6.5	–	16.5
Spain	16.6	3.1	708.4	23.3
Sweden	183.8	65.0	–	18.3
Switzerland	108.7	38.5	601.7	37.0
Fuel-exporting countries	**17.2**	**6.1**	**49.5**	**114.3**
Algeria	–	–	–	5.5
Bahrain	–	–	–	0.9
Brunei Darussalam	–	–	–	0.1
Gabon	–	–	–	2.5
Iran, Islamic Republic of	1.6	0.6	–	2.2
Kuwait	–	–	–	3.1
Libya	–	–	–	7.3
Nigeria	–	–	–	13.9
Oman	–	–	–	0.8
Qatar	–	–	–	0.5
Saudi Arabia	15.6	5.5	49.5	53.5
United Arab Emirates	–	–	–	3.8
Venezuela	–	–	–	20.4
Other developing countries	**153.9**	**44.8**	**355.6**	**224.1**
Argentina	32.5	11.5	–	16.2
Bangladesh	0.8	0.2	–	1.7
Barbados	–	–	–	0.4
Belize	–	–	–	0.3
Botswana	1.7	0.6	–	5.7
Brazil	–	–	–	15.0
Cambodia	–	–	–	0.04
Chile	3.7	1.3	–	4.4
China	14.2	4.2	200.0	19.7
Colombia	–	–	–	0.9
Cyprus	–	–	–	0.8
Dominican Republic	–	–	–	0.5
Egypt	12.3	4.3	155.6	1.3
Fiji	–	–	–	0.1
Ghana	–	–	–	0.5
Grenada	–	–	–	0.1
India	12.4	–	–	22.9
Indonesia	6.0	2.1	–	8.2

Table II.9 *(concluded)*

(In millions of SDRs; cumulative through April 30, 2006)

	PRGF-ESF Trust			PRGF-HIPC Trust
	Subsidy contributions "as needed"[1]			
	Committed	Of which, used for MDRI debt relief	Loan commitments	Subsidies and HIPC grant contributions "as needed"[1]
Jamaica	–	–	–	2.7
Lebanon	–	–	–	0.4
Malaysia	31.6	11.2	–	12.7
Maldives	–	–	–	0.01
Malta	1.4	0.5	–	1.1
Mauritius	–	–	–	0.1
Mexico	–	–	–	54.5
Micronesia, Federated States of	–	–	–	0.00*
Morocco	8.9	3.2	–	1.6
Pakistan	2.3	0.3	–	3.4
Paraguay	–	–	–	0.1
Peru	–	–	–	2.5
Philippines	–	–	–	6.7
Samoa	–	–	–	0.00*
South Africa	–	–	–	28.6
Sri Lanka	–	–	–	0.6
St. Lucia	–	–	–	0.1
St. Vincent and the Grenadines	–	–	–	0.1
Swaziland	–	–	–	0.01
Thailand	12.6	4.4	–	4.5
Tonga	–	–	–	0.02
Trinidad and Tobago	–	–	–	1.6
Tunisia	1.0	0.3	–	1.5
Turkey	11.2	–	–	–
Uruguay	1.3	0.5	–	2.2
Vanuatu	–	–	–	0.1
Vietnam	–	–	–	0.4
Countries in transition	**12.3**	**–**	**–**	**42.9**
Croatia	–	–	–	0.4
Czech Republic	12.3	–	–	4.1
Estonia	–	–	–	0.5
Hungary	–	–	–	6.0
Latvia	–	–	–	1.0
Poland	–	–	–	12.0
Russian Federation	–	–	–	14.6
Slovak Republic	–	–	–	4.0
Slovenia	–	–	–	0.4
Memorandum Item:				
OPEC Fund for International Development	–	–	37.0	–

*Less than SDR 5,000.

[1]Estimated values of total contributions include forthcoming contributions that are not yet received. The term "as needed" refers to the nominal sum of concessional assistance taking into account the profile of subsidy needs associated with PRGF lending and the provision of HIPC assistance, respectively.

Table II.10 Holdings of SDRs by all participants and by groups of countries as percentage of their cumulative allocations of SDRs, at end of financial years ended April 30, 1997–2006

			Nonindustrial countries[2]			
					Net debtor countries	
	All participants[1]	Industrial countries[2]	All nonindustrial countries	Net creditor countries[3]	All net debtor countries[3]	Heavily indebted poor countries
1997	87.2	99.8	60.5	303.6	47.8	17.3
1998	95.0	107.0	69.4	323.7	56.1	24.1
1999	81.1	94.6	52.5	170.7	46.3	26.3
2000	84.6	95.0	62.5	174.1	56.6	20.6
2001	86.6	101.6	54.6	204.2	46.5	12.4
2002	91.5	107.7	56.9	227.9	44.7	14.6
2003	93.0	102.4	72.0	173.7	57.7	17.1
2004	96.3	105.6	76.3	230.5	23.5	20.9
2005	96.2	96.3	96.0	178.7	33.0	17.7
2006	81.8	85.3	74.3	233.7	20.2	10.4

[1]Consists of member countries that are participants in the SDR Department. At the end of FY2006, of the total SDRs allocated to participants in the SDR Department (SDR 21.4 billion), SDR 3.9 billion was not held by participants, but instead by the IMF and prescribed holders.
[2]Based on IFS classification (International Monetary Fund, *International Financial Statistics*, various years).
[3]Net creditor countries' holdings of SDRs are more than their cumulative allocations of SDRs. Net debtor countries' holdings of SDRs are less than their cumulative allocations of SDRs.

Table II.11 Key IMF rates, financial year ended April 30, 2006

(In percent)

Period beginning	SDR interest rate and unadjusted rate of remuneration[1]	Basic rate of charge[1]
2005		
May 1	2.49	3.57
May 2	2.47	3.55
May 9	2.45	3.53
May 16	2.44	3.52
May 23	2.46	3.54
May 30	2.49	3.57
June 6	2.50	3.58
June 13	2.51	3.59
June 20	2.51	3.59
June 27	2.54	3.62
July 4	2.56	3.64
July 11	2.56	3.64
July 18	2.59	3.67
July 25	2.63	3.71
August 1	2.65	3.73
August 8	2.70	3.78
August 15	2.69	3.77
August 22	2.70	3.78
August 29	2.70	3.78
September 5	2.66	3.74
September 12	2.68	3.76
September 19	2.69	3.77
September 26	2.68	3.76
October 3	2.73	3.81
October 10	2.75	3.83
October 17	2.82	3.90
October 24	2.86	3.94
October 31	2.91	3.99
November 7	2.94	4.02
November 14	2.97	4.05
November 21	2.99	4.07
November 28	3.00	4.08
December 5	3.02	4.10
December 12	3.00	4.08
December 19	3.00	4.08
December 26	3.03	4.11
2006		
January 2	3.06	4.14
January 9	3.17	4.25
January 16	3.22	4.30
January 23	3.24	4.32
January 30	3.29	4.37
February 6	3.32	4.40
February 13	3.35	4.43
February 20	3.36	4.44
February 27	3.40	4.48
March 6	3.42	4.50
March 13	3.43	4.51
March 20	3.43	4.51
March 27	3.46	4.54
April 3	3.47	4.55
April 10	3.48	4.56
April 17	3.49	4.57
April 24	3.51	4.59

[1]Under the FY2006 decision on burden sharing, the rate of remuneration was adjusted downward and the rate of charge was adjusted upward to share the impact of protecting the IMF's income from overdue charges and of contributing to the IMF's precautionary balances. The amounts generated from burden sharing in FY2006 are refundable when overdue charges are paid and when overdue obligations cease to be a problem. During FY2006, the basic rate of charge was equal to the SDR interest rate plus 108 basis points.

Table II.12 Members that have accepted the obligations of Article VIII, Sections 2, 3, and 4, of the Articles of Agreement

Member	Effective date of acceptance	Member	Effective date of acceptance
Algeria	September 15, 1997	India	August 20, 1994
Antigua and Barbuda	November 22, 1983	Indonesia	May 7, 1988
Argentina	May 14, 1968	Iran, Islamic Republic of	September 6, 2004
Armenia	May 29, 1997	Ireland	February 15, 1961
Australia	July 1, 1965	Israel	September 21, 1993
Austria	August 1, 1962	Italy	February 15, 1961
Azerbaijan	November 30, 2004	Jamaica	February 22, 1963
Bahamas, The	December 5, 1973	Japan	April 1, 1964
Bahrain	March 20, 1973	Jordan	February 20, 1995
Bangladesh	April 11, 1994	Kazakhstan	July 16, 1996
Barbados	November 3, 1993	Kenya	June 30, 1994
Belarus	November 5, 2001	Kiribati	August 22, 1986
Belgium	February 15, 1961	Korea	November 1, 1988
Belize	June 14, 1983	Kuwait	April 5, 1963
Benin	June 1, 1996	Kyrgyz Republic	March 29, 1995
Bolivia	June 5, 1967	Latvia	June 10, 1994
Botswana	November 17, 1995	Lebanon	July 1, 1993
Brazil	November 30, 1999	Lesotho	March 5, 1997
Brunei Darussalam	October 10, 1995	Libya	June 21, 2003
Bulgaria	September 24, 1998	Lithuania	May 3, 1994
Burkina Faso	June 1, 1996	Luxembourg	February 15, 1961
Cambodia	January 1, 2002	Macedonia, FYR	June 19, 1998
Cameroon	June 1, 1996	Madagascar	September 18, 1996
Canada	March 25, 1952	Malawi	December 7, 1995
Cape Verde	July 1, 2004	Malaysia	November 11, 1968
Central African Republic	June 1, 1996	Mali	June 1, 1996
Chad	June 1, 1996	Malta	November 30, 1994
Chile	July 27, 1977	Marshall Islands	May 21, 1992
China	December 1, 1996	Mauritania	July 19, 1999
Colombia	August 1, 2004	Mauritius	September 29, 1993
Comoros	June 1, 1996	Mexico	November 12, 1946
Congo, Dem. Rep. of	February 10, 2003	Micronesia, Federated States of	June 24, 1993
Congo, Rep. of	June 1, 1996	Moldova	June 30, 1995
Costa Rica	February 1, 1965	Mongolia	February 1, 1996
Côte d'Ivoire	June 1, 1996	Morocco	January 21, 1993
Croatia	May 29, 1995	Namibia	September 20, 1996
Cyprus	January 9, 1991	Nepal	May 30, 1994
Czech Republic	October 1, 1995	Netherlands	February 15, 1961
Denmark	May 1, 1967	New Zealand	August 5, 1982
Djibouti	September 19, 1980	Nicaragua	July 20, 1964
Dominica	December 13, 1979	Niger	June 1, 1996
Dominican Republic	August 1, 1953	Norway	May 11, 1967
Ecuador	August 31, 1970	Oman	June 19, 1974
Egypt	January 2, 2005	Pakistan	July 1, 1994
El Salvador	November 6, 1946	Palau	December 16, 1997
Equatorial Guinea	June 1, 1996	Panama	November 26, 1946
Estonia	August 15, 1994	Papua New Guinea	December 4, 1975
Fiji	August 4, 1972	Paraguay	August 22, 1994
Finland	September 25, 1979	Peru	February 15, 1961
France	February 15, 1961	Philippines	September 8, 1995
Gabon	June 1, 1996	Poland	June 1, 1995
Gambia, The	January 21, 1993	Portugal	September 12, 1988
Georgia	December 20, 1996	Qatar	June 4, 1973
Germany	February 15, 1961	Romania	March 25, 1998
Ghana	February 21, 1994	Russian Federation	June 1, 1996
Greece	July 7, 1992	Rwanda	December 10, 1998
Grenada	January 24, 1994	St. Kitts and Nevis	December 3, 1984
Guatemala	January 27, 1947	St. Lucia	May 30, 1980
Guinea	November 17, 1995	St. Vincent and the Grenadines	August 24, 1981
Guinea-Bissau	January 1, 1997	Samoa	October 6, 1994
Guyana	December 27, 1966	San Marino	September 23, 1992
Haiti	December 22, 1953	Saudi Arabia	March 22, 1961
Honduras	July 1, 1950	Senegal	June 1, 1996
Hungary	January 1, 1996	Serbia and Montenegro	May 15, 2002
Iceland	September 19, 1983	Seychelles	January 3, 1978

Table II.12 *(concluded)*

Member	Effective date of acceptance	Member	Effective date of acceptance
Sierra Leone	December 14, 1995	Tonga	March 22, 1991
Singapore	November 9, 1968	Trinidad and Tobago	December 13, 1993
Slovak Republic	October 1, 1995	Tunisia	January 6, 1993
Slovenia	September 1, 1995	Turkey	March 22, 1990
Solomon Islands	July 24, 1979	Uganda	April 5, 1994
South Africa	September 15, 1973	Ukraine	September 24, 1996
Spain	July 15, 1986	United Arab Emirates	February 13, 1974
Sri Lanka	March 15, 1994	United Kingdom	February 15, 1961
Sudan	October 29, 2003	United States	December 10, 1946
Suriname	June 29, 1978	Uruguay	May 2, 1980
Swaziland	December 11, 1989	Uzbekistan	October 15, 2003
Sweden	February 15, 1961	Vanuatu	December 1, 1982
Switzerland	May 29, 1992	Venezuela	July 1, 1976
Tajikistan	December 9, 2004	Vietnam	November 8, 2005
Tanzania	July 15, 1996	Yemen, Republic of	December 10, 1996
Thailand	May 4, 1990	Zambia	April 19, 2002
Timor-Leste	July 23, 2002	Zimbabwe	February 3, 1995
Togo	June 1, 1996		

Table II.13 De facto classification of exchange rate regimes and monetary policy framework

This classification system is based on members' actual, de facto, arrangements as identified by IMF staff, which may differ from their officially announced arrangements.

The scheme ranks exchange rate arrangements on the basis of their degree of flexibility and the existence of formal or informal commitments to exchange rate paths. It distinguishes among different forms of exchange rate regimes, in addition to arrangements with no separate legal tender, to help assess the implications of the choice of exchange rate arrangement for the degree of monetary policy independence. The system presents members' exchange rate regimes and monetary policy frameworks to provide greater transparency in the classification scheme and to illustrate the relationship between exchange rate regimes and different monetary policy frameworks. The following explains the categories.

Exchange rate regimes

Exchange arrangements with no separate legal tender

The currency of another country circulates as the sole legal tender (formal dollarization), or the member belongs to a monetary or currency union in which the same legal tender is shared by the members of the union. Adopting such regimes implies the complete surrender of the monetary authorities' control over domestic monetary policy.

Currency board arrangements

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

Conventional fixed peg arrangements

The country pegs its currency within margins of ±1 percent or less vis-à-vis another currency; a cooperative arrangement, such as the ERM II; or a basket of currencies, where the basket is formed from the currencies of major trading or financial partners and weights reflect the geographical distribution of trade, services, or capital flows. The currency composites can also be standardized, as in the case of the SDR. There is no commitment to keep the parity irrevocably. The exchange rate may fluctuate within narrow margins of less than ±1 percent around a central rate—or the maximum and minimum value of the exchange rate may remain within a narrow margin of 2 percent—for at least three months. The monetary authority maintains the narrow range of fluctuation through direct intervention (that is, via sale/purchase of foreign exchange in the market) or indirect intervention (for example, via the use of interest rate policy, imposition of foreign exchange regulations, exercise of moral suasion that constrains foreign exchange activity, or through intervention by other public institutions). Flexibility of monetary policy, though limited, is greater than in the case of exchange arrangements with no separate legal tender and currency boards because traditional central banking functions are still possible, and the monetary authority can adjust the level of the exchange rate, although relatively infrequently.

Pegged exchange rates within horizontal bands

The value of the currency is maintained within certain margins of fluctuation of more than ±1 percent around a fixed central rate or the margin between the maximum and minimum value of the exchange rate exceeds 2 percent. As in the case of conventional fixed pegs, reference may be made to a single currency, a currency composite, or a cooperative arrangement (such as the ERM II). There is a limited degree of monetary policy discretion, depending on the band width.

Crawling pegs

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

Exchange rates within crawling bands

The currency is maintained within certain fluctuation margins of at least ±1 percent around a central rate—or the margin between the maximum and minimum value of the exchange rate exceeds 2 percent—and the central rate or margins are adjusted periodically at a fixed rate or in response to changes in selective quantitative indicators. The degree of exchange rate flexibility is a function of the band width. Bands are either symmetric around a crawling central parity or widen gradually with an asymmetric choice of the crawl of upper and lower bands (in the latter case, there may be no preannounced central rate). The commitment to maintain the exchange rate within the band imposes constraints on monetary policy, with the degree of policy independence being a function of the band width.

Managed floating with no predetermined path for the exchange rate

The monetary authority attempts to influence the exchange rate without having a specific exchange rate path or target. Indicators for managing the rate are broadly judgmental (for example, balance of payments position, international reserves, parallel market developments), and adjustments may not be automatic. Intervention may be direct or indirect.

Independently floating

The exchange rate is market-determined, with any official foreign exchange market intervention aimed at moderating the rate of change and preventing undue fluctuations in the exchange rate, rather than at establishing a level for it.

Monetary policy framework

Exchange rate anchor

The monetary authority stands ready to buy or sell foreign exchange at given quoted rates to maintain the exchange rate at its preannounced level or within a range; the exchange rate serves as the nominal anchor or intermediate target of monetary policy. This type of regime covers exchange rate regimes with no separate legal tender; currency board arrangements; fixed pegs with and without bands; and crawling pegs with and without bands.

Monetary aggregate anchor

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

Inflation targeting framework

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

Fund-supported or other monetary program

This involves implementation of monetary and exchange rate policies within the confines of a framework that establishes floors for international reserves and ceilings for net domestic assets of the central bank. Indicative targets for reserve money may be appended to this system. Countries that maintain nominal anchors, exchange rate anchors, monetary anchors, or inflation targeting frameworks are classified under those respective rubrics.

Other

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

Table II.13 *(continued)*

Exchange rate regime (number of countries)	Monetary policy framework[1]: Exchange rate anchor	Monetary aggregate target	Inflation-targeting framework	IMF-supported or other monetary program	Other[2]
Exchange arrangements with no separate legal tender (41)	*Another currency as legal tender (9)* Ecuador El Salvador[4] Kiribati Marshall Islands Micronesia, Fed. States of Palau Panama San Marino Timor-Leste *ECCU (6)*[3] Antigua and Barbuda Dominica* Grenada* St. Kitts and Nevis St. Lucia St. Vincent and the Grenadines *CFA franc zone* (14) *WAEMU* Benin* Burkina Faso* Côte d'Ivoire Guinea-Bissau Mali* Niger* Senegal Togo *CEMAC* Cameroon* Central African Rep. Chad* Congo, Rep. of* Equatorial Guinea Gabon				*Euro area (12)* Austria Belgium Finland France Germany Greece Ireland Italy Luxembourg Netherlands Portugal Spain
Currency board arrangements (7)	Bosnia and Herzegovina Brunei Darussalam Bulgaria* Djibouti Estonia[5] Hong Kong SAR Lithuania[5]				
Other conventional fixed-peg arrangements (49)	*Against a single currency (44)* Aruba Azerbaijan[7] Bahamas, The[9] Bahrain Barbados Belarus[7] Belize Bhutan Cape Verde China†[6] Comoros[10] Egypt[7] Eritrea Guyana*[7] Honduras*†[7] Iraq*[7] Jordan[7] Kuwait Latvia[5] Lebanon[7] Lesotho Macedonia, FYR*[7] Maldives Malta[5] Mauritania[7] Namibia Nepal* Netherlands Antilles Oman Pakistan†[7] Qatar Saudi Arabia Seychelles[7] Solomon Islands[7] Suriname[7,9] Swaziland Syrian Arab Rep.[9] Trinidad and Tobago[7] Turkmenistan[7] Ukraine[7] United Arab Emirates Venezuela, Rep. Bolivariana de Vietnam[7] Zimbabwe[9] *Against a composite (5)* Fiji Libyan Arab Jamahiriya Morocco Samoa Vanuatu	China†[6] Guyana*[7,8] Suriname[7,8,9]			Pakistan†[7]
Pegged exchange rates within horizontal bands (6)[11]	*Within a cooperative arrangement (4)* Cyprus[5] Denmark[5] Slovak Rep.†[5] Slovenia[5] *Other band arrangements (2)* Hungary† Tonga		Hungary† Slovak Rep.†[5]		

Table II.13 *(concluded)*

Exchange rate regime (number of countries)	Monetary policy framework[1]: Exchange rate anchor	Monetary aggregate target	Inflation-targeting framework	IMF-supported or other monetary program	Other[2]
Crawling pegs (5)	Bolivia Botswana[9] Costa Rica Iran, I.R. of[7] Nicaragua*	Iran, I.R. of[7]			
Managed floating with no predetermined path for the exchange rate (53)		Argentina Bangladesh* Cambodia Ethiopia[7] Gambia, The[7] Ghana*[7] Haiti[7] Indonesia Jamaica[7] Lao P.D.R.[9] Madagascar[7] Malawi* Mauritius Moldova* Mongolia Serbia and Montenegro*[12] Sri Lanka[7] Sudan Tajikistan Tunisia Uruguay*[7] Yemen, Rep. of[7] Zambia*	Colombia* Czech Rep. Guatemala[7] Peru* Romania* Thailand	Afghanistan, I.R. of* Georgia* Kenya* Kyrgyz Rep.* Mozambique*[7] Rwanda*	Algeria Angola Burundi* Croatia Dominican Rep.* Guinea[7] India Kazakhstan Liberia[7] Malaysia Myanmar[9] Nigeria[7] Papua New Guinea[7] Paraguay Russian Federation São Tomé and Príncipe* Singapore Uzbekistan[9]
Independently floating (26)		Albania* Congo, Dem. Rep. of Sierra Leone[7] Uganda	Australia Brazil Canada Chile Iceland Israel Korea Mexico New Zealand Norway Philippines Poland South Africa Sweden Turkey* United Kingdom	Armenia* Tanzania*[7]	Japan Somalia[9,13] Switzerland United States

Sources: IMF staff reports; *Recent Economic Developments;* and IMF staff estimates.

[1]An asterisk (*) indicates that the country has an IMF-supported or other monetary program. A dagger (†) indicates that the country adopts more than one nominal anchor in conducting monetary policy (it should be noted, however, that it would not be possible, for practical reasons, to include in this table which nominal anchor plays the principal role in conducting monetary policy).

[2]Includes countries that have no explicitly stated nominal anchor, but rather monitor various indicators in conducting monetary policy.

[3]The ECCU has a currency board arrangement.

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

[5]The member participates in the ERM II.

[6]On July 21, 2005, China announced a 2.1 percent revaluation of the renminbi–U.S. dollar exchange rate and a change in its exchange rate arrangement to allow the value of the renminbi to fluctuate based on market supply and demand with reference to an undisclosed basket of currencies. To permit a greater role for market forces in determining the renminbi exchange rate, steps have been taken since July 2005 to liberalize and develop China's foreign exchange markets, including the establishment of an over-the-counter spot foreign exchange market and markets for currency swaps and futures. From end-July 2005 to end-April 2006, the renminbi exchange rate was more flexible, but the fluctuation in the renminbi-U.S. dollar exchange rate was less than the 2 percent range (for a three-month period) used in the IMF's de facto exchange rate classification system as an indicator for a conventional fixed peg exchange rate arrangement.

[7]The regime operating de facto in the country is different from its de jure regime.

[8]There is no evidence of direct intervention by the authorities in the foreign exchange market.

[9]The member maintains an exchange arrangement involving more than one foreign exchange market. The arrangement shown is that maintained in the major market.

[10]Comoros has the same arrangement with the French Treasury as the CFA franc zone countries.

[11]The bands for these countries are as follows: Cyprus ±15%, Denmark ±2.25%, Hungary ±15%, Slovak Republic ±15%, Slovenia (undisclosed), and Tonga ±5%.

[12]The description of the exchange rate regime applies to the Republic of Serbia only, which accounts for about 93% of the economy of Serbia and Montenegro; in the Republic of Montenegro, the euro is legal tender. In the UN-administered province of Kosovo, the euro is the most widely used currency.

[13]Insufficient information on the country is available to confirm this classification, and so the classification of the last official consultation is used.

Principal policy decisions of the Executive Board

Burden sharing—implementation in FY2007

Section I. Principles of burden sharing

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

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

Section II. Determination of the rate of charge

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

Section III. Adjustment for deferred charges

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

Section IV. Amount for Special Contingent Account–1

1. An amount of SDR 60 million shall be generated during financial year 2007 in accordance with the provisions of this Section and shall be placed to the Special Contingent Account-1 referred to in Decision No. 9471-(90/98), adopted June 20, 1990.

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

(b) Notwithstanding paragraph 1 above, adjustments to the rate of charge and the rate of remuneration under this paragraph shall be rounded to two decimal places. No adjustment in the rate of remuneration under this paragraph shall be carried to the point where the average remuneration coefficient would be reduced below 85 percent for an adjustment period.

(c) The adjustments under this paragraph shall be made as of May 1, 2006, August 1, 2006, November 1, 2006 and February 1, 2007; shortly after July 31 for the period May 1 to July 31; shortly after October 31 for the period from August 1 to October 31; shortly after January 31 for the period from November 1 to January 31; shortly after April 30 for the period from February 1 to April 30.

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

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

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

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

Section V. Review

The operation of this decision shall be reviewed when the adjustment in the rate of remuneration reduces the remuneration coefficient to the limit set forth in paragraph 2(b) of Section IV of this decision and Section IV of Executive Board Decision No. 12189-(00/45), adopted April 28, 2000. (EBS/06/51, 4/12/06)

Decision No. 13707-(06/40)
Adopted April 28, 2006

Amendment of Rule I-6(4)

With effect from FY2007, Rule I-6(4) of the Fund's Rules and Regulations shall be amended to read as follows:

"The rate of charge on holdings (i) acquired as a result of a purchase under a policy that has been the subject of an exclusion under Article XXX(c), or (ii) that exceed the amount of the member's quota after excluding any balances referred to in (i), shall be determined in accordance with (a), (b), and (c) below.

(a) The rate of charge shall be determined at the beginning of each financial year as the SDR interest rate under Rule T–1 plus a margin expressed in basis points. The margin shall be determined on the basis of the estimated income and expense of the Fund during the year, and the target amount of net income for the year. The latter shall be 5 percent of the Fund's reserves at the beginning of the year or such other percentage as the Executive Board may determine particularly in the light of the results in the previous financial year.

Notwithstanding the second sentence of this paragraph (a), in exceptional circumstances, the margin may be determined on a basis other than the estimated income and expense of the Fund during the year and a target amount of net income for the year.

(b) A mid-year review of the Fund's income position shall be held shortly after October 31 of each year.

(i) If the margin has been determined on the basis of the estimated income and expense of the Fund during the year and a target amount of net income for the year and actual net income for the first six months of the financial year, on an annual basis, is below the target amount for the year by an amount equal to, or greater than, two percent of the Fund's reserves at the beginning of the financial year, the Executive Board will consider how to deal with the situation. If by December 15 no agreement has been reached as a result of this consideration, the margin over the SDR interest rate under Rule T-1 determined under (a) at the beginning of the year shall be increased as of November 1 to the level necessary to reach the target amount of net income for the year.

(ii) If the margin has been determined on a basis other than the estimated income and expense of the Fund during the year and a target amount of net income for the year, the Executive Board will review any change in the exceptional circumstances and decide by December 15 whether the margin over the SDR interest rate under Rule T-1 determined under (a) at the beginning of the year shall be changed as of November 1 in light of the actual income position for the first six months of the financial year, on an annual basis.

(c) A review of the Fund's income position shall be held shortly after the end of each financial year. If the net income for the year just ended is in excess of the any target amount for the year, the Executive Board will consider whether the whole or a part of the excess should be used to reduce the rate of charge retroactively for the year just ended, or to place all or part of the excess to reserve.

(d) If the Fund's net income for a financial year is in excess of the any target amount for that year, the Executive Board may for the purposes of the determinations and estimates referred to in (a) and (b) above in respect of the immediately subsequent financial year, decide to deem any part of the excess over the target amount that has been placed to reserve as income for that subsequent financial year." (EBS/06/51, 4/12/06)

Decision No. 13705-(06/40)
Adopted April 28, 2006

Poverty Reduction and Growth Facility and Exogenous Shocks Facility Trust—amendment

The Instrument to Establish the Poverty Reduction and Growth Facility and Exogenous Shocks Facility Trust, annexed to Decision No. 8759-(87/176), shall be amended as follows:

(a) The following new sentence shall be added at the end of Section III, Paragraph 2:

"For this purpose the Managing Director of the Trustee is authorized to enter into borrowing agreements and agree to their terms and conditions with lenders to the Loan Account of the Trust."

(b) The following new sentence shall be added at the end of Section IV, Paragraph 2:

"For this purpose the Managing Director of the Trustee is authorized to accept donations of resources and agree to their terms and conditions with donors to the Subsidy Accounts of the Trust."

(c) The following new sentence shall be added at the end of Section IV, Paragraph 3:

"For this purpose the Managing Director of the Trustee is authorized to enter into borrowing agreements and agree to their terms and conditions with lenders to the Subsidy Accounts of the Trust." (EBS/06/24, 2/22/06)

Decision No. 13689-(06/24) ESF
Adopted March 10, 2006

Modalities for surveillance over West African Economic and Monetary Union policies in context of Article IV consultations with member countries

Staff will hold annual discussions with the regional institutions responsible for common policies in the West African Economic and Monetary Union (WAEMU). These discussions will be held separately from the discussions with individual WAEMU members.

There will be an annual staff report and Board discussion of the common policies of WAEMU. Both staff's discussions with WAEMU institutions and the Board discussion of the annual staff report will be considered an integral part of the Article IV consultation with each member of WAEMU.

In addition to common policies in WAEMU that are relevant for surveillance, including monetary and exchange rate policies, the annual staff report will cover from a regional perspective other economic policies relevant for Fund surveillance for which responsibility remains at the national level. There will be a summing-up of the conclusion of the Board's annual discussion on WAEMU's common policies. It will be cross-referenced in the summings-up for the Article IV consultations with individual WAEMU members at the conclusion of the Article IV consultation for each member. The Board discussions for the Article IV consultations with individual WAEMU members will be clustered, to the extent possible, around the Board discussion on the common policies of WAEMU.

If considered necessary by the Managing Director, staff will hold a second round of discussions during the year with regional institutions and report to the Board informally on these discussions to provide adequate context for bilateral consultations with the individual WAEMU members that do not coincide broadly with the annual Board discussion on the WAEMU's policies.

The frequency of Article IV consultations with individual WAEMU members shall be determined in accordance with the Board decisions on consultation cycles. (SM/05/429, 12/22/05)

Decision No. 13656-(06/1)
Adopted January 6, 2006

Access limits under the ESF

1. The Fund as Trustee of the PRGF-ESF Trust decides that Decision No. 8845-(88/61) ESAF, adopted April 20, 1988, shall be amended as follows:

(a) In paragraph 1, the phrase "under the Poverty Reduction and Growth Facility" shall be added after "a three-year commitment";

(b) A new paragraph 3 shall be inserted to read as follows:

"3. In accordance with Section II, paragraph 2(b) of the Instrument to Establish the Poverty Reduction and Growth Facility and Exogenous Shocks Facility Trust, the maximum limit on total outstanding access for each eligible member under the ESF shall be 50 percent of a member's quota in the Fund, provided that this limit may be exceeded in exceptional circumstances."; and

(c) The existing paragraph 3 shall be deleted and a new paragraph 4 shall be inserted to read as follows: "The Fund shall review the maximum access limit and the exceptional maximum limit under the PRGF, and the maximum access limit under the ESF".

2. This decision shall become effective when Decision No. 13590-(05/99) ESF becomes effective. (EBS/05/158, Sup. 3, 12/2/05)

Decision No. 13591-(05/99) ESF
Adopted November 23, 2005

Exogenous Shocks Facility (ESF)—establishment

1. Paragraph 1 of Decision No. 8759-(87/176) ESAF, adopted December 18, 1987, shall be amended by replacing "Poverty Reduction and Growth Facility Trust" with "Poverty Reduction and Growth Facility and Exogenous Shocks Facility Trust."

2. The Poverty Reduction and Growth Facility Trust ("PRGF Trust") Instrument annexed to Decision No. 8759-(87/176) ESAF, along with its Appendices, shall be amended to read as set forth in the Attachment annexed to this decision.

3. References in other Fund decisions, instruments, agreements or documents to Poverty Reduction and Growth Facility, Poverty Reduction and Growth Facility Trust, Subsidy Account, PRGF, or PRGF Trust shall be understood to be, respectively, references to Poverty Reduction and Growth Facility and Exogenous Shocks Facility, Poverty Reduction and Growth Facility and Exogenous Shocks Facility Trust, PRGF-ESF Subsidy Account, PRGF-ESF and PRGF-ESF Trust.

4. With respect to the PRGF-HIPC Trust Instrument that is annexed to Decision No. 11436-(97/10), adopted February 4, 1997:

(a) notwithstanding paragraph 3 above, the following provisions shall remain unchanged:

(i) the references to "Interim PRGF Subsidy Operations" in the title and Introductory Section;

(ii) the references to "interim PRGF subsidy operations" in Section I, paragraph 1(vii) and Section III bis, and to "PRGF" in the definition of this term in Section I, paragraph 1(vii);

(iii) the references to "self-sustained PRGF operations" in Section I, paragraph 1(viii) and Section V, paragraph 2;

(iv) the reference to "PRGF-type operations" in Section I paragraph 1(viii); and

(v) the reference to "interim PRGF operations" and "PRGF-eligible members" in Section I, paragraph 2(b); and

(b) Section III bis, as amended by paragraphs 3 and 4(a) above, shall be further amended by adding "and PRGF-ESF Subsidy Account" immediately after the first reference to "PRGF Subsidy Account."

5. This decision shall become effective when all lenders to the Loan Account of the PRGF Trust and all third party contributors to the Subsidy Account of the PRGF Trust have consented to the amendments set forth above, provided, however, that this decision shall not become effective until Decision No. 13588-(05/99) MDRI is effective.

6. The Fund shall review the application of this decision at intervals of three years and at such other times as consideration of it is placed on the agenda of the Executive Board. (EBS/05/158, Sup. 3, 12/2/05)

Decision No. 13590-(05/99 ESF)
Adopted November 23, 2005

Multilateral Debt Relief Initiative (MDRI) and related HIPC Initiative amendments

1. Pursuant to Article V, Section 2(*b*), the Fund adopts the Instrument to Establish the Multilateral Debt Relief Initiative-I Trust ("MDRI-I Trust") that is annexed as Attachment I to this decision. The Fund shall conduct semi-annual reviews of the financing of the MDRI-I Trust.

2. Pursuant to Article V, Section 2(*b*), the Fund adopts the Instrument to Establish the Multilateral Debt Relief Initiative-II Trust ("MDRI-II Trust") that is annexed as Attachment II to this decision. The Fund shall conduct semi-annual reviews of the financing of the MDRI-II Trust.

3. Section IV, paragraph 6 of the Poverty Reduction and Growth Facility Trust ("PRGF Trust") Instrument annexed to Decision No. 8759-(87/176) ESAF, adopted December 18, 1987, shall be amended as follows:

(a) the current text shall become paragraph "(a)"; and

(b) a new paragraph (b) shall be added to read as follows:

"(b) Prior to the termination of the Subsidy Account in accordance with (a) above, the equivalent of SDR 1.12 billion of the resources in that Account that are not derived from the Special Disbursement Account shall be transferred to the Multilateral Debt Relief Initiative-II Trust established pursuant to paragraph 2 of Decision No. 13588-(05/99) MDRI, upon the notification by sufficient contributors that up to the full amount of their outstanding contributions may be used for such a transfer."

4. The following decisions relating to the use of the proceeds of the 1999/2000 off-market gold sales are hereby rescinded: (a) paragraph 2 of Decision No. 12063-(99/130), adopted December 8, 1999, other than the first sentence of such paragraph, and (b) Decision No. 12330-(00/118), adopted November 30, 2000.

5. Of the resources held in the Special Disbursement Account (SDA) as of January 5, 2006:

(a) the equivalent of SDR 530 million, which shall include all the proceeds from investment of the profits of the 1999/2000 gold sales held in the

SDA as of January 5, 2006, shall be transferred to the HIPC subaccount of the PRGF-HIPC Trust Account and shall be used exclusively to provide debt relief from the Fund under the HIPC Initiative to members that qualify for such relief or, if not needed for such purpose, shall be used to replenish resources from other sources that have been used for such relief;

(b) the equivalent of SDR 1.5 billion shall be transferred to the MDRI-I Trust established pursuant to paragraph 1 of this decision, and shall be used exclusively to provide debt relief from the Fund in accordance with the provisions of the Instrument establishing that Trust; and

(c) the remaining balance shall be transferred to the Subsidy Account of the PRGF Trust.

6. In accordance with Article V, Section 12(*i*), the General Resources Account of the Fund shall be reimbursed annually by the MDRI-I Trust, from resources transferred to the MDRI-I Trust from the SDA, in respect of the expenses of administering SDA resources in the MDRI-I Trust, other than expenses already attributed to other accounts or trusts administered by the Fund or to the General Resources Account.

7. Section III, paragraph 4(b) of the Instrument to Establish a Trust for Special PRGF Operations for the Heavily Indebted Poor Countries and Interim PRGF Subsidy Operations ("PRGF-HIPC Trust") annexed to Decision No. 11436-(97/10), adopted February 4, 1997, shall be amended to read as follows:

"(b) Trust grants and Trust loans (including any income from investment of their proceeds) advanced to a member as interim assistance shall be used to meet the member's debt service payments on its existing debt to the Fund as they fall due, in accordance with the schedule for using the proceeds of such grants and loans as determined under the provisions of (a) above. Trust grants and Trust loans (including any income from investment of their proceeds) disbursed to a member at the completion point, along with any amounts previously advanced to the member as interim assistance that remain unused at the completion point, shall be used to effect the early repayment of the member's qualifying debt to the Fund, in accordance with the schedule for using the proceeds of such grants and loans as determined under the provisions of (a) above. Notwithstanding paragraph 6 below, the preceding sentence shall also apply to Trust grants and Trust loans (including any income from investment of their proceeds) that, prior to January 5, 2006, had been disbursed to a member at the completion point or had been advanced to the member as interim assistance and remained unused at the completion point, once agreement is reached between the Trustee and the member on a modified schedule for using the proceeds of the Trust grant or Trust loan as provided for in (a) above."

8. This decision shall become effective when all third party contributors to the Subsidy Account of the PRGF Trust have consented to the amendments set forth in paragraph 3 above, and the Trustee has received notifications of consent from contributors for transfers to the MDRI-II Trust for the equivalent of SDR 1.12 billion. (EBS/05/158, Sup. 3, 12/2/05)

Decision No. 13588-(05/99) MDRI
Adopted November 23, 2005

Transparency Policy decision—amendments

Transparency—publication policies

Authorization and consent

1. The Managing Director shall arrange for publication by the Fund of the documents on the attached list, subject to the consent of the member concerned in the case of Documents 1–11, 13, and 16–23 and to the authorization of the World Bank in the case of Documents 6, 11, and 19. For purposes of this decision: (i) Documents 1–4, 6, 9–10, 11, 13, 17, 19, and 22–23 will be referred to as "Country Documents;" (ii) Documents 5, 7–8, 16, 18, and 20–21 will be referred to as "Country Policy Intentions Documents;" and (iii) Documents 14 and 15 will be referred to as "Fund Policy Documents."

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

3.a. A member's consent to Fund publication of Documents 1–2, 4–11, 13, 18–23 shall be voluntary but presumed. A member's consent to Fund publication of Documents 3 and 16–17 shall be voluntary.

b. Except as provided in paragraph 18 below, the presumption referred to in paragraph 3(a) means that Fund publication of an applicable document would be expected to occur within thirty calendar days of the Executive Board meeting at which that document was considered. If, by the time of the relevant Executive Board meeting, the member concerned has not communicated its consent to the publication of the document, the Secretary will remind the member to communicate its publication decision to the Fund within thirty calendar days following the Executive Board meeting. Unless the member's explicit consent is received by the Fund, Documents 1–11, 13, and 16–23 shall not be published.

4.a. The Managing Director will not recommend that the Executive Board approve (i) a PRGF arrangement or completion of a review under such arrangement, or (ii) a HIPC decision point or completion point decision, or (iii) a member's request for a Policy Support Instrument (PSI) or the completion of a review under a PSI, if the member concerned does not consent to the publication of its Interim Poverty Reduction Strategy Paper (I-PRSP), Poverty Reduction Strategy Paper (PRSP), PRSP preparation status report, or PRSP annual progress report (APR) (Document 5 or Document 18, as the case may be).

b. The Managing Director will generally not recommend that the Executive Board approve a request to use the Fund's general resources that would result in the relevant member obtaining exceptional access, unless that member consents to the publication of the associated staff report. The use of the Fund's general resources under an arrangement that was approved before July 1, 2004, shall not be affected by this policy, unless there is a change in the terms, conditions, or timing of the arrangement. For purposes of this paragraph:

(i) approval of the use of the Fund's general resources includes the completion of a review under an arrangement; and (ii) exceptional access means access by a member to the Fund's general resources, under any type of Fund financing, in excess of an annual limit of 100 percent of the member's quota, or a cumulative limit (net of scheduled repurchases) of 300 percent of the member's quota.

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

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

Member's statement regarding Fund staff reports

7. If a Fund staff report (Documents 1, 9, 17, and 22) on a member is to be published under this decision, the member concerned shall be given the opportunity to provide a statement regarding the staff report and the Executive Board assessment. Such statement shall be communicated to the Fund and published together with the staff report.

Deletions and rephrasing in Country Documents and Country Policy Intentions Documents

8.a. Prior to publication of a Country Document, or a Country Policy Intentions Document (Documents 7–8, and 20–21) that has been the basis of a Fund decision, or of Document 16, the member concerned may propose deletions to the Managing Director. Deletions should be limited to: (i) highly market-sensitive material, mainly on the outlook for exchange rates, interest rates, the financial sector, and assessments of sovereign liquidity and solvency; and (ii) material not in the public domain, on a policy the country authorities intend to implement, where premature disclosure of the operational details of the policy would, in itself, seriously undermine the ability of the member to implement those policy intentions. For purposes of this decision, highly market-sensitive material shall mean material that (a) is not in the public domain, (b) is market relevant within the near term, and (c) is sufficiently specific to create a clear risk of triggering a disruptive market reaction if disclosed. Politically sensitive material shall not be deleted unless the material satisfies (i) or (ii) above. Information relating to any performance criterion or structural benchmark (Documents 1, 7–9 and 16–17), or to any assessment criterion or structural benchmark (Documents 1, 20–22), may not be deleted, unless the information is of such character that would have enabled it to be communicated to the Fund in a side letter pursuant to Decision No. 12067, adopted September 22, 1999.

b. If the Managing Director determines that the proposed deletions satisfy criteria (i) or (ii) in paragraph 8(a), he may decide that the deletions shall be accompanied by minor rephrasing of text, whenever such rephrasing would help retain maximum candor or minimize the risks of misinterpretation.

9. Members' requests for deletions to a document shall be communicated in writing to the Fund no later than (i) twenty-one calendar days after the Executive Board has considered the document, or (ii) thirty-five calendar days after the document was issued to the Executive Board, whichever is later. Once approved by the Managing Director, deletions and related rephrasing shall be circulated to the Executive Board in redlined form. The modified document circulated to the Executive Board shall include the justification for each modification made. In the case of a serious disagreement between the Managing Director and the member regarding the member's request for deletions, the Managing Director, or the Executive Director elected, appointed, or designated by that member, may refer the matter to the Executive Board. If the Managing Director is of the view that the deletions would result in a document that, if published, would undermine the overall assessment and credibility of the Fund, the Managing Director may recommend to the Executive Board that the document not be published.

Corrections to Country Documents and Country Policy Intentions Documents

10. Any other changes to Country Documents and Country Policy Intentions Documents covered under this decision shall be limited to the correction of (i) data and typographical errors, (ii) factual mistakes, and (iii) mischaracterization of views expressed by the authorities concerned.

Corrections shall normally take the form of substitution of text in existing sentences rather than the addition or deletion of entire sentences.

11. Corrections will normally be made to a document prior to its consideration by the Executive Board. Corrections made after Executive Board consideration shall be limited to (i) cases where the correction is brought to the attention of the Executive Board before the conclusion of the Executive Board's consideration of the document, and (ii) cases where the failure to make the correction would undermine the overall value of publication. Corrections shall be circulated to the Executive Board in redlined form. Those corrections with significant implications for the substance of the document shall be discussed and justified in a supplementary staff report or in a corrections memorandum issued to the Executive Board.

Chairman's statements in respect of use of Fund resources and the Policy Support Instrument

12. After the Executive Board (i) adopts a decision regarding a member's use of Fund resources (including a decision completing a review under a Fund arrangement), or (ii) adopts a decision approving a PSI, or conducts a review under a PSI, or (iii) completes a discussion on a member's participation in the HIPC Initiative, or, (iv) completes a discussion on a member's I-PRSP, PRSP, PRSP preparation status report, or APR in the context of the use of Fund resources or a PSI, a Chairman's statement on the discussion, emphasizing the key points made by Executive Directors, will be released to the public. Where relevant, the Chairman's statement will contain a summary of HIPC Initiative decisions pertaining to the member and the Executive Board's views on the member's I-PRSP, PRSP, PRSP preparation status report, or APR in the context of use of Fund resources or a PSI. Waivers for nonobservance, or of applicability, of performance criteria, and any other matter as may be decided by the Executive Board from time to time (Document 12), and waivers for nonobservance of assessment criteria, and any other matter as may be decided by the Executive Board from time to time (Document 24), will be mentioned in the factual statement section of the press release containing the Chairman's statement or in a factual statement issued in lieu of a Chairman's statement as provided for in paragraph 14(b). Before a Chairman's statement is released, it will be read by the Chairman to the Executive Board and Executive Directors will have an opportunity to comment at that time. The Executive Director elected, appointed, or designated by the member concerned will have the opportunity to review the Chairman's statement, to propose minor revisions, if any, and to consent to its publication immediately after the Executive Board meeting.

Notwithstanding the above, no press release or Chairman's statement published under this paragraph shall contain any reference to a discussion or decision pertaining to a member's overdue financial obligations to the Fund, where a press release following an Executive Board decision to limit the member's use of Fund resources because of the overdue financial obligations has not yet been issued. In the case of an Executive Board meeting pertaining solely to such a discussion or decision, no Chairman's statement will be published.

Article IV Public Information Notices

13. Following the completion of an Article IV consultation for a member, the Fund may release a Public Information Notice (PIN) reporting on the results of the consultation. If a member has consented to the publication of Document 1, such publication will be made along with the publication of a PIN. PINs will be in accordance with the following terms:

a. The PIN will be brief (normally 3–4 pages) and will consist of two sections:

(i) a background section, a draft of which should be attached to the staff report whenever possible, with factual information on the economy of a member, including a table of economic indicators; and

(ii) the Fund's assessment of the member's prospects and policies. This section will correspond closely to the Chairman's summing up of the Executive Board discussion.

b. The Executive Director concerned will have the opportunity to review the draft PIN prior to its release to propose changes, if any, consistent with paragraphs 8 through 11 above.

c. In case of a serious disagreement between the Managing Director and the Executive Director concerned on the draft, either may request the Executive Board to consider the matter.

d. The PIN will be released shortly following the completion of the Article IV consultation. As an indicative target, the Fund will aim to issue the PIN five to ten working days following the relevant Executive Board meeting, but in any event not before the end of the working day following the circulation of the summing up as a Fund document.

e. The following practices are confirmed: (i) the release of PINs shall not affect the current Article IV consultation summing up process. In particular, the Chairman's summing up will continue to be provided to the Executive Director concerned for review following the Executive Board meeting, and (ii) the possibility of releasing PINs shall not affect in any way the staff's reporting to the Executive Board on consultation discussions with members.

Non-publication of PINs and Chairman's statements in selected cases—Release by the Fund of factual statements in lieu

14.a. If a member does not consent to the publication of a PIN following the Executive Board's conclusion of an Article IV consultation with that member (Document 4), or following a post-program monitoring or ex post assessment discussion by the Executive Board pertaining to that member (Document 13), a brief factual statement informing that the Executive Board has concluded that consultation or discussion will be released instead.

b. If a member does not consent to the publication of a Chairman's statement (Documents 10 and 23) under paragraph 12 where one would be applicable, or if no Chairman's statement has been issued because a decision was taken on a lapse-of-time basis, a brief factual statement describing the Executive Board's decision relating to (i) that member's use of Fund resources (including HIPC Initiative decisions (Document 11), Document 12, and consideration of Document 5, when relevant), or (ii) the approval of a PSI for that member, or the conduct of a review under that member's PSI (including Document 24 and consideration of Document 18, when relevant) will be released instead.

Fund policy documents

15. After the Executive Board meets on policy issues, it shall be presumed, unless otherwise decided by the Executive Board, that the staff report considered at the meeting (Document 14) and/or a PIN (Document 15) on the discussion will be published. This presumption of publication shall not apply to Executive Board meetings on policy issues dealing with the administrative matters of the Fund, such as the Fund's operating budget, personnel policies, staff retirement plan, and asset management, for which the Executive Board may decide to publish Documents 14 and/or 15 on a case-by-case basis. In deciding to publish or not to publish Documents 14 and/or 15, the factors on which that decision shall be based shall include whether the discussions have reached completion or, if not completed, whether informing the public of the state of the discussions would be useful. The staff shall make a recommendation on the publication of a staff policy paper and/or a PIN on its cover. A PIN on policy discussions will be based on the decision adopted by the Executive Board and/or the Chairman's summing-up, as the case may be. It will also include a short section setting out background information.

16.a. Prior to the publication of a Fund policy staff report, the Managing Director may make necessary factual corrections, deletions, and related rephrasing with respect to the report (including of highly market-sensitive material and country-specific references). However, staff's proposals in a report shall not be modified prior to its publication. In cases where confusion might arise from differences between staff's proposals in the report and the Executive Board's conclusions regarding those proposals as reflected in the PIN pertaining to the Executive Board discussion, it would be clearly indicated in the published version of the report which staff proposals the Executive Board did not endorse.

b. Paragraph 16.a. shall not apply to the *World Economic Outlook* and *Global Financial Stability Report*. In accordance with established practice, staff may modify these documents prior to their publication in order to, inter alia, take into account views expressed at the relevant Executive Board meeting.

Other changes to documents

17. Before a document is published, the following shall be removed: (i) references to unpublished Fund documents, and (ii) references to certain internal processes that are not disclosed to the public under existing policies, including inquiries regarding possible misreporting and breaches of members' obligations.

Timing and means of Fund publication

18. Documents may be published under this decision only after their consideration by the Executive Board, except for: (i) I-PRSPs, PRSPs, PRSP preparation status reports, or APRs in the context of the use of Fund resources or a PSI; (ii) joint staff advisory notes (JSANs) circulated to the Executive Board for information in the context of the use of Fund resources or a PSI; (iii) documents circulated to the Executive Board for information only; and (iv) Reports on Observance of Standards and Codes (ROSCs) and Assessment of Financial Sector Supervision and Regulation (AFSSR) Reports. Documents under items (i), (iii) and (iv) may be published immediately

after circulation to the Executive Board. Documents under item (ii) may be published only after the stated period within which an Executive Director may request that the document be placed on the agenda of the Executive Board.

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

Repeal of superseded decisions

20. The following decisions are repealed: (i) "Use of Fund Resources Release of Chairman's Statement," Decision No. 11971 (99/58), adopted June 3, 1999; (ii) "Public Information Notices for Policy Matters," Decision No. 11972-(99/58), adopted June 3, 1999; (iii) "Publication of Letters of Intent, Memoranda of Economic and Financial Policies and Policy Framework Papers," Decision No. 11974-(99/58), adopted June 3, 1999; (iv) "Release of Information Reports on Recent Economic Developments and Statistical Appendices and Annexes," Decision No. 10138-(94/61), adopted July 11, 1994; and (v) "Press Information Notices-Release," Decision No. 11493-(97/45), adopted April 24, 1997. The decision set forth in EBD/98/64 (6/19/98), which was approved on a lapse-of-time basis on June 24, 1998, is repealed to the extent that it relates to the publication of the final decision and completion point documents under the HIPC Initiative.

Article XII, Section 8

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

Other matters/review

22. In the case of a document pertaining to a country that is not a member of the Fund: (i) all references to "member" in this decision shall be taken to mean "country;" and (ii) all references to "Executive Director elected, appointed, or designated by that member" shall be taken to refer to the appropriate authorities of the country concerned.

23. This decision shall be reviewed in light of experience at regular intervals not to exceed 36 months.

List of documents covered by the decision

I. Surveillance and supporting documents

1. Article IV and Combined Article IV/Use of Fund Resources Staff Reports

2. Selected Issues Papers and Statistical Appendices

3. Reports on Observance of Standards and Codes (ROSCs), Financial Sector Stability Assessment (FSSA) Reports and Assessment of Financial Sector Supervision and Regulation (AFSSR) Reports

4. Public Information Notices (PINs) following Article IV consultations and regional surveillance discussions

II. Use of Fund resources by a member

5. Interim Poverty Reduction Strategy Papers (I-PRSPs), Poverty Reduction Strategy Papers (PRSPs), PRSP Preparation Status Reports, and PRSP Annual Progress Reports (APRs)

6. Joint Fund/World Bank Staff Advisory Notes (JSANs) on I-PRSPs, PRSPs, PRSP Preparation Status Reports, and APRs

7. Letters of Intent and Memoranda of Economic and Financial Policies (LOIs/MEFPs)

8. Technical Memoranda of Understanding (TMUs) with policy content

9. Use of Fund Resources, Post-Program Monitoring and Ex Post Assessment Staff Reports (excluding staff reports dealing solely with a member's overdue financial obligations to the Fund)

10. Chairman's Statements

11. Preliminary, decision point, and completion point documents under the HIPC Initiative

12. Statements on Fund decisions on waivers of applicability, or for nonobservance, of performance criteria, and any other matter as may be decided by the Executive Board from time-to-time

13. PINs following Executive Board discussions on post-program monitoring and ex post assessments

III. Fund policy documents

14. Fund Policy Issues Papers

15. PINs following Executive Board discussions on policy issues

IV. Staff Monitored Programs (SMPs)

16. LOIs/MEFPs for SMPs

17. Stand-alone Staff Reports on SMPs

V. Policy Support Instrument (PSI)

18. I-PRSPs, PRSPs, PRSP Preparation Status Reports, and APRs in the context of PSIs

19. Joint Fund/World Bank Staff Advisory Notes (JSANs) on I-PRSPs, PRSPs, PRSP Preparation Status Reports, and APRs in the context of PSIs

20. Letters of Intent and Memoranda of Economic and Financial Policies (LOIs/MEFPs) for PSIs

21. Technical Memoranda of Understanding (TMUs) with policy content for PSIs

22. Staff Reports for PSIs

23. Chairman's Statements for PSIs

24. Statements on Fund decisions on waivers of nonobservance of assessment criteria, and any other matter as may be decided by the Executive Board from time to time (SM/05/343, Sup. 1, 9/22/05)

Decision No. 13564-(05/85)
Adopted October 5, 2005

Policy Support Instrument—placement of member on 24-month Article IV consultation cycle

1. The following provisions shall be added as paragraph 4 to Decision No. 12794-(02/76), July 15, 2002, as amended:

> "Whenever a Policy Support Instrument ("PSI") is approved for a member, that member shall automatically be placed on a 24-month Article IV con-

sultation cycle. If, however, the last Article IV consultation was completed 6 months or more before the approval of the PSI, the next consultation is expected to be completed by the later of 12 months (plus the usual 3-month grace period) after the last consultation or 6 months after the approval of the PSI. Following termination of a PSI—whether through expiry or lapse—the member is automatically placed back on the standard 12-month cycle and the first consultation is expected to be completed by the later of 6 months after the end of the PSI or 12 months (plus a grace period of 3 months) after the completion of the previous consultation but in no event later than 24 months after the completion of the previous consultation." (SM/05/343, Sup. 1, 9/30/05)

Decision No. 13562-(05/85)
Adopted October 5, 2005

For Policy Support Instrument—framework

General

1. Upon request, the Fund will be prepared to provide the technical services described in this Decision to members that are eligible for assistance under the Poverty Reduction and Growth Facility (PRGF), i.e., included in the list of members annexed to Decision No. 8240-(85/56), as amended, and that: (a) have a policy framework focused on consolidating macroeconomic stability and debt sustainability, while deepening structural reforms in key areas in which growth and poverty reduction are constrained; and (b) seek to maintain a close policy dialogue with the Fund, through the Fund's endorsement and assessment of their economic and financial policies under a Policy Support Instrument (PSI).

2. A PSI is a decision of the Executive Board setting forth a framework for the Fund's assessment and endorsement of a member's economic and financial policies. A PSI may be approved for a duration of one to three years, and may be extended up to an overall maximum period of four years.

3. Members with overdue financial obligations to either the Fund's General Resources Account (GRA) or to the PRGF Trust are not eligible for a PSI.

The member's documents

4. Program Documents. The member's program of economic and financial policies for the period of a PSI will be described in a letter and/or memorandum that may be accompanied by a technical memorandum ("Program Documents"). The initial Program Documents will include: (a) a macroeconomic policy framework, including a quantified framework for at least the first 12 months under the PSI, with quarterly or semiannual quantitative targets, and proposed assessment criteria for the first and second scheduled reviews, and (b) key structural measures that are needed to meet the objectives of the program. The Program Documents will be updated from time to time, as appropriate, in the context of reviews under the PSI.

5. Poverty Reduction Strategy (PRS) Documents. The member's program will be based on the member's poverty reduction strategy, which will be set forth in a Poverty Reduction Strategy Paper ("PRSP"), PRSP Preparation Status Report, Interim PRSP ("I-PRSP"), or Annual Progress Report ("APR").

Approval

6. A member's request for a PSI may be approved only if the Fund is satisfied that:

(a) the policies set forth in the member's Program Documents meet the standards of upper credit tranche conditionality; (b) the member's program will be carried out, and in particular, that the member is sufficiently committed to implement the program; and (c) the member has a poverty reduction strategy evidenced by a PRS Document that has been issued to the Executive Board within the previous 18 months, accompanied by a Joint Staff Advisory Note ("JSAN"), provided, however, no JSAN will be required in connection with a PRSP preparation status report, in which case staff's analysis of the PRSP preparation status report will be included in the staff report on a request for a PSI or a review under a PSI.

7. A member may be expected to adopt measures prior to the Executive Board's approval of a PSI when it is critical for the successful implementation of the program that such actions be taken.

Program reviews

8. The implementation of the member's program under a PSI will be assessed through program reviews, which will normally be scheduled semiannually. A review can be completed only if the Executive Board is satisfied that the member's program is on track and that the conditions for the approval of a PSI, noted in paragraph 6, above, continue to be met. Having conducted, but not completed, a scheduled review, the Executive Board may subsequently return to that review, unless the previous scheduled review was not completed.

Documentation supporting a return to the uncompleted review must be issued to the Executive Board prior to the earliest test date of the periodic quantitative assessment criteria linked to the next scheduled review.

9. Implementation of the program will be monitored, in particular, on the basis of assessment criteria, indicative targets, structural benchmarks, and prior actions:

(a) Assessment criteria.

(i) For the purposes of each review, the Fund shall establish assessment criteria, which may include: (a) assessment criteria linked to that review; and (b) assessment criteria that will apply on a continuous basis. Assessment criteria will apply to clearly specified quantitative variables or structural measures that can be objectively monitored and are critical for the achievement of program goals or for monitoring implementation and whose nonobservance would normally signify that the program is off track. In principle, quantitative assessment criteria shall be established with test dates at six-month intervals. Documentation with respect to the conduct of a scheduled review would normally be issued to the Executive Board within 4 months of the earliest test date for the periodic quantitative assessment criteria linked to that review and shall in any event be issued before the earliest test date of the periodic quantitative assessment criteria linked to the next scheduled review.

(ii) A review will not be completed unless each assessment criterion related to that review is observed or a waiver for the nonobservance is granted. A review will not be completed where the member does not provide information necessary for the Fund to conclude that: (a) an assessment criterion related to that review is observed, or (b) a waiver of nonobservance is warranted. The Fund will grant a waiver for the nonobservance of an assessment criterion only if it is satisfied that, notwithstanding the nonobservance, the program will be successfully implemented, either because of the minor or temporary nature of the nonobservance or because of corrective actions taken by the authorities.

(iii) In order to complete a review, assessment criteria must be established for the shorter of: (a) the next two scheduled reviews, or (b) the remaining period of the PSI.

(b) Indicative targets and structural benchmarks. Variables and measures may also be established as quantitative indicative targets or structural benchmarks that will be examined in a review's assessment of program performance.

(c) Prior actions. A member may be expected to adopt measures prior to the Executive Board's completion of a review.

Misreporting

10. Any decision approving a PSI or completing a review will be made conditional upon the accuracy of information provided by the member regarding implementation of prior actions or performance under related assessment criteria.

11. Whenever evidence comes to the attention of the staff indicating that the member's reporting of information noted in paragraph 10 above was inaccurate, the Managing Director shall promptly inform the member concerned.

12. If after consultation with the member, the Managing Director finds that, in fact, the member had reported such inaccurate information to the Fund, the Managing Director shall promptly notify the member of this finding.

13. In any case where a PSI was approved, or a review was completed, no more than three years prior to the date on which the Managing Director informs the member, as provided for in paragraph 11 above, the Executive Board shall decide whether misreporting has occurred and shall reassess program performance in the light of that determination.

14. The Fund shall proceed to make relevant information public in every case following an Executive Board decision under paragraph 13 above that misreporting has occurred, with prior Executive Board review of the text for publication.

Applicability of certain UFR policies

15. The Guidelines on Conditionality (Decision No. 12864-(02/102), September 25, 2002) shall apply where relevant and except where this Decision sets forth different or more specific provisions.

16. In addition, the Fund's policies on the following subjects shall apply by analogy to PSIs: (a) requirement of full program financing; (b) arrears to official sector and external private creditors; and (c) use of side letters.

Termination of a PSI

17. A member may cancel a PSI at any time by notifying the Fund of such cancellation.

18. A PSI for a member will terminate upon: (a) the relevant member incurring overdue financial obligations to the GRA or PRGF Trust; or (b) noncompletion of two consecutive PSI scheduled reviews.

Miscellaneous

19. For purposes of this decision: (a) the terms PRSP, PRSP Preparation Status Report, I-PRSP, and APR shall have the meaning given to each of them in Section I, Paragraph 1 of the PRGF-HIPC Trust Instrument (Annex to Decision No. 11436- (97/10), adopted February 4, 1997, as amended); and (b) the term JSAN shall have the meaning given to it in Section I, Paragraph 1 of the PRGF-HIPC Trust Instrument (Annex to Decision No. 11436-(97/10), adopted February 4, 1997, as amended).

Periodic review

20. The Fund will review application of this Decision at intervals of three years. (SM/05/343, Sup. 2, 9/30/05)

Decision No. 13561-(05/85)
Adopted October 5, 2005

PRGF Trust and PRGF-HIPC Trust Reserve Account—review

Pursuant to Decision No. 10286-(93/23) ESAF, adopted on February 22, 1993, as amended, the Fund has reviewed the adequacy of the balances in the Reserve Account of the PRGF Trust, and determines that they are sufficient to meet all obligations that could give rise to payments from the Account to lenders to the Loan Account of the PRGF Trust in the six months from October 1, 2005, to March 31, 2006. (SM/05/346, 9/8/05)

Decision No. 13570-(05/80) PRGF
Adopted September 15, 2005

Overdue financial obligations—review of Fund strategy

The Fund has reviewed progress under the strengthened cooperative strategy with respect to overdue financial obligations to the Fund as described in EBS/05/131. The Fund reaffirms its support for the strengthened cooperative strategy and agrees to extend the availability of the rights approach until end-August 2006. (EBS/05/131, 8/24/05).

Decision No. 13559-(05/76)
Adopted August 31, 2005

Eleventh General Review of Quotas—period for consent to increases—extension

Pursuant to Paragraph 4 of the Resolution of the Board of Governors No. 59-4, "New Period for Consent—Increase of Quotas of Members Under the Eleventh General Review," the Executive Board decides that notices of consent from members to increases in their quotas must be received in the Fund by 6:00 p.m., Washington time, on September 29, 2006. (EBD/05/91, 8/17/05)

Decision No. 13548-(05/73)
Adopted August 24, 2005

Press communiqués

of the International Monetary and Financial Committee and the Development Committee

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

Twelfth Meeting, Washington, D.C. September 24, 2005

1. The International Monetary and Financial Committee held its twelfth meeting in Washington, D.C. on September 24, 2005 under the Chairmanship of Mr. Gordon Brown, Chancellor of the Exchequer of the United Kingdom.

The global economy and financial markets—outlook, risks, and policy responses

2. The Committee welcomes the ongoing global economic expansion, although it notes that growth divergences between countries remain wide. Global growth is expected to continue, although downside risks to the outlook have increased, especially high and volatile oil prices, recently exacerbated by the effects of Hurricane Katrina, the widening of global imbalances, increasing protectionist sentiment, and the possibility of tighter financial market conditions. While core inflation generally is contained and inflation expectations remain well anchored, higher oil prices remain a risk to price stability. The Committee notes that these areas should be a particular focus of IMF surveillance and policy advice in the coming months.

3. The Committee emphasizes that oil producers, oil consumers, and oil companies will all have their part to play in working together to promote greater stability in the oil market. First, the Committee welcomes the action by members of the International Energy Agency and oil-producing countries to continue to increase supplies to the market. Second, the Committee calls for further investment both now and in the long term throughout the supply chain, particularly in refining capacity including of heavy oil, and for efforts to create a favorable investment climate. Third, the Committee also stresses the importance of policies to promote energy conservation, efficiency, and sustainability, including through new technologies, alternative sources of energy, and reducing subsidies on oil products. Fourth, the Committee encourages closer dialogue between oil producers and consumers, and further efforts to improve oil market data and transparency to improve market efficiency. Fifth, the IMF should stand ready to provide assistance to help members, especially poor countries, deal with oil price shocks.

4. The Committee welcomes recent progress in implementing the agreed policies to address global imbalances and foster growth, but urges further action to promote orderly adjustment in view of the heightened risks to the outlook. This includes: fiscal consolidation to increase national savings in the United States; greater exchange rate flexibility in emerging Asia; further structural reforms to boost potential growth in the euro area; and further structural reforms, including fiscal consolidation, in Japan, where the economy is regaining momentum. Measures to promote a more investor-friendly environment, including in a number of emerging market economies, would also contribute to reducing imbalances. Oil-exporting countries will also need to play their part, including through efficient absorption of higher oil revenues in countries with strong macroeconomic policies.

5. Steps to strengthen medium-term fiscal positions remain crucial for supporting global growth and stability. Fiscal deficits in many industrial countries need to be lowered further, and reforms to address pressures from aging populations and ensure the sustainability of pension and health care systems need to be accelerated. Improvements in the fiscal positions and debt structures of many emerging market countries are welcome, but in countries with high public debt levels continued fiscal consolidation efforts are needed. The Committee also calls for more ambitious efforts to address rigidities in labor and product markets in many countries. Regulatory and supervisory authorities should remain alert to risks stemming from ample global liquidity and associated risk taking and leverage.

6. The Committee emphasizes that a successful outcome to the Doha Round by the end of 2006 remains of critical importance for global growth and poverty reduction. Serious challenges remain in reaching agreement at the WTO ministerial meeting in Hong Kong SAR in December. As finance ministers and central bank governors of WTO member countries, we have a vital interest in successful multilateral trade liberalization. Benefiting from a useful exchange of views with Mr. Pascal Lamy, the Director-General of the WTO, the Committee calls on all countries to ensure progress on ambitious trade liberalization with the urgency that the timetable now demands. Key areas for action are: increasing market access, especially for developing countries; significantly reducing trade distorting domestic support; eliminating all forms of export subsidies in agriculture; and making significant progress on services, including financial services, and on issues of intellectual property. The Committee welcomes the joint IMF-World Bank staff report on proposals to enable low-income countries to benefit fully from trade liberalization, and urges the Executive Board to consider these proposals expeditiously.

7. The Committee welcomes the enhanced growth performance and prospects of many of the world's poorest countries, reflecting improvements in their underlying policies. With ten years remaining to meet the Millennium Development Goals (MDGs),[1] those countries should move rapidly to strengthen policies needed for sustainable growth and poverty reduction, including through sound macroeconomic frameworks and building the sound, accountable, and transparent institutions that are essential for fostering growth and supporting vibrant private sector growth. Also, the international community must follow through expeditiously on its renewed commitments to provide additional resources, including at the Gleneagles Summit and the Millennium Review Summit. An ambitious outcome to the Doha Round is also essential for poverty reduction.

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

IMF objectives and Medium-Term Strategy

8. The Committee welcomes and supports the broad priorities set forth in the *Managing Director's Report on the Fund's Medium-Term Strategy* to improve the IMF's effectiveness in support of its members. In the coming years the IMF will continue to work to help members meet the economic challenges of globalization within its mandate in the macroeconomic and financial areas. The Committee looks forward to specific proposals and timelines on the main tasks identified in the medium-term strategy in the Executive Board's work program, within the context of the IMF's medium-term budget framework and the staff compensation review.

9. The broad priorities set out in the Managing Director's report[2] are to:

- Make surveillance more effective;
- Adapt to new challenges and needs in different member countries;
- Help build institutions and capacity;
- Prioritize and reorganize the IMF's work within a prudent medium-term budget; and
- Address the issues of fair quotas and voice.

The Committee agrees that the IMF needs to deepen its analysis of globalization and continue to develop its strategy for responding to the long-term challenges it poses.

Strengthening IMF support for low-income countries—instruments; financing; and debt relief

10. The Committee reiterates that the IMF has a critical role in supporting low-income countries through policy advice, capacity building, and financial assistance. The PRGF remains the main instrument for IMF financial support for low-income country members. The Committee agrees that the IMF's concessional lending should be financed at an appropriate level as assessed by the IMF. The Committee calls for incorporation of the lessons from the recent review of the design of PRGF-supported programs in the future work of the IMF in low-income countries.

11. The Committee welcomes the progress made on new instruments that will strengthen IMF support for low-income countries. The Policy Support Instrument (PSI) will be available to members that do not need, or want, IMF financial assistance, but voluntarily request IMF endorsement and continued assessment of their policies as meeting the standard of upper credit tranche conditionality. The country-owned policy frameworks designed by the authorities would consolidate medium-term macroeconomic and financial stability, and deepen reforms in support of poverty reduction and economic growth. A new window in the PRGF Trust will also be available to complement existing instruments by providing timely concessional support to low-income members without a regular PRGF arrangement and who are facing exogenous shocks, and we look forward to contributions from countries.

12. The Committee supports the proposal to provide 100 percent cancellation of debts owed by Heavily Indebted Poor Countries (HIPCs) to the IMF, the International Development Association, and the African Development Fund. This will provide significant additional resources for countries' efforts to reach the MDGs and reinforce longer-term debt sustainability. The Committee welcomes the approach subsequently discussed in the IMF to ensure that the IMF's resources will be used consistently with the principle of uniformity of treatment. It stresses the importance of ensuring that the IMF's capacity to provide financing to low-income countries is maintained, and therefore welcomes G–8 countries' commitments to provide additional resources. It also emphasizes that countries benefiting from irrevocable debt relief should have demonstrated sound policies and high standards of governance. Following this agreement now reached on all the elements, the Managing Director has informed the Committee that he will now call the Executive Board together to complete its approval of the arrangements to deliver debt relief by the end of 2005. The implications of debt cancellation for the new debt sustainability framework should be addressed in the review scheduled for Spring 2006. There should be a regular report on progress at future meetings of the Committee.

13. The Committee underscores the importance of full creditor participation, including by non-Paris Club creditors and private creditors, in contributing their share to implementing the enhanced HIPC initiative. It takes note of the work on identifying low-income countries with unsustainable debts as of end–2004, with a view to finalization by early 2006 of the list of countries potentially eligible for HIPC assistance.

14. The year 2005 is the International Year of Microcredit. The Committee notes the IMF's role in improving data availability on microcredit and in addressing microcredit issues in the Financial Sector Assessment Program.

Other issues

15. The Committee welcomes the rapid progress on the inclusion of collective action clauses in international sovereign bonds, and the efforts by emerging market issuers and private sector creditors to broaden the consensus on the "Principles for Stable Capital Flows and Fair Debt Restructuring in Emerging Markets." The Committee looks forward to further work on the orderly resolution of financial crises, including the implementation of the IMF's lending into arrears policy.

16. The Committee calls for continued actions by all countries to develop strong programs on anti-money laundering and combating the financing of terrorism (AML/CFT). The Committee supports the IMF's efforts to implement its intensified AML/CFT work program, and notes the critical importance of supporting countries' efforts with well-targeted and coordinated technical assistance.

17. The Committee recommends members' acceptance of the Fourth Amendment of the Articles of Agreement. The Committee reiterates that the IMF's effectiveness and credibility as a cooperative institution must be safeguarded and further enhanced. Adequate voice and participation by all members should be assured, and the distribution of quotas should reflect developments in the world economy. The Thirteenth General Review of Quotas presents an opportunity to address the issue, and we look forward to progress on this issue and a report back at our next meeting.

18. The Committee looks forward to continued high-quality reports by the Independent Evaluation Office (IEO) under the leadership of its new Director, Thomas Bernes, and to the upcoming external evaluation of the IEO.

19. The Committee paid tribute to Alan Greenspan, in his last meeting of the IMFC, for his outstanding leadership of the Federal Reserve and his unprecedented and much valued contribution to the Committee's work over the last eighteen years.

The next meeting of the IMFC will be held in Washington, D.C. on April 22, 2006.

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[2]The report can be found at *www.imf.org/external/np/omd/2005/eng/091505.pdf.*

International Monetary and Financial Committee attendance

September 24, 2005

Chairman
Gordon Brown

Managing Director
Rodrigo de Rato

Members or Alternates
Burhanuddin Abdullah, Governor, Bank of Indonesia
Ibrahim A. Al-Assaf, Minister of Finance, Saudi Arabia
Thierry Breton, Minister of Economy, Finance and Industry, France
Mervyn King, Governor, Bank of England, United Kingdom
(Alternate for Gordon Brown, Chancellor of the Exchequer, United Kingdom)
Palaniappan Chidambaram, Minister of Finance, India
Axel Weber, President, Deutsche Bundesbank
(Alternate for Hans Eichel, Minister of Finance, Germany)
Nicolás Eyzaguirre, Minister of Finance, Chile
Per-Kristian Foss, Minister of Finance, Norway
Ralph Goodale, Minister of Finance, Canada
Duck-Soo Han, Deputy Prime Minister and Minister of Finance and Economy, Korea
Sultan Al-Suwaidi, Governor, United Arab Emirates Central Bank
(Alternate for Mohamed K. Khirbash, Minister of State for Finance and Industry, United Arab Emirates)
Aleksei Kudrin, Minister of Finance, Russian Federation
Mohammed Laksaci, Governor, Banque d'Algérie
Tito Titus Mboweni, Governor, South African Reserve Bank
Hans-Rudolf Merz, Minister of Finance, Switzerland
Antonio Palocci, Minister of Finance, Brazil
Armando León, Director, Board of Directors, Central Bank of Venezuela
(Alternate for Gastón Parra Luzardo, President, Central Bank of Venezuela)
Karl-Heinz Grasser, Minister of Finance, Austria
(Alternate for Didier Reynders, Minister of Finance, Belgium)
John W. Snow, Secretary of the Treasury, United States
Toshihiko Fukui, Governor, Bank of Japan
(Alternate for Sadakazu Tanigaki, Minister of Finance, Japan)
Paul Toungui, Minister of State, Minister of Finance, Economy, Budget and Privatization, Gabon
Giulio Tremonti, Minister of Economy and Finance, Italy
Gerrit Zalm, Minister of Finance, Netherlands
Zhou Xiaochuan, Governor, People's Bank of China

Observers
Joaquín Almunia, Commissioner, Economic and Monetary Affairs, European Commission
Duncan S. Campbell, Director, International Policy Group, International Labour Organization (ILO)
Roger W. Ferguson, Jr., Chairman, Financial Stability Forum (FSF)
Heiner Flassbeck, Officer-in-Charge, Division on Globalization and Development Strategies, United Nations Conference on Trade and Development (UNCTAD)
Donald J. Johnston, Secretary-General, Organisation for Economic Co-operation and Development (OECD)
Malcolm D. Knight, General Manager, Bank for International Settlements (BIS)
Pascal Lamy, Director-General, World Trade Organization (WTO)
Trevor Manuel, Chairman, Joint Development Committee
José Antonio Ocampo, Under-Secretary-General, Department of Economic and Social Affairs, United Nations (UN)
Adnan A. Shihab-Eldin, Acting Secretary-General, Organization of the Petroleum Exporting Countries (OPEC)
Jean-Claude Trichet, President, European Central Bank (ECB)
Paul Wolfowitz, President, World Bank

Thirteenth Meeting, Washington, D.C. April 22, 2006

1. The International Monetary and Financial Committee held its thirteenth meeting in Washington, D.C. on April 22, 2006 under the Chairmanship of Mr. Gordon Brown, Chancellor of the Exchequer of the United Kingdom.

The global economy and financial markets—outlook, risks, and policy responses

2. The Committee welcomes the continued strong expansion of the global economy, despite higher oil prices. The expansion is becoming geographically more broadly based, and global growth is expected to remain strong in the next couple of years. Inflation and inflationary expectations remain well contained—although with excess capacity diminishing, continued vigilance will be required. The Committee notes that downside risks arise from continued high and volatile oil prices, the potential for an abrupt shift in global financial market conditions, a rise in protectionism, and a possible avian flu pandemic. The major risks posed by underlying vulnerabilities, including from widening global imbalances, have yet to be comprehensively addressed.

3. The Committee reiterates that action for orderly medium-term resolution of global imbalances is a shared responsibility, and will bring greater benefit to members and the international community than actions taken individually. While progress has been made, more concerted and sustained implementation—with every country doing its part—is needed to help reduce medium-term risks associated with the imbalances. Following the discussion at the Global Imbalances Conference held at the IMF on April 21, the Committee confirms that the agreed policy strategy to address imbalances remains valid. Key elements include raising national saving in the United States—with measures to reduce the budget deficit and spur private saving; implementing structural reforms to sustain growth potential and boost domestic demand in the euro area and several other countries; further structural reforms, including fiscal consolidation, in Japan; allowing greater exchange rate flexibility in a number of surplus countries in emerging Asia; and promoting efficient absorption of higher oil revenues in oil-exporting countries with strong macroeconomic policies. Given economic interlinkages, all countries and regions will have a role to play by increasing the flexibility of their economies and adapting to changing global demand patterns. The Committee therefore asks the IMF to work on modalities, in consultation with country authorities, aimed at encouraging actions needed to reduce the imbalances, and calls for a report at its next meeting. More generally, the new multilateral consultations, as outlined in the Managing Director's report on implementing the IMF's medium-term strategy, can play a role in promoting multilateral action.

4. The Committee welcomes the actions already taken to address capacity constraints in oil production. Building on this progress, it calls for further measures to improve the supply-demand balance in oil markets over the medium term, with oil producers, oil consumers, and oil companies all playing their part, including through closer dialogue. The Committee emphasizes the importance of further upstream and downstream investment, policies to

promote energy efficiency, conservation, and alternative sources of energy, reducing subsidies on oil products, and further efforts to improve the quality and transparency of oil market data. The Committee will review progress on these issues at its next meeting.

5. Steps to strengthen medium-term fiscal positions remain crucial to support growth and stability, and improve resilience against future shocks. Greater advantage should be taken of the economic expansion to reduce fiscal deficits, and to move forward with reforms to ensure the sustainability of pension and health systems. The Committee also underscores that faster progress to remove constraints to growth in labor and product markets and improve the business and investment climate is essential to reap the benefits of globalization. The Committee welcomes the continued strength of the global financial system, and calls for continued vigilance by financial supervisors, especially regarding the potential impact of a turn in the credit cycle. The Committee calls on members to ensure the robustness of essential economic and financial infrastructure as part of a broad strategy to address the risk of an avian flu pandemic and, in this context, supports the IMF's outreach initiative to promote business continuity planning among financial institutions.

6. The Committee emphasizes the importance of an ambitious and successful outcome to the Doha Round by the end of 2006 for global growth and poverty reduction. The Committee calls on all members to resist protectionism in both trade and foreign direct investment. With time running increasingly short, all members must urgently contribute to reaching agreement on the key elements of a comprehensive package supporting a strengthened multilateral trading system. The Committee also calls for continued efforts to help countries take full advantage of the opportunities of global integration arising from ambitious trade liberalization. For poor countries in particular, the Committee urges Aid for Trade assistance firmly grounded in national development strategies and full use of existing and enhanced mechanisms for trade-related technical assistance.

7. The improving growth prospects in poor countries, including in sub-Saharan Africa, are encouraging. The Committee emphasizes that achieving the Millennium Development Goals (MDGs) requires a partnership between poor countries and donors. Developing countries should continue to pursue sound macroeconomic policies and growth-critical reforms, including further substantial efforts to build sound, accountable, and transparent institutions. The international community should follow through expeditiously on its commitment to provide additional resources.

Implementing the IMF's Medium-Term Strategy

8. The Committee welcomes the Managing Director's report on implementing the IMF's medium-term strategy, and appreciates the public debate on the role of the IMF. It calls on management and the Executive Board to complete their considerations and then move rapidly to implementation.

9. The Committee reiterates that the IMF's effectiveness and credibility as a cooperative institution must be safeguarded and its governance further enhanced, emphasizing the importance of fair voice and representation for all members. We underscore the role an ad hoc increase in quotas would play in improving the distribution of quotas to reflect important changes in the weight and role of countries in the world economy. The Committee agrees on the need for fundamental reforms. The Committee calls upon the Managing Director to work with the IMFC and Executive Board to come forward with concrete proposals for agreement at the Annual Meetings.

10. The Committee reiterates the importance of making IMF surveillance more effective and supports a review of the 1977 Surveillance Decision. In the context of the Managing Director's medium-term strategy, the Committee proposes a new framework for IMF surveillance that will consist of four elements. First, a new focus of surveillance on multilateral issues, including global financial issues, and especially the spillovers from one economy on others. Second, a restatement of the commitments which member countries and their institutions make to each other under Article IV on which surveillance can focus on monetary, financial, fiscal, and exchange rate policies. Third, the Managing Director should implement his proposal for a new procedure, which will involve the IMFC and the Executive Board, for multilateral surveillance. Fourth, the IMFC should set a new annual remit for both bilateral and multilateral surveillance through which the Managing Director, the Executive Board and the staff are accountable for the quality of surveillance. This should involve the independence of Fund surveillance, greater transparency, and the Independent Evaluation Office.

11. As emerging market members pursue sound policies and integrate effectively into world trade and capital markets, they make a welcome contribution to global economic stability and avoidance of financial crises. The Committee welcomes the IMF's efforts to respond to the new challenges and needs of emerging market members. Financial and capital markets issues should be increasingly at the center of the IMF's work in these countries. The Committee supports further examination of the Managing Director's proposal on a possible new instrument to provide high access contingent financing for countries that have strong macroeconomic policies, sustainable debt, and transparent reporting but remain vulnerable to shocks. The Committee encourages the IMF to explore the role it can play in supporting regional arrangements for pooling reserves. A review is also needed of the operational aspects of the IMF's policy on lending into arrears.

12. The Committee stresses that the IMF has a critical role in low-income countries, including in helping to ensure that expected increases in aid flows and debt relief are absorbed effectively and in a manner consistent with macroeconomic stability. The IMF needs to play its part within its areas of core competence in monitoring progress toward the MDGs. The Committee welcomes the establishment of new instruments that will strengthen the IMF's support for low-income countries, including the Policy Support Instrument and the Exogenous Shocks Facility, and underlines the importance of further contributions to enable the IMF to provide timely concessional shock financing. The Committee welcomes debt relief provided by the IMF and other institutions under the HIPC Initiative and Multilateral Debt Relief Initiative (MDRI). It also welcomes the agreement on the final list of potentially eligible members that meet the criteria of the HIPC Initiative. The Committee underscores the importance of ensuring debt sustainability in countries receiving debt relief by refining the joint IMF-World Bank debt sustainability framework, and helping countries to implement sound medium-term debt strategies and strong public expenditure management and tax systems. The Committee notes the importance of countries avoiding the re-accumulation of unsustainable debt and the potentially adverse consequences of nonconcessional borrowing for debt sustainability. It urges all creditors to work with the IMF and the World Bank to adhere to responsible lending. The Committee considers it critical for the effectiveness of the IMF's work in low-income countries that its policy advice, support for capacity building, and financial assistance are closely aligned with the countries' evolving needs and poverty reduction strategies, and focused on macroeconomic issues, including institutions relevant to financial stability, trade, and economic growth.

13. The Committee supports efforts to clarify the division of responsibilities and accountabilities of the IMF and the World Bank, and to improve their collaboration. It welcomes the establishment of the External Review Committee on World Bank-IMF Collaboration, and looks forward to its conclusions.

14. The Committee notes that the IMF's budgetary position has changed following the recent decline in IMF credit, and this requires actions on both income and expenditure. The Committee calls on the Managing Director to develop proposals expeditiously for more predictable and stable sources of income. The Committee welcomes that the medium-term strategy is formulated in a budget-neutral way, and encourages the IMF to further prioritize and streamline its work.

Other issues

15. The Committee recommends members' acceptance of the Fourth Amendment of the Articles of Agreement. The Committee calls for continued actions by all countries to develop strong programs on anti-money laundering and combating the financing of terrorism (AML/CFT), and supports the comprehensive assessment of these programs within the context of the Financial Sector Assessment Program.

16. The Committee notes the upcoming discussion by the Executive Board of the external evaluation of the Independent Evaluation Office (IEO), and looks forward to the continuing contribution of the IEO to the IMF's work.

17. The next meeting of the IMFC will be held in Singapore, on September 17, 2006.

International Monetary and Financial Committee attendance

April 22, 2006

Chairman
Gordon Brown

Managing Director
Rodrigo de Rato

Members or Alternates
Ibrahim A. Al-Assaf, Minister of Finance, Saudi Arabia
Thierry Breton, Minister of Economy, Finance and Industry, France
Mervyn King, Governor, Bank of England, United Kingdom
(Alternate for Gordon Brown, Chancellor of the Exchequer, United Kingdom)
Jaime Caruana, Governor, Bank of Spain
Yaga V. Reddy, Governor, Reserve Bank of India
(Alternate for Palaniappan Chidambaram, Minister of Finance, India)
David Dodge, Governor, Bank of Canada
(Alternate for James Michael Flaherty, Minister of Finance, Canada)
Tae-Shin Kwon, Vice Minister, Ministry of Finance and Economy, Korea
(Alternate for Duck-Soo Han, Deputy Prime Minister and Minister of Finance and Economy, Korea)
Eero Heinäluoma, Minister of Finance, Finland
Sultan Al-Suwaidi, Governor, United Arab Emirates Central Bank
(Alternate for Mohamed K. Khirbash, Minister of State for Finance and Industry, United Arab Emirates)
Aleksei Kudrin, Minister of Finance, Russian Federation
Mohammed Laksaci, Governor, Banque d'Algérie
Guido Mantega, Minister of Finance, Brazil
Hans-Rudolf Merz, Minister of Finance, Switzerland
Felisa Miceli, Minister of Economy and Production, Argentina
Ngozi Okonjo-Iweala, Minister of Finance, Nigeria
Didier Reynders, Minister of Finance, Belgium
John W. Snow, Secretary of the Treasury, United States
Peer Steinbrück, Minister of Finance, Germany
Sadakazu Tanigaki, Minister of Finance, Japan
Paul Toungui, Minister of State, Minister of Finance, Economy, Budget and Privatization, Gabon
Giulio Tremonti, Deputy Prime Minister and Minister of Economy and Finance, Italy
Awang Adek Hussin, Deputy Minister of Finance II, Malaysia
(Alternate for Nor Mohamed Yakcop, Minister of Finance II, Malaysia)
Nout Wellink, President, De Nederlandsche Bank
(Alternate for Gerrit Zalm, Minister of Finance, Netherlands)
Zhou Xiaochuan, Governor, People's Bank of China

Observers
Mohammad Alipour-Jeddi, Head, Petroleum Market Analysis Department, Organization of the Petroleum Exporting Countries (OPEC)
Joaquín Almunia, Commissioner, Economic and Monetary Affairs, European Commission
Dirk Bruinsma, Deputy Secretary-General, United Nations Conference on Trade and Development (UNCTAD)
Duncan S. Campbell, Director, Policy Integration Department, International Labour Organization (ILO)
Alberto Carrasquilla, Chairman, Joint Development Committee
Roger W. Ferguson, Chairman, Financial Stability Forum (FSF)
Donald J. Johnston, Secretary-General, Organisation for Economic Co-operation and Development (OECD)
Malcolm D. Knight, General Manager, Bank for International Settlements (BIS)
José Antonio Ocampo, Under-Secretary-General, Department of Economic and Social Affairs, United Nations (UN)
Valentine Rugwabiza, Deputy Director-General (WTO)
Jean-Claude Trichet, President, European Central Bank (ECB)
Paul Wolfowitz, President, World Bank

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

Seventy-second Meeting, Washington, D.C. September 25, 2005

1. We met against the background of a series of major meetings in this "Year of Development," in particular the United Nations 2005 World Summit held in New York on September 14–16. These meetings, including the G8 Summit held in Gleneagles in July, have resulted in significant progress in building and deepening consensus on key elements of the development agenda. In our discussions we focused on implementation and priorities for action.

2. We reiterated our support for the realization of the internationally agreed development goals, including the Millennium Development Goals (MDGs), and recognized that this calls for a stronger international development partnership. We are encouraged by commitments to reinvigorate the aid partnership, with stronger policies in many developing countries matched by commitments by developed countries and other donors for significant additional aid and debt relief and steps to improve development effectiveness. We reaffirmed the importance of sound policies, including promoting a strong private sector and improving governance, in developing countries to the achievement of the development goals. In this connection, we emphasized the importance of expanding opportunities for those who have the least voice and the fewest resources and capabilities. We welcomed the increased resources that will become available as a result of the recent establishment

of timetables by many donors to achieve the target of 0.7 percent of GNP for ODA. We commended donors who have already reached or exceeded this target. As called for by world leaders at the recent UN Summit, we urged those developed countries that have not yet done so to make concrete efforts in this regard in accordance with their commitments. We noted the launch of the International Finance Facility for immunization and the upcoming implementation of an airline ticket solidarity tax by a group of countries. We called on the Bank to assist with implementation issues, as appropriate, to ensure that these initiatives are coherent with the overall performance- and country-based aid architecture. We also noted ongoing work on blending arrangements and advance market commitments for vaccines.

3. As important as mobilizing more aid is action to improve the quality of aid. We welcomed progress toward establishing tangible indicators and targets for commitments made in the Paris Declaration on Aid Effectiveness. We asked the Bank to work closely with the OECD Development Assistance Committee and other partners to support the delivery and improve the quality of increased assistance, through systematic monitoring and follow-up on aid commitments, and through vigorous implementation of the agreed agenda on managing for results, harmonization, and alignment.

4. We welcomed the World Bank Group's ambitious Africa Action Plan, which will support African countries in their efforts to increase growth, tackle poverty, and achieve the MDGs. We called for timely and vigorous implementation of the Plan and urged that the Bank work closely with the African Union, New Partnership for Africa's Development, African Development Bank, African Partnership Forum, and other partners. We commended the Plan's results-oriented approach and the concrete actions it proposes to ensure that increased aid will be used effectively. The Action Plan correctly focuses on building state capacity and improving governance; strengthening the drivers of growth; and promoting broad participation in growth and sharing its benefits. We commended its comprehensive approach toward developing an African private sector, creating jobs, enhancing exports, expanding infrastructure, raising agricultural productivity, strengthening human development, building capacity (including in conflict-affected and fragile states), and increasing regional integration. Related areas we emphasized include strengthening the implementation of Education for All Fast Track Initiative, including closing of the financing gap; stepping up the fight against major diseases including HIV/AIDS and malaria; promoting women's role in development; and improving the environment for small and medium enterprises, including access to microfinance. We called for further analysis and elaboration of proposed new mechanisms to scale up and strategically target aid to countries and programs with potentially high development impact, which are complementary to and consistent with IDA framework. We also welcomed the Plan's emphasis on partnerships, monitoring and evaluation, and consultative mechanisms, including reporting back to the Committee on progress on a regular basis in the context of the *Global Monitoring Report*, starting in 2007.

5. We welcomed the G8 proposal for 100 percent cancellation of debt owed by eligible heavily indebted poor countries (HIPCs) to the International Development Association (IDA), the African Development Fund (AfDF), and the International Monetary Fund, as providing a valuable opportunity to reduce debt and increase resources for achieving the MDGs. In order to expedite the implementation of the proposal, we agreed on the need for an interdependent package consisting especially of dollar for dollar compensation for IDA that is truly additional to existing commitments and that maintains the financial integrity and capacity of IDA to assist poor countries in the future. We are agreed on the need for additionality of donor resources for debt relief to provide tangible benefits to HIPCs. We are confident that the package, including financing, the main technical features of the proposal and burden sharing on a voluntary basis will provide these benefits. We emphasized the importance of maintaining sound economic performance and good governance by eligible countries. We urged donor countries to ensure financing to fully compensate IDA for forgone reflows resulting from debt relief in order to reach a final agreement on the proposal. We welcomed the delivery commitments by the G8 in their letter to the World Bank President. We asked the Bank to prepare a compensation schedule and monitoring system of all donor contributions urgently. On this basis we expressed our support for the aforementioned package and urged the Bank to proceed with the steps to ensure all necessary arrangements for implementation.

6. We also reviewed the implementation of the HIPC Initiative, welcomed continued progress in providing debt relief to HIPCs, noted the need to fill the current funding gap, and urged full creditor participation. We continue to underline the importance of the existing agreement that contributions under the HIPC Initiative be additional to other contributions to IDA. Eighteen countries have reached the completion point and another ten are between decision and completion points. We look forward to a final list of eligible countries in early 2006.

7. Stronger country policies and more and more effective aid must be complemented with ambitious moves to increase openness and market access and to ensure that trade benefits the poor. Without a timely and ambitious outcome for the Doha Development Agenda, developing countries will not achieve the economic growth needed to meet the MDGs. As we approach the crucial Hong Kong Ministerial meeting, which will be an important milestone toward concluding the Doha Round in 2006, now is the time for action by all WTO members to move the negotiations forward, and we called upon developed countries to show leadership. We cannot overemphasize the importance for the global economy and for meeting the MDGs of achieving an outcome that includes: (i) a major reform of agricultural trade policies to expand market access and eliminate trade-distorting subsidies; (ii) action to open markets in manufactures and services; and (iii) increased aid for trade to address supply-side constraints and enhance the capacity of developing countries to take advantage of expanded trade opportunities. We endorsed the proposal for an enhanced Integrated Framework for Trade-related Technical Assistance, including expanding its resources and scope and making it more effective. We asked the Bank and the Fund to examine further the adequacy of existing mechanisms to address regional or cross-country aid for trade needs and explore new mechanisms as appropriate. We supported a strengthened framework for assessing adjustment needs so that IFI and donor assistance mechanisms can be better utilized. We urged the Bank and the Fund to better integrate trade-related needs into their support for country programs. We also asked the Bank and the Fund to continue their global advocacy role on trade and development.

8. Scaling up investment in infrastructure, alongside strong programs for education and health, is key to faster growth and progress in reducing poverty. We welcomed the progress made by the Bank Group in implementing the Infrastructure Action Plan and strengthening public-private partnerships to leverage investment and maximize impact, including in the framework of the newly established Africa Infrastructure Consortium. We called for continued deepening and scaling up of support for infrastructure service delivery, and removal of impediments in this regard, in order to respond to needs in both low- and middle-income countries. As part of this effort, we look forward to a progress report at our next meeting by the Bank on the impact of fiscal space on growth and achievement of the MDGs, in continued cooperation with the Fund on the macroeconomic aspects of this issue.

9. We welcomed the review of World Bank conditionality and endorsed the good practice principles the Bank has put forward to streamline conditionality and strengthen country ownership and leadership. We called for regular monitoring to ensure their consistent implementation at the country level and for a report on progress next year. We also welcomed the work on enhancing IMF instruments in support of its low-income members, and called for further strengthening Bank-Fund collaboration in this area.

10. We welcomed the joint Bank-Fund review of the poverty reduction strategy approach and noted the contribution the PRS approach is making to enhancing country leadership of the development agenda, promoting the articulation of clear and coherent country policies and priorities for spurring growth and reducing poverty, improving budget and monitoring systems, and sharpening the focus on development results. We noted that country ownership based on broad participation is now central to the PRS approach. We also noted the value of country-led diagnostics including poverty and social impact analysis in supporting the PRS approach. Good progress notwithstanding, continued efforts are needed to strengthen poverty reduction strategies and their implementation in many countries. This includes efforts by countries to improve policies, domestic resource mobilization, governance, and accountability and by donors to provide support in a predictable, aligned, and harmonized manner.

11. We support the World Bank's efforts, including through the Global Environment Facility, to assist member countries in measures to mitigate and adapt to the impact of climate change and improve energy efficiency and access to renewable and cost-effective energy; and welcomed efforts to follow up on the Gleneagles plan of action with early consultations to identify pragmatic investment and financing policy actions that can help further the goals of the United Nations Framework Convention on Climate Change. We look forward to a report for our next meeting on progress made in developing dialogue with partner countries and institutions and a future investment framework.

12. The Committee considers the issue of enhancing the voice of developing and transition countries in our institutions to be of vital importance. We will continue our discussions with a view to building the necessary political consensus on this matter, taking into account progress in the context of the IMF quota review.

13. The Committee expressed its appreciation to Mr. Trevor Manuel, Minister of Finance of South Africa, for his valuable leadership and guidance as Chairman of the Committee during the past four years, and welcomed his successor, Mr. Alberto Carrasquilla, Minister of Finance and Public Credit of Colombia. We expressed our gratitude to James Wolfensohn for his outstanding leadership of the World Bank Group during the last 10 years, and welcomed the new President of the World Bank, Paul Wolfowitz, who attended his first meeting of the Development Committee, and wished him a successful tenure. The Ministers also expressed their warm thanks to Mr. Thomas Bernes upon conclusion of his tenure as the Committee's Executive Secretary.

14. The Committee's next meeting is scheduled for April 23, 2006, in Washington, D.C.

Seventy-third Meeting, Washington, D.C. April 23, 2006

1. Following the important commitments made last year to increase the quantity, quality, and effective use of resources for development, we reviewed progress toward the Millennium Development Goals (MDGs) based on an assessment in the third annual *Global Monitoring Report*. We reaffirmed the principle of mutual accountability of developing countries, developed countries, and the international financial institutions for making progress on this agenda, focusing on aid, trade and governance. We also discussed clean energy and development, an issue that requires as a priority the attention of global policymakers.

2. We welcomed recent progress made in reducing income poverty, reflecting both a favorable global economic environment and an improved economic management in many countries. We are encouraged that growth in sub-Saharan Africa exceeded 5% for the third consecutive year. We recognized that progress is uneven and insufficient, particularly in sub-Saharan Africa and in some regions of middle income countries (MICs). There are also signs of better progress toward the human development MDGs. Yet, on current trends many developing countries will fail to meet the MDGs, in particular those related to human development. Achieving rapid, sustained, and shared growth will require further actions to improve the business climate, access to infrastructure, enhanced market access and trade opportunities as well as measures to address issues of equity, including gender equity.

3. We welcomed the rising trend in the volume of official development assistance (ODA), not only from the OECD Development Assistance Committee members, but also from non-DAC countries. We called on all donors to fully implement the commitments they have made for substantial increases in aid volumes. We urged those donors that have not done so to make concrete efforts toward the target of 0.7 percent of GNI as ODA in accordance with their commitments. We noted progress made on the International Finance Facility for immunization and on Advance Market Commitments for vaccines, increased support for an airline ticket solidarity levy and its implementation by several countries, and continuing work on the scope for greater use of blending arrangements. We noted the key role of the World Bank and the IMF in helping countries ensure that increases in aid volumes can be absorbed effectively, consistent with macroeconomic stability and growth objectives. We welcomed creation of the Exogenous Shocks Facility and Policy Support Instrument at the Fund, both of which help improve its flexibility in engaging with low-income countries.

We also noted the rising trend of net private flows to developing countries, including remittances.

4. We called for rapid progress in implementing the framework agreed in the Paris Declaration for enhancing aid effectiveness through improved modalities and a stronger focus on results. Developing countries need to strengthen their management of financial resources, and improve their domestic resource mobilization as well as governance and delivery of basic services. Donors and other partners need to improve the quality of aid and modalities of aid delivery to reduce volatility, achieve greater predictability, and provide stronger alignment with national poverty reduction strategies. To this end, we encouraged donors where possible to move toward multiyear plans and commitments, and to be ready to finance recurrent costs where sector policies are sound and fiduciary conditions are adequate. We asked the World Bank and other partners to intensify their coordination at the country level, particularly in strengthening health systems and improving access to good-quality education, to reduce transaction costs and to help increase absorptive capacity. We emphasized the importance of universal access to primary education and sustained support for good-quality education plans, and the key role the Education for All Fast Track Initiative could play in all qualifying low-income countries. We called on donors to fill the current financing gap. We asked for a progress report on Education for All by our next meeting. We encouraged the Bank to implement the proposal to hold annual Results and Resources Consultative Groups in its Africa Action Plan. We also emphasized the need for the multilateral development banks (MDBs) to strengthen their

results orientation, so as to contribute better to improved country outcomes. We look forward to the first World Bank report on results monitoring and systems to strengthen both country and institutional incentives and assure learning from results. In this context, we urged all MDBs and all donors to step up support for strengthening statistical and related institutional capacity in partner countries.

5. We noted the importance of continued development progress in MICs and emerging market countries, and asked the Bank to refine and enhance its engagement strategy with these countries by our next meeting, taking into account their contributions to poverty reduction and global public goods, access to market financing, and remaining development challenges.

6. Promoting good governance, including fighting corruption, and mutual accountability are essential to efforts to achieve the MDGs. We agreed on the need for efforts to improve governance in all countries, to help build effective states with strong national systems and to work together on implementing global initiatives to improve governance, increase transparency and build demand for good governance at the country level in a way that strengthens ownership. The Bank and Fund should play a full supporting role. We asked the Bank to further develop disaggregated and actionable indicators in areas such as quality of public financial management, and procurement practices. We noted the diagnosis in the *Global Monitoring Report* that a significant level of corruption is a symptom of poor governance. Building on work over the last decade, we called on the Bank to lay out a broad strategy, to be discussed at our next meeting, for helping member countries strengthen governance and deepen the fight against corruption, working closely with the Fund, other multilateral development banks and the membership, to ensure a coherent, fair, and effective approach. This strategy should lead to clear guidelines for operations.

7. We welcomed the progress made in implementing the Multilateral Debt Relief Initiative (MDRI) in the Fund, the International Development Association (IDA), and the African Development Fund, and, in particular, cancellation by the IMF of the MDRI debt of the first 19 countries, and, in the Bank, the approval of the required Resolution by the IDA Governors leading to final agreement on the Initiative. We urged donor countries to secure their financing commitments to achieve full compensation of IDA's forgone reflows and to ensure that this initiative is truly additional to existing commitments. We called on the Bank and the Fund in consultation with the membership to bring forward proposals to further refine the debt sustainability framework for low-income countries to support growth and avoid accumulation of unsustainable debt, and, in this context, to further elaborate and implement an effective approach to deal with the issue of "free-riding" where non-concessional lenders may indirectly obtain financial gain from IDA's grants and debt forgiveness. We called for participation of all export credit agencies, IFIs, and other official creditors, in such an approach and encouraged them to use the debt sustainability framework in their lending decisions. We also noted the final list of potentially eligible countries for the HIPC Initiative and the initial cost estimate of debt relief for these countries.

8. Implementation of the Doha Development Agenda is a critical complement to other efforts to increase growth and reduce global poverty. After modest progress at the Hong Kong ministerial meeting in December 2005, we urged all WTO members to step up their efforts to reach a successful conclusion to the Doha Round by the end of this year. We welcomed a significant increase in donor commitments for aid for trade, and creation of a task force in the WTO to make recommendations on how to operationalize aid for trade, recognizing that this is a complement not a substitute for a successful Doha Round. We asked the Bank and the Fund to further examine cross-country and regional aid for trade needs by our next meeting and deepen their work to integrate trade-related needs into their support for country programs. We also asked the Bank and the Fund to continue their global advocacy on trade and development.

9. The global community faces a major challenge in securing affordable and cost-effective energy supplies to underpin economic growth and poverty reduction while preserving the environment. These need not be conflicting goals. We recognized lack of access to energy as an acute problem in many low-income countries. We agreed to explore ways to help developing countries enhance their access to affordable, sustainable and reliable modern energy services over the long term, while paying attention to local and global environmental considerations. We also urged them to do so through policy reform to attract domestic and international investment in clean and efficient energy services. We also noted that adaptation to climate change for poor countries is a critical development issue. We reaffirmed our commitment to the goals of the United Nations Framework Convention on Climate Change. We found broad support for the Bank's approach in addressing 1) developing country energy needs and access to energy services, 2) efforts to control greenhouse gas emissions, and 3) helping developing countries adapt to climate risks, and the two-track work program. We asked the Bank to review, in close coordination with other partners, existing financial instruments, taking into account the role of the private sector; and to explore the potential value of new financial instruments to accelerate investment in clean, sustainable, cost effective, and efficient energy; so as to report on progress towards an investment framework by our next meeting. We urged member countries of the Global Environment Facility to conclude the fourth replenishment negotiation as soon as possible.

10. Avian Influenza poses a major risk for all countries but more particularly for developing countries. We called for continued coordination and planning by countries and agencies at the international and regional levels and, within countries, continued coordination across relevant ministries. We also welcomed the Bank's rapid operational response under the Global Program for Avian Influenza.

11. We welcomed the interim report on how fiscal policy can best support long-term growth, and its emphasis on specific country experiences. We look forward to the final report in early 2007.

12. We noted the creation of the External Review Committee to review various aspects of Bank-Fund collaboration, and look forward to considering its findings and recommendations. We ask the Bank and Fund to ensure that their institutional responsibilities continue to cover all the critical issues relating to reaching the MDGs within their mandates.

13. We welcomed the discussion of quota and voice issues in the Fund, and confirmed our intention to continue our discussions with a view to building the necessary political consensus on the voice issue in the Bank.

14. We welcomed the new Chairman Alberto Carrasquilla. We thanked Zia Qureshi for his services as Interim Executive Secretary to the Committee and welcomed the appointment of Kiyoshi Kodera as new Executive Secretary.

15. The Committee's next meeting is scheduled for September 18, 2006, in Singapore.

Executive Directors and voting power
April 30, 2006

Director *Alternate*	Casting votes of	Votes by country	Total votes[1]	Percent of IMF total[2]
Appointed				
Nancy P. Jacklin *Meg Lundsager*	United States	371,743	371,743	17.08
Shigeo Kashiwagi *Michio Kitahara*	Japan	133,378	133,378	6.13
Karlheinz Bischofberger *Gert Meissner*	Germany	130,332	130,332	5.99
Pierre Duquesne *Olivier Cuny*	France	107,635	107,635	4.95
Tom Scholar *Andrew Hauser*	United Kingdom	107,635	107,635	4.95
Elected				
Willy Kiekens	Austria	18,973		
(Belgium)	Belarus	4,114		
Johann Prader	Belgium	46,302		
(Austria)	Czech Republic	8,443		
	Hungary	10,634		
	Kazakhstan	3,907		
	Luxembourg	3,041		
	Slovak Republic	3,825		
	Slovenia	2,567		
	Turkey	9,890	111,696	5.13
Jeroen Kremers	Armenia	1,170		
(Netherlands)	Bosnia and Herzegovina	1,941		
Yuriy G. Yakusha	Bulgaria	6,652		
(Ukraine)	Croatia	3,901		
	Cyprus	1,646		
	Georgia	1,753		
	Israel	9,532		
	Macedonia, former Yugoslav Republic of	939		
	Moldova	1,482		
	Netherlands	51,874		
	Romania	10,552		
	Ukraine	13,970	105,412	4.84
Moisés Schwartz	Costa Rica	1,891		
(Mexico)	El Salvador	1,963		
Mary Dager	Guatemala	2,352		
(Venezuela)	Honduras	1,545		
	Mexico	26,108		
	Nicaragua	1,550		
	Spain	30,739		
	Venezuela, República Bolivariana de	26,841	92,989	4.27
Arrigo Sadun	Albania	737		
(Italy)	Greece	8,480		
Miranda Xafa	Italy	70,805		
(Greece)	Malta	1,270		
	Portugal	8,924		
	San Marino	420		
	Timor-Leste	332	90,968	4.18

Director *Alternate*	Casting votes of	Votes by country	Total votes[1]	Percent of IMF total[2]
Jonathan Fried	Antigua and Barbuda	385		
(Canada)	Bahamas, The	1,553		
Peter Charleton	Barbados	925		
(Ireland)	Belize	438		
	Canada	63,942		
	Dominica	332		
	Grenada	367		
	Ireland	8,634		
	Jamaica	2,985		
	St. Kitts and Nevis	339		
	St. Lucia	403		
	St. Vincent and the Grenadines	333	80,636	3.71
Tuomas Saarenheimo	Denmark	16,678		
(Finland)	Estonia	902		
Jon Thorvardur Sigurgeirsson	Finland	12,888		
(Iceland)	Iceland	1,426		
	Latvia	1,518		
	Lithuania	1,692		
	Norway	16,967		
	Sweden	24,205	76,276	3.51
Jong Nam Oh	Australia	32,614		
(Korea)	Kiribati	306		
Richard Murray	Korea	16,586		
(Australia)	Marshall Islands	285		
	Micronesia, Federated States of	301		
	Mongolia	761		
	New Zealand	9,196		
	Palau	281		
	Papua New Guinea	1,566		
	Philippines	9,049		
	Samoa	366		
	Seychelles	338		
	Solomon Islands	354		
	Vanuatu	420	72,423	3.33
A. Shakour Shaalan	Bahrain	1,600		
(Egypt)	Egypt	9,687		
Samir El-Khouri	Iraq	12,134		
(Lebanon)	Jordan	1,955		
	Kuwait	14,061		
	Lebanon	2,280		
	Libyan Arab Jamahiriya	11,487		
	Maldives	332		
	Oman	2,190		
	Qatar	2,888		
	Syrian Arab Republic	3,186		
	United Arab Emirates	6,367		
	Yemen, Republic of	2,685	70,852	3.26
Sulaiman M. Al-Turki	Saudi Arabia	70,105	70,105	3.22
(Saudi Arabia)				
Abdallah S. Alazzaz				
(Saudi Arabia)				
Hooi Eng Phang	Brunei Darussalam	2,402		
(Malaysia)	Cambodia	1,125		
Made Sukada	Fiji	953		
(Indonesia)	Indonesia	21,043		
	Lao People's Democratic Republic	779		
	Malaysia	15,116		
	Myanmar	2,834		
	Nepal	963		
	Singapore	8,875		
	Thailand	11,069		
	Tonga	319		
	Vietnam	3,541	69,019	3.17

Director *Alternate*	**Casting votes of**	**Votes by country**	**Total votes**[1]	**Percent of IMF total**[2]
Peter J. Ngumbullu	Angola	3,113		
(Tanzania)	Botswana	880		
Peter Gakunu	Burundi	1,020		
(Kenya)	Eritrea	409		
	Ethiopia	1,587		
	Gambia, The	561		
	Kenya	2,964		
	Lesotho	599		
	Malawi	944		
	Mozambique	1,386		
	Namibia	1,615		
	Nigeria	17,782		
	Sierra Leone	1,287		
	South Africa	18,935		
	Sudan	1,947		
	Swaziland	757		
	Tanzania	2,239		
	Uganda	2,055		
	Zambia	5,141	65,221	3.00
WANG Xiaoyi	China	63,942	63,942	2.94
(China)				
GE Huayong				
(China)				
Fritz Zurbrügg	Azerbaijan	1,859		
(Switzerland)	Kyrgyz Republic	1,138		
Andrzej Raczko	Poland	13,940		
(Poland)	Serbia and Montenegro	4,927		
	Switzerland	34,835		
	Tajikistan	1,120		
	Turkmenistan	1,002		
	Uzbekistan	3,006	61,827	2.84
Aleksei V. Mozhin	Russian Federation	59,704	59,704	2.74
(Russian Federation)				
Andrei Lushin				
(Russian Federation)				
Abbas Mirakhor	Afghanistan, Islamic Republic of	1,869		
(Islamic Republic of Iran)	Algeria	12,797		
Mohammed Daïri	Ghana	3,940		
(Morocco)	Iran, Islamic Republic of	15,222		
	Morocco	6,132		
	Pakistan	10,587		
	Tunisia	3,115	53,662	2.47
Eduardo Loyo	Brazil	30,611		
(Brazil)	Colombia	7,990		
Roberto Steiner	Dominican Republic	2,439		
(Colombia)	Ecuador	3,273		
	Guyana	1,159		
	Haiti	1,069		
	Panama	2,316		
	Suriname	1,171		
	Trinidad and Tobago	3,606	53,634	2.46
B.P. Misra	Bangladesh	5,583		
(India)	Bhutan	313		
Amal Uthum Herat	India	41,832		
(Sri Lanka)	Sri Lanka	4,384	52,112	2.39
Héctor R. Torres	Argentina	21,421		
(Argentina)	Bolivia	1,965		
Javier Silva-Ruete	Chile	8,811		
(Peru)	Paraguay	1,249		
	Peru	6,634		
	Uruguay	3,315	43,395	1.99

Director *Alternate*	Casting votes of	Votes by country	Total votes[1]	Percent of IMF total[2]
Damian Ondo Mañe	Benin	869		
(Equatorial Guinea)	Burkina Faso	852		
Laurean W. Rutayisire	Cameroon	2,107		
(Rwanda)	Cape Verde	346		
	Central African Republic	807		
	Chad	810		
	Comoros	339		
	Congo, Democratic Republic of the	5,580		
	Congo, Republic of	1,096		
	Côte d'Ivoire	3,502		
	Djibouti	409		
	Equatorial Guinea	576		
	Gabon	1,793		
	Guinea	1,321		
	Guinea-Bissau	392		
	Madagascar	1,472		
	Mali	1,183		
	Mauritania	894		
	Mauritius	1,266		
	Niger	908		
	Rwanda	1,051		
	São Tomé and Príncipe	324		
	Senegal	1,868		
	Togo	984	30,749	1.41
			2,175,345[3,4,5]	99.97[6]

[1]Voting power varies on certain matters pertaining to the General Department with use of the Fund's resources in that Department.
[2]Percentages of total votes 2,176,037 in the General Department and the Special Drawing Rights Department.
[3]This total does not include the votes of Somalia, which did not participate in the 2004 Regular Election of Executive Directors. The total votes of this member are 692—0.03 percent of those in the General Department and Special Drawing Rights Department.
[4]Liberia's voting rights were suspended effective March 5, 2003, pursuant to Article XXVI, Section 2*(b)* of the Articles of Agreement.
[5]Zimbabwe's voting rights were suspended effective June 6, 2003, pursuant to Article XXVI, Section 2*(b)* of the Articles of Agreement.
[6]This figure may differ from the sum of the percentages shown for individual Directors because of rounding.

Changes in membership of the Executive Board

Changes in the membership of the Executive Board between May 1, 2005 and April 30, 2006 were as follows:

Murilo Portugal (Brazil) relinquished his duties as Executive Director for Brazil, Colombia, the Dominican Republic, Ecuador, Guyana, Haiti, Panama, Suriname, and Trinidad and Tobago, effective May 14, 2005.

Eduardo Loyo (Brazil) was elected Executive Director by Brazil, Colombia, the Dominican Republic, Ecuador, Guyana, Haiti, Panama, Suriname, and Trinidad and Tobago, effective June 6, 2005.

Charles X. O'Loghlin (Ireland) relinquished his duties as Alternate Executive Director to Kevin G. Lynch (Canada), effective June 26, 2005.

Peter Charleton (Ireland) was appointed Alternate Executive Director to Kevin G. Lynch (Canada), effective June 27, 2005.

Oussama T. Kanaan (Jordan) relinquished his duties as Alternate Executive Director to A. Shakour Shaalan (Egypt), effective August 7, 2005.

Pier Carlo Padoan (Italy) relinquished his duties as Executive Director for Albania, Greece, Italy, Malta, Portugal, San Marino, and Timor-Leste, effective September 1, 2005.

Arrigo Sadun (Italy) was elected Executive Director by Albania, Greece, Italy, Malta, Portugal, San Marino, and Timor-Leste, effective September 2, 2005.

Samir El-Khouri (Lebanon) was appointed Alternate Executive Director to A. Shakour Shaalan (Egypt), effective January 3, 2006.

Jon A. Solheim (Norway) relinquished his duties as Executive Director for Denmark, Estonia, Finland, Iceland, Latvia, Lithuania, Norway, and Sweden, effective January 10, 2006.

David Farelius (Sweden) relinquished his duties as Alternate Executive Director to Jon A. Solheim (Norway), effective January 10, 2006.

Tuomas Saarenheimo (Finland) was elected Executive Director by Denmark, Estonia, Finland, Iceland, Latvia, Lithuania, Norway, and Sweden, effective January 11, 2006.

Jon Sigurgeirsson (Iceland) was appointed Alternate Executive Director to Tuomas Saarenheimo (Finland), effective January 11, 2006.

Kevin G. Lynch (Canada) relinquished his duties as Executive Director for Antigua and Barbuda, The Bahamas, Barbados, Belize, Canada, Dominica, Grenada, Ireland, Jamaica, St. Kitts and Nevis, St. Lucia, and St. Vincent and the Grenadines, effective March 5, 2006.

Jonathan T. Fried (Canada) was elected Executive Director by Antigua and Barbuda, The Bahamas, Barbados, Belize, Canada, Dominica, Grenada, Ireland, Jamaica, St. Kitts and Nevis, St. Lucia, and St. Vincent and the Grenadines, effective April 17, 2006.

Fritz Zurbrügg (Switzerland) relinquished his duties as Executive Director for Azerbaijan, the Kyrgyz Republic, Poland, Serbia and Montenegro, Switzerland, Tajikistan, Turkmenistan, and Uzbekistan, effective April 30, 2006.