

INTERNATIONAL MONETARY FUND

**Framework Administered Account for Selected Fund Activities: IMF-Middle East
Center for Economics and Finance Subaccount for Selected Fund Activities**

Prepared by the Legal and Finance Departments, the IMF Institute, and the Office of
Technical Assistance Management

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1. In March 2009, the Fund established a new Framework Administered Account to administer external financial resources for selected Fund activities (the “SFA Instrument”).¹ The financing of activities under the terms of the SFA Instrument is implemented through the establishment and operation of a subaccount within the SFA. This paper requests Executive Board approval to establish the IMF-Middle East Center for Economics and Finance Subaccount for Selected Fund Activities (the “Subaccount”) under the terms of the SFA Instrument.
2. Management and staff have engaged in discussions with member countries in the Middle East region, as well as with donors, on the region’s needs for training in macroeconomic management and related activities. Countries need the capacity to analyze macroeconomic conditions and to formulate and implement effective macroeconomic and financial policies. This will support strong and sustained growth and enable countries to take full advantage of their integration into the global economy. Accordingly, Kuwait has agreed to host a training center directed at strengthening such capacity.
3. On the basis of the above, the Managing Director has established the essential terms and conditions of the Subaccount, with respect to the nature, design, and implementation of the activities to be financed and the method by which the costs of the

¹ Establishment of a New Framework Administered Account for Selected Fund Activities (<http://www.imf.org/external/np/pp/eng/2009/030409.pdf>).

activities will be financed from the Subaccount. These terms and conditions include the following:

a. The resources of the Subaccount shall consist of amounts contributed to the Subaccount by donors (“Contributors”) and earnings that accrue as a result of the investment of these amounts (net of any costs associated with such investments). The resources of the Subaccount will be used to finance an integrated curriculum of training courses and seminars that address the key skill sets needed to support and strengthen economic management in the countries of the Arab League.

b. Each Contributor will consent to the essential terms and conditions of the Subaccount before the Managing Director may accept a Contributor’s resources into the Subaccount.

c. Resources will be placed in the Subaccount by each Contributor on the basis of Letters of Understandings signed between the Contributor and the Fund relating to specific activities to be undertaken. Contributors may transfer resources from any bilateral subaccount under the SFA into the Subaccount.

d. Additional Contributors may join the Subaccount at any time. A Contributor’s consent to the essential terms and conditions of the Subaccount shall constitute the Contributor’s ex ante concurrence to any additional Contributor joining the Subaccount on the latter’s consent to the same essential terms and conditions.

e. A Contributor may withdraw from the Subaccount, and receive a retransfer of its net contributions, without precipitating the termination of the Subaccount.

f. To help defray the expenses incurred by the Fund in the management of the Subaccount that it will finance, reimbursement equal to 7 percent of the expenses financed by the Subaccount will be paid to the Fund from the Subaccount.

4. The essential terms and conditions of the Subaccount are consistent with the terms and conditions of the SFA Instrument, and the activities to be financed from the Subaccount are consistent with the purposes of the Fund. Accordingly, it is proposed that the Executive Board approve the establishment of the Subaccount.

Attachment

List of Subaccounts established under the Framework Administered Account for Selected Fund Activities:

1. “Central America, Panama, and the Dominican Republic Technical Assistance Center (CAPTAC-DR) Subaccount” (<http://www.imf.org/external/np/pp/eng/2009/032709a.pdf>).
2. “Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) Subaccount” (<http://www.imf.org/external/np/pp/eng/2009/032709.pdf>).
3. “East Africa Regional Technical Assistance Center (AFRITAC East) Subaccount” (<http://www.imf.org/external/np/pp/eng/2009/091509A.pdf>).
4. “West Africa Regional Technical Assistance Center (AFRITAC West) Subaccount” (<http://www.imf.org/external/np/pp/eng/2009/091509b.pdf>).
5. “Switzerland Subaccount for Selected Fund Activities” (<http://www.imf.org/external/pp/longres.aspx?id=4392>).
6. “Germany Subaccount for Selected Fund Activities” (<http://www.imf.org/external/pp/longres.aspx?id=4393>).
7. “European Investment Bank Subaccount for Selected Fund Activities” (<http://www.imf.org/external/pp/longres.aspx?id=4394>).
8. “The Socialist People’s Libyan Arab Jamahiriya Subaccount for Selected Fund Activities” (<http://www.imf.org/external/pp/longres.aspx?id=4395>).
9. “European Commission Subaccount for Selected Fund Activities” (<http://www.imf.org/external/pp/longres.aspx?id=4396>).
10. “Kingdom of the Netherlands—Netherlands Subaccount for Selected Fund Activities” (<http://www.imf.org/external/np/pp/eng/2009/112009.pdf>).
11. “Middle East Regional Technical Assistance Center (METAC) Subaccount” (<http://www.imf.org/external/np/pp/eng/2009/121509a.pdf>).
12. “Norway Subaccount for Selected Fund Activities” (<http://www.imf.org/external/np/pp/eng/2010/010810a.pdf>).
13. “United Kingdom Department for International Development Subaccount for Selected Fund Activities” (<http://www.imf.org/external/np/pp/eng/2010/032210.pdf>).

14. “Japan Subaccount for Selected Fund Activities”
(<http://www.imf.org/external/np/pp/eng/2010/040510.pdf>).
15. “Establishment of an Administered Account for Interim Holdings of Voluntary Contributions for Fund Activities and Establishment of a Framework Administered Account for Selected Fund Activities—Subaccount for the Administration of Selected Smaller-Scale Capacity Building Activities” (<http://www.imf.org/external/pp/longres.aspx?id=4450>).
16. “United States Subaccount for Selected Fund Activities”
(<http://www.imf.org/external/pp/longres.aspx?id=4514>).
17. “African Regional Technical Assistance Center (AFRITAC Central) Subaccount” (<http://www.imf.org/external/pp/longres.aspx?id=4507>).
18. “Kuwait Subaccount for Selected Fund Activities”
(<http://www.imf.org/external/pp/longres.aspx?id=4508>).
19. “Belgium Subaccount for Selected Fund Activities”
(<http://www.imf.org/external/pp/longres.aspx?id=4509>).