

INTERNATIONAL MONETARY FUND

**Framework Administered Account for Selected Fund Activities:  
Liberia Macro-Fiscal Subaccount**

Prepared by the Legal and Finance Departments, 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”).<sup>1</sup> 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 Liberia Macro-Fiscal Subaccount (the “Subaccount”) under the terms of the SFA Instrument.
2. Management and staff have discussed with donors a program of reforms in public financial management (PFM) and fiscal decentralization in Liberia. The partnership with donors will take the form of a multi-donor subaccount. Technical assistance financed from the Subaccount will assist Liberia in developing the tools and capacities to deliver a PFM framework consistent with international standards, and the development of a sustainable framework for fiscal decentralization.
3. On the basis of the above, the Managing Director has established 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 activities will be financed from the Subaccount. These essential 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 capacity building, training, and related activities, consistent with the purposes of the Subaccount.

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

- b. Each Contributor will consent to essential terms and conditions of the Subaccount before the Managing Director may accept the Contributor's resources into the Subaccount.
  - c. Resources will be placed in the Subaccount by each Contributor after signature of a Letter of Understanding between the Contributor and the Fund. The Subaccount will permit Contributors to transfer resources from any bilateral subaccount under the SFA into the Liberia Macro-Fiscal Subaccount.
  - d. Contributors may join the Subaccount at any time. A Contributor's consent to the essential terms and conditions of the Subaccount will 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 seven percent of the expenses financed from 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 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>).
20. “IMF-Middle East Center for Economics and Finance Subaccount for Selected Fund Activities” (<http://www.imf.org/external/pp/longres.aspx?id=4510>).
21. “Tax Policy and Administration Topical Trust Fund Subaccount”  
(<http://www.imf.org/external/pp/longres.aspx?id=4511>).
22. “Managing Natural Resource Wealth Topical Trust Fund Subaccount”  
(<http://www.imf.org/external/pp/longres.aspx?id=4512>).
23. “Sweden Subaccount for Selected fund Activities”  
(<http://www.imf.org/external/pp/longres.aspx?id=4513>).