INTERNATIONAL MONETARY FUND

APPENDIXES 2004

Appendix Contents

Appendix Tables

International Reserves

Total international reserves, including gold, increased by 14 percent during 2003 and stood at SDR 2.4 trillion at the end of the year (Table I.1). Foreign exchange reserves, which constitute the largest component of official reserve holdings, grew by 15 percent, to SDR 2.0 trillion. IMF-related assets, which make up the rest of nongold reserves, remained broadly unchanged at SDR 86 billion. The market value of gold held by monetary authorities increased by 9 percent to SDR 256 billion in 2003.[1]

Foreign Exchange Reserves

Foreign exchange reserves accounted for 96 percent of nongold assets at the end of 2003. The developing countries, which held 63 percent of all foreign exchange reserves at the end of 2003, increased their holdings by 16 percent, to SDR 1.3 trillion, continuing the trend set in recent years. During 2003, the foreign exchange holdings of industrial countries rose by 14 percent, to SDR 743 billion.

In 2003, the oil-exporting developing countries' foreign exchange assets, which amount to nearly 10 percent of all developing countries' foreign exchange reserves, increased by 9 percent, to SDR 113 billion. The foreign exchange reserves of the net creditor developing country group rose by 11 percent, to SDR 246 billion, and those of net debtor countries grew by 17 percent, to SDR 1.0 trillion. Foreign exchange reserves of net debtors without debt-servicing problems increased by 18 percent, to SDR 884 billion, while those of countries with debt-servicing problems increased by 14 percent, to SDR 155 billion.

Holdings of IMF-Related Assets

During 2003, total IMF-related assets (that is, reserve positions in the IMF and SDRs) increased by less than 1 percent, following increases of more than 10 percent in the two preceding years. Industrial member countries hold a majority of IMF-related assets: 79 percent at the end of 2003. Members' reserve positions in the IMF—which consist of members' reserve tranche and creditor positions—remained broadly unchanged at SDR 67 billion, with the SDR holdings of IMF members remaining unchanged at SDR 20 billion.

Gold Reserves

The market value of gold reserves increased by 9 percent in 2003, to SDR 256 billion, reflecting an 11 percent increase in the SDR price of gold and a 2 percent decline in the physical stock of official gold. The share of gold in officially held reserves has declined gradually to 11 percent by the end of 2003, whereas, in the early 1980s, gold made up about half of all officially held reserves. Most of the gold reserves (83 percent) are held by industrial countries: gold constituted 21 percent of these countries' total reserves at the end of 2003. Gold reserves accounted for 3 percent of the total reserves of the developing countries.

Developments During the First Quarter of 2004

Total reserve assets rose by SDR 183 billion during the first quarter of 2004, whereas foreign exchange reserves increased by SDR 181 billion over the same period. Reflecting an increase in the SDR price of gold since the end of 2003, the market value of gold reserves increased by nearly SDR 5 billion during the first quarter of 2004, while the physical stock of official gold declined by 2 million ounces. Holdings of IMF-related assets declined by SDR 3 billion.

Currency Composition of Foreign Exchange Reserves

The currency composition of foreign exchange reserves has changed gradually over the past decade, with the share of U.S. dollar holdings in foreign exchange reserves rising from 53 percent in 1994 to 67 percent in 2001 (Table I.2).[2] In 2002 and 2003, however, the share of U.S. dollar holdings declined to 64 percent. Notwithstanding a substantial increase in official reserves held in U.S. dollars over these two years, the weakening of the U.S. dollar vis-à-vis other major currencies implied a decline in the share of U.S. dollar holdings (see the last paragraph for details). The euro, which replaced 11 European currencies and the European currency unit (ECU) on January 1, 1999, accounted for 20 percent of total foreign exchange reserves in 2003, higher than its average since 1999. Given that, at the introduction of the euro, the Eurosystem's reserves previously denominated in euro legacy currencies[3] became domestic assets of the euro area, the share of the euro in 1999–2003 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. However, after adjusting the data to take into account only holdings of these currencies outside the euro area, their combined share in 1998 was virtually identical to the share of the euro in 1999.

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

[2]This table incorporates revisions to historical data that were first announced in a press release issued on November 19, 2003 (see *www.imf.org/external/np/sec/pr/2003/pr03196.htm*). The main revisions were to report as euro holdings certain reserves that were originally reported (including in the 2003 *Annual Report*) as being held in unspecified currencies.

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

Table I.1 Official Holdings of Reserve Assets[1]

(In billions of SDRs)

	1998	1999	2000	2001	2002	2003	March 2004
All countries							
Total reserves excluding gold							
IMF-related assets							
Reserve positions in the IMF	60.6	54.8	47.4	56.9	66.1	66.5	63.5
SDRs	20.4	18.5	18.5	19.6	19.7	19.9	20.2
Subtotal, IMF-related assets	**81.0**	**73.2**	**65.9**	**76.4**	**85.7**	**86.4**	**83.8**
Foreign exchange	1,167.0	1,297.8	1,485.5	1,627.9	1,763.2	2,028.0	2,208.7
Total reserves excluding gold	**1,248.0**	**1,371.0**	**1,551.3**	**1,704.3**	**1,848.9**	**2,114.4**	**2,292.5**
Gold[2]							
Quantity (millions of ounces)	968.4	967.1	952.1	942.8	930.6	913.1	911.3
Value at London market price	197.9	204.5	200.6	207.4	234.6	256.4	260.8
Total reserves including gold	**1,446.0**	**1,575.6**	**1,751.9**	**1,911.7**	**2,083.5**	**2,370.8**	**2,553.3**
Industrial countries							
Total reserves excluding gold							
IMF-related assets							
Reserve positions in the IMF	53.9	46.8	39.7	47.0	53.7	52.6	50.6
SDRs	15.8	14.7	14.4	16.0	15.8	15.3	15.4
Subtotal, IMF-related assets	**69.8**	**61.5**	**54.1**	**62.9**	**69.5**	**67.9**	**66.0**
Foreign exchange	475.8	526.1	596.2	620.5	653.0	742.7	845.1
Total reserves excluding gold	**545.6**	**587.6**	**650.3**	**683.4**	**722.5**	**810.6**	**911.1**
Gold[2]							
Quantity (millions of ounces)	808.7	810.4	796.5	783.5	769.8	754.3	752.0
Value at London market price	165.3	171.4	167.8	172.4	194.1	211.8	215.2
Total reserves including gold	**710.9**	**759.0**	**818.1**	**855.8**	**916.6**	**1,022.4**	**1,126.3**
Developing countries							
Total reserves excluding gold							
IMF-related assets							
Reserve positions in the IMF	6.7	8.0	7.7	9.9	12.3	13.9	12.9
SDRs	4.5	3.7	4.1	3.6	3.9	4.6	4.8
Subtotal, IMF-related assets	**11.2**	**11.7**	**11.8**	**13.5**	**16.2**	**18.5**	**17.8**
Foreign exchange	691.2	771.7	889.2	1,007.4	1,110.1	1,285.3	1,363.6
Total reserves excluding gold	**702.4**	**783.4**	**901.0**	**1,020.9**	**1,126.4**	**1,303.8**	**1,381.4**
Gold[2]							
Quantity (millions of ounces)	159.7	156.6	155.6	159.2	160.7	158.8	159.3
Value at London market price	32.7	33.1	32.8	35.0	40.5	44.6	45.6
Total reserves including gold	**735.1**	**816.6**	**933.8**	**1,055.9**	**1,166.9**	**1,348.4**	**1,427.0**
Net debtor developing countries							
Total reserves excluding gold							
IMF-related assets							
Reserve positions in the IMF	5.0	5.6	5.4	6.4	8.0	9.2	8.8
SDRs	3.3	3.1	3.3	2.7	2.9	3.6	3.8
Subtotal, IMF-related assets	**8.4**	**8.7**	**8.7**	**9.1**	**11.0**	**12.7**	**12.5**
Foreign exchange	550.1	609.4	705.8	806.7	889.0	1,039.6	1,100.9
Total reserves excluding gold	**558.4**	**618.1**	**714.4**	**815.8**	**900.0**	**1,052.3**	**1,113.5**
Gold[2]							
Quantity (millions of ounces)	133.3	130.6	129.6	133.2	135.0	133.4	133.9
Value at London market price	27.2	27.6	27.3	29.3	34.0	37.5	38.3
Total reserves including gold	**585.7**	**645.7**	**741.7**	**845.1**	**934.0**	**1,089.8**	**1,151.8**
Net debtor developing countries without debt-servicing problems							
Total reserves excluding gold							
IMF-related assets							
Reserve positions in the IMF	4.6	4.8	4.6	5.7	7.3	8.3	7.9
SDRs	2.6	2.4	2.1	2.1	1.9	2.2	2.2
Subtotal, IMF-related assets	**7.2**	**7.2**	**6.7**	**7.7**	**9.2**	**10.5**	**10.2**
Foreign exchange	428.5	489.4	571.7	664.6	752.7	884.4	940.7
Total reserves excluding gold	**435.7**	**496.7**	**578.3**	**672.3**	**761.9**	**894.9**	**950.9**
Gold[2]							
Quantity (millions of ounces)	87.6	85.4	84.6	88.3	89.9	88.2	88.3
Value at London market price	17.9	18.1	17.8	19.4	22.7	24.8	25.3
Total reserves including gold	**453.6**	**514.7**	**596.2**	**691.8**	**784.6**	**919.7**	**976.2**

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 2004. "IMF-related assets" comprise 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)

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
All countries										
U.S. dollar	53.1	53.4	56.8	59.1	62.6	64.9	66.6	66.9	63.5	63.8
Japanese yen	7.8	6.7	6.0	5.1	5.4	5.4	6.2	5.5	5.2	4.8
Pound sterling	2.8	2.8	3.0	3.3	3.5	3.6	3.8	4.0	4.4	4.4
Swiss franc	0.6	0.5	0.5	0.5	0.5	0.4	0.5	0.5	0.6	0.4
Euro[2]	–	–	–	–	–	13.5	16.3	16.7	19.3	19.7
Deutsche mark	15.3	14.7	14.0	13.7	13.1	–	–	–	–	–
French franc	2.5	2.4	1.9	1.5	1.7	–	–	–	–	–
Netherlands guilder	0.7	0.5	0.4	0.5	0.5	–	–	–	–	–
ECU[3]	7.7	6.8	5.9	5.0	0.8	–	–	–	–	–
Unspecified currencies[4]	9.5	12.1	11.5	11.3	12.0	12.1	6.6	6.4	7.1	6.8
Industrial countries										
U.S. dollar	50.8	51.8	56.1	57.9	66.7	72.7	72.5	72.7	69.1	70.8
Japanese yen	8.2	6.6	5.6	5.8	6.6	6.5	6.3	5.6	4.6	4.0
Pound sterling	2.3	2.1	2.0	1.9	2.2	2.3	2.0	1.8	2.2	1.7
Swiss franc	0.2	0.1	0.1	0.1	0.2	0.1	0.2	0.3	0.6	0.2
Euro[2]	–	–	–	–	–	10.8	17.2	17.5	21.3	20.9
Deutsche mark	16.3	16.4	15.6	15.9	13.4	–	–	–	–	–
French franc	2.4	2.3	1.7	0.9	1.3	–	–	–	–	–
Netherlands guilder	0.3	0.2	0.2	0.2	0.2	–	–	–	–	–
ECU[3]	14.6	13.4	12.0	10.9	1.9	–	–	–	–	–
Unspecified currencies[4]	5.0	7.0	6.7	6.4	7.4	7.6	1.8	2.1	2.2	2.3
Developing countries										
U.S. dollar	55.6	55.1	57.4	60.2	59.4	59.0	62.2	62.9	59.8	59.3
Japanese yen	7.5	6.8	6.4	4.6	4.4	4.6	6.1	5.4	5.5	5.2
Pound sterling	3.5	3.4	3.9	4.4	4.4	4.6	5.1	5.4	5.8	6.2
Swiss franc	1.2	0.9	0.9	0.7	0.7	0.7	0.7	0.6	0.6	0.6
Euro	–	–	–	–	–	15.6	15.6	16.2	17.9	18.9
Deutsche mark	14.1	13.0	12.6	11.9	12.9	–	–	–	–	–
French franc	2.6	2.4	2.2	1.9	2.0	–	–	–	–	–
Netherlands guilder	1.1	0.9	0.7	0.7	0.7	–	–	–	–	–
ECU[3]	–	–	–	–	–	–	–	–	–	–
Unspecified currencies[5]	14.6	17.3	16.0	15.5	15.5	15.5	10.2	9.4	10.4	9.8

Note: See text footnote 2 on page 101.

[1]Only IMF member countries that report their official holdings of foreign exchange are included in this table. Data available as of end-February, 2004.

[2]Not comparable with the combined share of euro legacy currencies in previous years because amounts exclude 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]The residual is equal to the difference between total foreign exchange reserves of IMF member countries and the sum of the reserves held in the currencies listed in the table.

[5]The calculations here rely to a greater extent on IMF staff estimates than do those provided for the group of industrial countries.

The share of the Japanese yen in total foreign exchange reserves declined from 8 percent at the end of 1994 to 5 percent at the end of 2003. During the past decade, the share of pound sterling rose above 4 percent, while that of the Swiss franc remained below 1 percent. The share of unspecified currencies, which include currencies not identified in Table I.2, as well as foreign exchange reserves for which no information on currency composition is available, was 7 percent in 2003.

For industrial countries, the share of U.S. dollar holdings increased throughout the 1990s, peaking at 73 percent in 2001 and amounting to 71 percent at the end of 2003. In 2003, the shares of the euro and the yen in industrial countries' foreign exchange reserves declined slightly to 21 and 4 percent, respectively. Shares of pound sterling and the Swiss franc have remained broadly constant over the past ten years, but the share of unspecified currencies fell to 2 percent in recent years.

The share of the U.S. dollar in developing countries' foreign exchange reserves declined to 59 percent in 2003, close to the historical average over the last decade. Holdings of the euro rose to 19 percent of those countries' foreign exchange reserves, one percentage point higher than in 2002. Over the past decade, the share of the yen has gradually decreased by about 2 percentage points, to 5 percent at the end of 2003, while the share of pound sterling has increased by about 2 percentage points, to 6 percent. The share of the Swiss franc has remained below 1 percent since 1997. Unspecified currencies accounted for 10 percent of developing countries' foreign exchange reserves in 2003.

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 161 billion in 2003, as an increase of SDR 263 billion in the quantity of U.S. dollar holdings was offset by a valuation decline of SDR 102 billion. Euro holdings increased by SDR 56 billion, reflecting a quantity increase of SDR 22 billion and a valuation increase of SDR 34 billion. Japanese yen holdings increased by SDR 5 billion as quantity and valuation each increased by more than SDR 2 billion. Driven by the quantity effect, in 2003, pound sterling holdings increased by SDR 12 billion, whereas Swiss franc holdings declined by more than SDR 1 billion.

Table 1.3 Currency Composition of Official Holdings of Foreign Exchange, End of Year[1]

(In millions of SDRs)

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
U.S. dollar										
Change in holdings	29,536	69,406	116,520	88,197	18,286	102,343	142,211	89,258	20,653	161,210
Quantity change	52,697	74,080	99,620	47,843	46,975	84,937	97,320	54,425	102,094	263,017
Price change	–23,161	–4,674	16,900	40,353	–28,689	17,406	44,891	34,833	–81,440	–101,807
Year-end value	397,403	466,809	583,328	671,525	689,812	792,154	934,365	1,023,623	1,044,276	1,205,486
Japanese yen										
Change in holdings	5,969	–24	2,636	–3,193	979	7,024	20,951	–2,901	931	4,693
Quantity change	3,055	3,016	7,982	–69	–3,465	–2,148	26,525	5,718	–284	2,507
Price change	2,914	–3,041	–5,346	–3,123	4,444	9,172	–5,574	–8,619	1,215	2,186
Year-end value	58,761	58,737	61,372	58,180	59,159	66,183	87,134	84,233	85,164	89,857
Pound sterling										
Change in holdings	3,603	2,714	6,753	6,235	1,103	6,165	9,204	7,270	11,262	12,008
Quantity change	3,719	3,214	3,194	4,856	2,581	6,313	10,575	6,791	9,442	10,899
Price change	–116	–501	3,560	1,379	–1,478	–148	–1,371	479	1,819	1,109
Year-end value	21,313	24,027	30,780	37,015	38,118	44,283	53,487	60,756	72,018	84,026
Swiss franc										
Change in holdings	–1,157	–94	534	–3	–69	78	2,053	437	1,535	–1,495
Quantity change	–1,494	–669	1,165	71	–112	721	1,825	350	559	–1,709
Price change	337	575	–631	–74	43	–643	228	87	976	215
Year-end value	4,783	4,689	5,223	5,220	5,151	5,229	7,282	7,719	9,253	7,759
Euro										
Change in holdings	–	–	–	–	–	5,649[2]	63,575	27,158	60,921	55,520
Quantity change	–	–	–	–	–	25,403	67,242	31,201	33,675	21,654
Price change	–	–	–	–	–	–19,754	–3,667	–4,042	27,246	33,866
Year-end value	–	–	–	–	–	165,018	228,594	255,752	316,672	372,193
Deutsche mark										
Change in holdings	12,782	14,542	15,472	11,766	–11,410	–	–	–	–	–
Quantity change	7,663	7,630	22,049	23,069	–15,570	–	–	–	–	–
Price change	5,119	6,912	–6,577	–11,304	4,160	–	–	–	–	–
Year-end value	114,230	128,772	144,244	156,010	144,599	–	–	–	–	–
French franc										
Change in holdings	1,981	2,069	–872	–3,398	2,229	–	–	–	–	–
Quantity change	1,306	734	–204	–1,987	1,849	–	–	–	–	–
Price change	676	1,335	–668	–1,411	380	–	–	–	–	–
Year-end value	18,677	20,746	19,874	16,476	18,705	–	–	–	–	–
Netherlands guilder										
Change in holdings	–417	–171	–182	1,125	–562	–	–	–	–	–
Quantity change	–675	–460	47	1,524	–727	–	–	–	–	–
Price change	258	289	–229	–399	165	–	–	–	–	–
Year-end value	4,884	4,713	4,531	5,655	5,093	–	–	–	–	–
European currency unit										
Change in holdings	960	1,665	985	–3,240	–47,848	–	–	–	–	–
Quantity change	–1,035	–1,157	1,833	515	–49,304	–	–	–	–	–
Price change	1,994	2,822	–849	–3,755	1,456	–	–	–	–	–
Year-end value	57,613	59,278	60,262	57,022	9,174	–	–	–	–	–
Sum of the above[3]										
Change in holdings	53,257	90,107	141,845	97,488	–37,292	121,259	237,993	121,222	95,301	231,936
Quantity change	65,237	86,389	135,686	75,821	–17,774	115,225	203,487	98,484	145,486	296,367
Price change	–11,980	3,718	6,159	21,667	–19,517	6,034	34,506	22,738	–50,185	–64,431
Year-end value	677,663	767,770	909,615	1,007,102	969,811	1,072,868	1,310,861	1,432,082	1,527,384	1,759,320
Total official holdings[4]										
Change in holdings	60,440	122,044	154,252	108,692	–30,649	130,779	187,663	142,444	135,262	264,818
Year-end value	812,676	934,719	1,088,971	1,197,663	1,167,014	1,297,794	1,485,456	1,627,900	1,763,162	2,027,980

Note: See text footnote 2 on page 101.

[1]The currency composition of foreign exchange is based on the IMF's currency survey and on estimates derived mainly, but not solely, from official national reports. The numbers in this table should be regarded as estimates that are subject to adjustment as more information is received. 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. Data available as of end-February, 2004.

[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 a residual whose currency composition could not be ascertained, as well as holdings of currencies other than those shown.

Appendix II

Financial Operations and Transactions

The tables in this appendix supplement the information given in Section 7 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, 1953–2004

Financial	Number of Arrangements					Amounts Committed Under Arrangements (*In millions of SDRs*)				
Year	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

Table II.2 Arrangements in Effect as of April 30, 1995–2004

Financial Year	Number of Arrangements as of April 30					Amounts Committed Under Arrangements as of April 30 *(In millions of SDRs)*				
	Stand-By	EFF	SAF	PRGF	Total	Stand-By	EFF	SAF	PRGF	Total
1995	19	9	1	27	56	13,190	6,840	49	3,306	23,385
1996	21	7	1	28	57	14,963	9,390	182	3,383	27,918
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

Table II.3 Stand-By and Extended Arrangements in Effect During Financial Year Ended April 30, 2004

(In millions of SDRs)

Member	Arrangement Dates		Amounts Approved		Undrawn Balance	
	Effective date	Expiration date	Prior to FY2004	In FY2004	At date of termination	As of April 30, 2004
Argentina	1/24/2003	8/31/2003	2,175	–	–	–
Argentina	9/20/2003	9/19/2006	–	8,981	–	4,810
Bolivia	4/2/2003	6/15/2004	86	–	–	21
Bosnia and Herzegovina	8/2/2002	2/29/2004	68	–	–	–
Brazil	9/6/2002	3/31/2005	22,821	4,554	–	10,175
Bulgaria	2/27/2002	3/15/2004	240	–	–	–
Colombia	1/15/2003	1/14/2005	1,548	–	–	1,548
Croatia	2/3/2003	4/2/2004	106	–	106	–
Dominica	8/28/2002	1/2/2004	3	–	–	–
Dominican Republic	8/29/2003	8/28/2005	–	438	–	306
Ecuador	3/21/2003	4/20/2004	151	–	91	–
Guatemala	6/18/2003	3/15/2004	–	84	84	–
Jordan	7/3/2002	7/2/2004	85	–	–	75
Macedonia, FYR	4/30/2003	6/15/2004	20	–	–	8
Paraguay	12/15/2003	3/31/2005	–	50	–	50
Peru	2/1/2002	2/29/2004	255	–	255	–
Romania	10/31/2001	10/15/2003	300	–	–	–
Turkey	2/4/2002	2/3/2005	12,821	–	–	1,361
Ukraine	3/29/2004	3/28/2005	–	412	–	412
Uruguay	4/1/2002	3/31/2005	2,128	–	–	559
Total Stand-By Arrangements			**42,807**	**14,519**	**536**	**19,325**
Indonesia	2/4/2000	12/31/2003	3,638	–	–	–
Serbia and Montenegro	5/14/2002	5/13/2005	650	–	–	350
Sri Lanka	4/18/2003	4/17/2006	144	–	–	124
Total Extended Arrangements			**4,432**	**–**	**–**	**474**
Total			**47,239**	**14,519**	**536**	**19,799**

Table II.4 Arrangements Under the Poverty Reduction and Growth Facility in Effect During Financial Year Ended April 30, 2004

(In millions of SDRs)

	Arrangement Dates		Amounts Approved		Undrawn Balance	
Member	Effective date	Expiration date	Prior to FY2004	In FY2004	At date of termination	As of April 30, 2004
Albania	6/21/2002	6/20/2005	28	–	–	12
Armenia	5/23/2001	5/22/2004	69	–	–	19
Azerbaijan[1]	7/6/2001	3/31/2005	80	–	–	39
Bangladesh	6/20/2003	6/19/2006	–	347	–	248
Benin[2]	7/17/2000	3/31/2004	27	–	–	–
Burkina Faso	6/11/2003	6/10/2006	–	24	–	17
Burundi	1/23/2004	1/22/2007	–	69	–	43
Cameroon[3]	12/21/2000	12/20/2004	111	–	–	32
Cape Verde	4/10/2002	4/9/2005	9	–	–	4
Chad[4]	1/7/2000	1/6/2004	48	–	5	–
Congo, Dem. Rep. of	6/12/2002	6/11/2005	580	–	–	80
Côte d'Ivoire	3/29/2002	3/28/2005	293	–	–	234
Dominica	12/29/2003	12/28/2006	–	8	–	5
Ethiopia[5]	3/22/2001	7/31/2004	100	–	–	10
Gambia, The	7/18/2002	7/17/2005	20	–	–	17
Georgia	1/12/2001	1/11/2004	108	–	59	–
Ghana	5/9/2003	5/8/2006	–	185	–	132
Guinea	5/2/2001	5/1/2004	64	–	–	39
Guinea-Bissau	12/15/2000	12/14/2003	14	–	9	–
Guyana[6]	9/20/2002	3/19/2006	55	–	–	43
Honduras	2/27/2004	2/26/2007	–	71	–	61
Kenya[7]	8/4/2000	8/3/2003	190	–	156	–
Kenya	11/21/2003	11/20/2006	–	175	–	150
Kyrgyz Republic	12/6/2001	12/5/2004	73	–	–	19
Lao P.D.R.[8]	4/25/2001	4/24/2005	32	–	–	14
Lesotho[9]	3/9/2001	6/30/2004	25	–	–	4
Madagascar[10]	3/1/2001	3/1/2005	79	12	–	23
Malawi[11]	12/21/2000	12/20/2004	45	–	–	32
Mali[12]	8/6/1999	8/5/2003	51	–	–	–
Mauritania	7/18/2003	7/17/2006	–	6	–	6
Moldova	12/21/2000	12/20/2003	111	–	83	–
Mongolia[13]	9/28/2001	7/31/2005	28	–	–	16
Mozambique[14]	6/28/1999	6/27/2003	87	–	8	–
Nepal	11/19/2003	11/18/2006	–	50	–	43
Nicaragua	12/13/2002	12/12/2005	98	–	–	56
Niger[15]	12/22/2000	6/30/2004	59	–	–	8
Pakistan	12/6/2001	12/5/2004	1,034	–	–	345
Rwanda	8/12/2002	8/11/2005	4	–	–	3
Senegal	4/28/2003	4/27/2006	24	–	–	17
Sierra Leone[16]	9/26/2001	3/25/2005	131	–	–	28
Sri Lanka	4/18/2003	4/17/2006	269	–	–	231
Tajikistan	12/11/2002	12/10/2005	65	–	–	39
Tanzania[17]	4/4/2000	8/15/2003	135	–	–	–
Tanzania	8/16/2003	8/15/2006	–	20	–	14
Uganda	9/13/2002	9/12/2005	14	–	–	8
Vietnam	4/13/2001	4/12/2004	290	–	166	–
Total			**4,450**	**967**	**487**	**2,089**

[1]Extended from 7/5/04.
[2]Extended from 7/16/03.
[3]Extended from 12/20/03.
[4]Augmented by SDR 5.6 million on 5/16/01, and by SDR 5.6 million on 1/16/02. Extended from 1/6/03, and from 12/6/03.
[5]Augmented by SDR 13.4 million on 3/18/02. Extended from 3/21/04.
[6]Extended from 9/19/05.
[7]Augmented by SDR 40 million on 10/18/00.
[8]Extended from 4/24/04.
[9]Extended from 3/8/04.
[10]Augmented by SDR 12.2 million on 3/17/04. Extended from 2/29/04, and from 11/30/04.
[11]Extended from 12/20/03.
[12]Extended from 8/5/02.
[13]Extended from 9/27/04.
[14]Augmented by SDR 28.4 million on 3/27/00. Extended from 6/27/02.
[15]Extended from 12/21/03.
[16]Extended from 9/25/04.
[17]Extended from 4/3/03, and from 6/30/03.

Table II.5 Summary of Disbursements, Repurchases, and Repayments, Financial Years Ended April 30, 1948–2004

(In millions of SDRs)

	Disbursements					Repurchases and Repayments				Total Fund
Financial Year	Purchases[1]	Trust Fund loans	SAF loans	PRGF loans	Total	Repurchases	Trust Fund repayments	SAF/PRGF repayments	Total	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	–	–	276	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

[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, 2004

(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
Afghanistan	11	–	–	–	–	11	–	11
Albania	–	–	–	–	–	–	8	8
Argentina	–	–	5,372	–	–	5,372	–	5,372
Armenia	–	–	–	–	–	–	10	10
Azerbaijan	–	–	–	–	–	–	26	26
Bangladesh	–	–	–	–	–	–	99	99
Benin	–	–	–	–	–	–	4	4
Bolivia	–	–	21	–	–	21	–	21
Bosnia and Herzegovina	–	–	36	–	–	36	–	36
Brazil	–	–	5,787	–	3,807	9,594	–	9,594
Bulgaria	–	–	104	–	–	104	–	104
Burkina Faso	–	–	–	–	–	–	7	7
Burundi	–	10	–	–	–	10	26	36
Cameroon	–	–	–	–	–	–	16	16
Cape Verde	–	–	–	–	–	–	2	2
Chad	–	–	–	–	–	–	5	5
Congo, Dem. Rep. of	–	–	–	–	–	–	53	53
Dominica	–	–	1	–	–	1	3	4
Dominican Republic	–	–	131	–	–	131	–	131
Ecuador	–	–	30	–	–	30	–	30
Ethiopia	–	–	–	–	–	–	21	21
Ghana	–	–	–	–	–	–	53	53
Guyana	–	–	–	–	–	–	6	6
Haiti	5	–	–	–	–	5	–	5
Honduras	–	–	–	–	–	–	10	10
Indonesia	–	–	–	1,032	–	1,032	–	1,032
Kenya	–	–	–	–	–	–	25	25
Kyrgyz Republic	–	–	–	–	–	–	19	19
Lao P.D.R.	–	–	–	–	–	–	5	5
Lesotho	–	–	–	–	–	–	7	7
Macedonia, FYR	–	–	12	–	–	12	–	12
Madagascar	–	–	–	–	–	–	35	35
Malawi	–	–	–	–	–	–	6	6
Mali	–	–	–	–	–	–	6	6
Mauritania	–	–	–	–	–	–	1	1
Mongolia	–	–	–	–	–	–	8	8
Mozambique	–	–	–	–	–	–	8	8
Nepal	–	–	–	–	–	–	7	7
Nicaragua	–	–	–	–	–	–	35	35
Niger	–	–	–	–	–	–	17	17
Pakistan	–	–	–	–	–	–	258	258
Romania	–	–	110	–	–	110	–	110
Rwanda	–	–	–	–	–	–	1	1
Senegal	–	–	–	–	–	–	7	7
Serbia and Montenegro	–	–	–	100	–	100	–	100
Sierra Leone	–	–	–	–	–	–	28	28
Tajikistan	–	–	–	–	–	–	18	18
Tanzania	–	–	–	–	–	–	21	21
Turkey	–	–	1,021	–	–	1,021	–	1,021
Uganda	–	–	–	–	–	–	4	4
Uruguay	–	–	239	–	–	239	–	239
Total	**16**	**10**	**12,865**	**1,132**	**3,807**	**17,830**	**865**	**18,695**

Table II.7 Repurchases and Repayments to the IMF, Financial Year Ended April 30, 2004

(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	–	–	–	–	6	6
Algeria	–	195	112	307	–	307
Argentina	5,428	256	–	5,684	–	5,684
Armenia	–	–	6	6	14	20
Azerbaijan	–	8	31	39	13	52
Bangladesh	25	–	–	25	–	25
Belarus	–	–	18	18	–	18
Benin	–	–	–	–	10	10
Bolivia	–	–	–	–	25	25
Bosnia and Herzegovina	36	–	–	36	–	36
Brazil	9,646	–	–	9,646	–	9,646
Bulgaria	16	35	19	70	–	70
Burkina Faso	–	–	–	–	12	12
Burundi	19	–	–	19	–	19
Cambodia	–	–	1	1	8	9
Cameroon	–	–	–	–	14	14
Central African Rep.	–	–	–	–	1	1
Chad	–	–	–	–	13	13
Comoros	–	–	–	–	–	–
Congo, Rep. of	2	–	–	2	3	5
Côte d'Ivoire	–	–	–	–	83	83
Djibouti	1	–	–	1	–	1
Dominican Republic	15	–	–	15	–	15
Ecuador	59	–	–	59	–	59
Equatorial Guinea	–	–	–	–	–	–
Ethiopia	–	–	–	–	9	9
Gabon	3	10	–	13	–	13
Gambia, The	–	–	–	–	2	2
Georgia	–	–	9	9	25	34
Ghana	–	–	–	–	19	19
Guinea	–	–	–	–	13	13
Guinea-Bissau	2	–	–	2	2	4
Guyana	–	–	–	–	13	13
Haiti	6	–	–	6	3	9
Honduras	18	–	–	18	5	23
Indonesia	183	577	–	760	–	760
Jamaica	–	11	–	11	–	11
Jordan	–	56	17	73	–	73
Kenya	–	–	–	–	14	14
Kyrgyz Republic	–	–	–	–	19	19
Lao P.D.R.	–	–	–	–	6	6
Latvia	–	–	8	8	–	8
Lesotho	–	–	–	–	1	1
Lithuania	–	11	7	18	–	18
Macedonia, FYR	–	–	11	11	5	16
Madagascar	–	–	–	–	5	5
Malawi	–	–	–	–	7	7
Mali	–	–	–	–	22	22
Mauritania	–	–	–	–	13	13
Moldova	–	12	6	18	–	18
Mongolia	–	–	–	–	6	6
Mozambique	–	–	–	–	16	16
Nepal	–	–	–	–	2	2
Nicaragua	–	–	–	–	7	7
Niger	–	–	–	–	9	9
Pakistan	193	37	132	362	86	448
Panama	–	7	–	7	–	7
Papua New Guinea	10	–	–	10	–	10
Peru	–	27	–	27	–	27
Philippines	325	132	–	457	–	457

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
Romania	66	–	31	97	–	97
Russian Federation	236	851	269	1,356	–	1,356
Rwanda	–	–	–	–	1	1
Senegal	–	–	–	–	30	30
Serbia and Montenegro	33	–	–	33	–	33
Sierra Leone	–	–	–	–	25	25
Sri Lanka	–	–	–	–	17	17
St. Kitts and Nevis	1	–	–	1	–	1
Sudan	4	10	5	19	–	19
Tajikistan	–	–	–	–	2	2
Tanzania	–	–	–	–	21	21
Thailand	138	–	–	138	–	138
Togo	–	–	–	–	11	11
Turkey	2,018	–	–	2,018	–	2,018
Uganda	–	–	–	–	36	36
Ukraine	–	89	83	172	–	172
Uruguay	43	–	–	43	–	43
Uzbekistan	–	–	17	17	–	17
Vietnam	–	–	3	3	48	51
Yemen, Rep. of	–	7	–	7	13	20
Zambia	–	–	–	–	169	169
Zimbabwe	–	–	–	–	7	7
Total	**18,523**	**2,330**	**785**	**21,638**	**890**	**22,528**

[1]Includes Compensatory and Contingency Financing Facility and Systemic Transformation Facility.
[2]Includes repayment for Saudi Fund for Development.

Table II.8 Outstanding IMF Credit by Facility and Policy, Financial Years Ended April 30, 1995–2004

(In millions of SDRs and percent of total)

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
					(In millions of SDRs)					
Stand-By Arrangements[1]	15,117	20,700	18,064	25,526	25,213	21,410	17,101	28,612	34,241	42,070
Extended Arrangements	10,155	9,982	11,155	12,521	16,574	16,808	16,108	15,538	14,981	13,783
Supplemental Reserve Facility	–	–	–	7,100	12,655	–	4,085	5,875	15,700	6,027
Compensatory Financing Facility	3,021	1,602	1,336	685	2,845	3,032	2,992	745	413	119
Systemic Transformation Facility	3,848	3,984	3,984	3,869	3,364	2,718	1,933	1,311	644	154
Subtotal (General Resources Account)	**32,140**	**36,268**	**34,539**	**49,701**	**60,651**	**43,968**	**42,219**	**52,081**	**65,978**	**62,153**
SAF Arrangements	1,277	1,208	954	730	565	456	432	341	137	86
PRGF Arrangements[2]	3,318	4,469	4,904	5,505	5,870	5,857	5,951	6,188	6,676	6,703
Trust Fund	102	95	90	90	89	89	89	89	89	89
Total	**36,837**	**42,040**	**40,488**	**56,026**	**67,175**	**50,370**	**48,691**	**58,699**	**72,879**	**69,031**
					(Percent of total)					
Stand-By Arrangements[1]	41	49	45	46	38	43	35	49	47	61
Extended Arrangements	28	24	28	22	25	33	33	26	21	20
Supplemental Reserve Facility	–	–	–	13	19	–	9	10	21	9
Compensatory Financing Facility	8	4	3	1	4	6	6	1	1	–[3]
Systemic Transformation Facility	10	9	10	7	5	5	4	2	1	–[3]
Subtotal (General Resources Account)	**87**	**86**	**85**	**89**	**90**	**87**	**87**	**88**	**91**	**90**
SAF Arrangements	3	3	2	1	1	1	1	1	–[3]	–[3]
PRGF Arrangements[2]	9	11	12	10	9	12	12	11	9	10
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 one-half of 1 percent of total.

Table II.9 Summary of Bilateral Contributions to the PRGF and PRGF-HIPC Trusts

(In millions of SDRs; as of April 30, 2004)

	PRGF Trust		PRGF-HIPC Trust
	Subsidy contributions "as needed"[1]	Loan commitments[2]	Subsidies and HIPC grant contributions "as needed"[3]
Total	**3,490.7**	**15,722.7**	**1,561.6**
Major industrial countries	**2,299.9**	**12,864.8**	**880.5**
Canada	204.5	700.0	48.8
France	470.6	2,900.0	82.2
Germany	198.1	2,750.0	127.2
Italy	154.3	1,380.0	63.6
Japan	724.1	5,134.8	144.0
United Kingdom	370.1	–	82.2
United States	178.1	–	332.6
Other advanced countries	**977.8**	**2,452.8**	**299.7**
Australia	16.5	–	24.8
Austria	62.2	–	14.3
Belgium	118.2	350.0	35.3
Denmark	67.0	100.0	18.5
Finland	42.1	–	8.0
Greece	39.4	–	6.3
Iceland	4.6	–	0.9
Ireland	8.4	–	5.9
Israel	–	–	1.8
Korea	60.0	92.7	15.9
Luxembourg	14.1	–	0.7
Netherlands	142.8	450.0	45.4
New Zealand	–	–	1.7
Norway	45.5	150.0	18.5
Portugal	5.1	–	6.6
San Marino	–	–	0.0[4]
Singapore	30.7	–	16.5
Spain	24.5	708.4	23.3
Sweden	186.6	–	18.3
Switzerland	109.9	601.7	37.0
Fuel-exporting countries	**16.7**	**49.5**	**93.1**
Algeria	–	–	5.5
Brunei Darussalam	–	–	0.1
Gabon[5]	–	–	2.5
Iran, Islamic Republic of	1.9	–	2.2
Kuwait	–	–	3.1
Libya	–	–	7.3
Nigeria	–	–	13.9
Oman	–	–	0.8
Qatar	–	–	0.5
Saudi Arabia	14.8	49.5	53.5
United Arab Emirates	–	–	3.8
Other developing countries	**182.9**	**355.6**	**221.3**
Argentina[6]	35.3	–	16.2
Bangladesh	0.9	–	1.7
Barbados	–	–	0.4
Belize	–	–	0.3
Botswana	1.9	–	5.7
Brazil	–	–	15.0
Cambodia	–	–	0.0[4]
Chile	4.0	–	4.4
China	15.1	200.0	19.7
Colombia	–	–	0.9
Cyprus	–	–	0.8
Egypt	13.4	155.6	1.3
Fiji	–	–	0.1
Ghana	–	–	0.5
India	13.1	–	22.9
Indonesia	6.5	–	8.2
Jamaica	–	–	2.7
Malaysia	43.9	–	12.7
Malta	2.1	–	1.1
Mauritius	–	–	0.1
Mexico	–	–	54.5
Micronesia, Federated States of	–	–	0.0[4]

Table II.9 *(concluded)*

	PRGF Trust		PRGF-HIPC Trust
	Subsidy contributions "as needed"[1]	Loan commitments[2]	Subsidies and HIPC grant contributions "as needed"[3]
Morocco	9.7	–	1.6
Pakistan	3.8	–	3.4
Paraguay	–	–	0.1
Peru	–	–	2.5
Philippines	–	–	6.7
Samoa	–	–	0.0[4]
South Africa	–	–	28.6
Sri Lanka	–	–	0.6
St. Lucia	–	–	0.1
St. Vincent and the Grenadines	–	–	0.1
Swaziland	–	–	0.0[4]
Thailand	17.3	–	4.5
Tonga	–	–	0.0[4]
Tunisia	1.7	–	1.5
Turkey	11.8	–	–
Uruguay	2.5	–	2.2
Vietnam	–	–	0.4
Countries in transition	**13.4**	**–**	**42.9**
Croatia	–	–	0.4
Czech Republic	13.4	–	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
Pending contributions to the PRGF-HIPC Trust ("as needed")[3]			**24.0**
Bahrain	–	–	0.9
Dominican Republic	–	–	0.5
Grenada	–	–	0.1
Lebanon	–	–	0.4
Maldives	–	–	0.0[4]
Trinidad and Tobago	–	–	1.6
Vanuatu	–	–	0.1
Venezuela	–	–	20.4

[1]The calculations are based on actual interest rates through the end of January 2004 and an assumed SDR interest rate of 5 percent a year thereafter.
[2]Excludes a loan commitment from the OPEC Fund for International Development of $50 million (equivalent to SDR 37 million).
[3]The term "as needed" refers to the nominal undiscounted sum of the projected delivery of HIPC assistance plus the profile of projected subsidy needs associated with PRGF lending during 2002–05.
[4]Less than SDR 100,000.
[5]Contribution to the PRGF-HIPC Trust includes a pending balance of SDR 1.9 million "as needed."
[6]Contribution to the PRGF-HIPC Trust includes a pending balance of SDR 6.4 million "as needed."

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, 1995–2004

			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
1995	90.9	105.1	60.4	263.9	49.8	14.1
1996	91.4	102.4	67.9	285.5	56.6	17.4
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

[1]Member countries participating in the SDR Department. At the end of FY2004, of the total SDRs allocated to participants in the SDR Department (SDR 21.4 billion), SDR 0.8 billion was not held by participants but 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 greater than their cumulative allocations of SDRs. Net debtor countries' holdings of SDRs are smaller than their cumulative allocations of SDRs.

Table II.11 Key IMF Rates, Financial Year Ended April 30, 2004

(In percent)

Period Beginning	SDR Interest Rate and Unadjusted Rate of Remuneration[1]	Basic Rate of Charge[1]	Period Beginning	SDR Interest Rate and Unadjusted Rate of Remuneration[1]	Basic Rate of Charge[1]
2003					
May 1	1.75	2.31	November 3	1.59	2.10
May 5	1.72	2.27	November 10	1.59	2.10
May 12	1.72	2.27	November 17	1.58	2.09
May 19	1.68	2.22	November 24	1.58	2.09
May 26	1.67	2.20			
			December 1	1.59	2.10
June 2	1.66	2.19	December 8	1.59	2.10
June 9	1.60	2.11	December 15	1.59	2.10
June 16	1.51	1.99	December 22	1.58	2.09
June 23	1.50	1.98	December 29	1.57	2.07
June 30	1.52	2.01			
			2004		
July 7	1.51	1.99	January 5	1.59	2.10
July 14	1.49	1.97	January 12	1.58	2.09
July 21	1.49	1.97	January 19	1.57	2.07
July 28	1.51	1.99	January 26	1.57	2.07
August 4	1.52	2.01	February 2	1.59	2.10
August 11	1.53	2.02	February 9	1.60	2.11
August 18	1.52	2.01	February 16	1.60	2.11
August 25	1.53	2.02	February 23	1.61	2.13
September 1	1.55	2.05	March 1	1.62	2.14
September 8	1.54	2.03	March 8	1.61	2.13
September 15	1.55	2.05	March 15	1.61	2.13
September 22	1.55	2.05	March 22	1.60	2.11
September 29	1.54	2.03	March 29	1.58	2.09
October 6	1.54	2.03	April 5	1.61	2.13
October 13	1.54	2.03	April 12	1.61	2.13
October 20	1.55	2.05	April 19	1.60	2.11
October 27	1.58	2.09	April 26	1.62	2.14

[1]Under the Executive Board's FY2004 decision on burden sharing, the rate of remuneration was adjusted downward, and the rate of charge was adjusted upward, to share the impacts 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 FY2004 are refundable when overdue charges are paid and when overdue obligations cease to be a problem. The basic rate of charge remained set at 132.0 percent of the SDR interest rate throughout FY2004.

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

Table II.12 *(concluded)*

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

Note: The IMF's Articles of Agreement can be found at *www.imf.org/external/about.htm*.

Table II.13 De Facto Exchange Rate Arrangements and Anchors of Monetary Policy at April 30, 2004[1]

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 against alternative monetary policy frameworks with the intention of using both criteria as a way of providing greater transparency in the classification scheme and to illustrate that different exchange rate regimes can be consistent with similar 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' independent 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 will remain fully backed by foreign assets, eliminating traditional central bank functions, such as monetary control and lender of last resort, and leaving little scope for discretionary monetary policy. Some flexibility may still be afforded, depending on how strict the banking rules of the currency board arrangement are.

Other Conventional Fixed-Peg Arrangements

The country (formally or de facto) pegs its currency at a fixed rate to another currency 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 stands ready to maintain the fixed parity through direct intervention (i.e., via sale/purchase of foreign exchange in the market) or indirect intervention (e.g., via aggressive 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 at least ±1 percent around a fixed central rate or the margin between the maximum and minimum value of the exchange rate exceeds 2 percent. It also includes arrangements of countries in the exchange rate mechanism (ERM) of the European Monetary System (EMS) that was replaced with the ERM II on January 1, 1999. 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, differentials between the inflation target and expected inflation in major trading partners, and so forth. The rate of crawl can be set to generate inflation-adjusted changes in the exchange rate (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 either are 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 (e.g., 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 establishing a level for it.

Monetary Policy Frameworks

The exchange rate regimes are presented alongside monetary policy frameworks in order to present the role of the exchange rate in broad economic policy and help identify potential sources of inconsistency in the monetary-exchange rate policy mix.

Exchange Rate Anchor

The monetary authority stands ready to buy/sell foreign exchange at given quoted rates to maintain the exchange rate at its preannounced level or 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.

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)	Exchange rate anchor				Monetary aggregate target	Inflation-targeting framework	IMF-supported or other monetary program	Other
Exchange arrangements with no separate legal tender (41)	*Another currency as legal tender* Ecuador El Salvador[4] Kiribati Marshall Islands Micronesia, Fed. States of Palau Panama San Marino Timor-Leste	*ECCU*[2] Antigua and Barbuda Dominica* Grenada St. Kitts and Nevis St. Lucia St. Vincent and the Grenadines	*CFA franc zone* *WAEMU* Benin Burkina Faso* Côte d'Ivoire* Guinea-Bissau Mali Niger* Senegal Togo	*CFA franc zone* *CAEMC* Cameroon* Central African Rep. Chad Congo, Rep. of Equatorial Guinea Gabon				*Euro area*[3] Austria Belgium Finland France Germany Greece Ireland Italy Luxembourg Netherlands Portugal Spain
Currency board arrangements (7)	Bosnia and Herzegovina Brunei Darussalam Bulgaria China—Hong Kong SAR Djibouti Estonia Lithuania							
Other conventional fixed-peg arrangements (41)	*Against a single currency (32)* Aruba Bahamas, The[5] Bahrain Barbados Belize Bhutan Cape Verde* China†[6] Comoros[7] Eritrea Guinea*[6] Jordan*[6] Kuwait Lebanon[6] Lesotho* Macedonia, FYR*[6] Malaysia Maldives[6] Namibia Nepal* Netherlands Antilles Oman Qatar Saudi Arabia Suriname[5, 6] Swaziland Syrian Arab Rep.[5] Turkmenistan[6] Ukraine[6] United Arab Emirates Venezuela Zimbabwe[6]	*Against a composite (9)* Botswana[5] Fiji Latvia Libya Malta Morocco Samoa Seychelles Vanuatu			China†[6]			
Pegged exchange rates within horizontal bands (4)[8]	*Within a cooperative arrangement (1)* Denmark[9]	*Other band arrangements (3)* Cyprus Hungary† Tonga				Hungary†		

Table II.13 *(concluded)*

Exchange Rate Regime (number of countries)	Exchange rate anchor	Monetary aggregate target	Inflation-targeting framework	IMF-supported or other monetary program	Other
Crawling pegs (5)	Bolivia Costa Rica Nicaragua* Solomon Islands[6] Tunisia	Tunisia			
Exchange rates within crawling bands (5)[10]	Belarus Honduras* Israel† Romania[6] Slovenia†[6]		Israel†		
Managed floating with no preannounced path for the exchange rate (49)		Bangladesh* Cambodia[5] Egypt[5] Ghana*[6] Guyana* Indonesia Iran, I.R. of Jamaica[6] Mauritius Sudan Zambia	Czech Rep. Peru[6] Thailand	Argentina* Azerbaijan* Croatia Ethiopia* Georgia Haiti[3, 6] Kenya* Kyrgyz Rep.* Lao P.D.R.*[5] Moldova[6] Mongolia* Mozambique[6] Pakistan* Rwanda* Serbia and Montenegro*[11] Tajikistan* Vietnam	Afghanistan, I.S. of Algeria[3] Angola[3] Burundi*[3] Gambia, The[3, 6] India[3] Iraq Kazakhstan[3] Mauritania* Myanmar[3, 5, 6] Nigeria[6] Paraguay*[3] Russian Federation[3] São Tomé and Príncipe Singapore[3] Slovak Rep.[3] Trinidad and Tobago Uzbekistan[3, 5]
Independently floating (35)		Malawi* Sierra Leone*[6] Sri Lanka* Uruguay* Yemen, Rep. of	Australia Brazil* Canada Chile[5] Colombia* Guatemala† Iceland Korea Mexico New Zealand Norway Philippines Poland South Africa Sweden Turkey* United Kingdom	Albania* Armenia* Congo, Dem. Rep. of* Madagascar* Tanzania* Uganda*	Dominican Rep.*[3] Japan[3] Liberia[3, 6] Papua New Guinea[3] Somalia[5, 12] Switzerland[3] United States[3]

Sources: International Monetary Fund, Country Reports and *International Financial Statistics*.

[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 infer from this table which nominal anchor plays the principal role in conducting monetary policy.)
[2]These member countries of the Eastern Caribbean Currency Union have a currency board arrangement.
[3]The country has no explicitly stated nominal anchor but, rather, monitors various indicators in conducting monetary policy.
[4]For El Salvador, 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 maintains an exchange arrangement involving more than one market. The arrangement shown is the one maintained in the major market.
[6]The regime operating de facto in the country is different from its de jure regime.
[7]Comoros has the same arrangement with the French Treasury as the CFA franc zone countries.
[8]The band widths for these countries are as follows: Cyprus (±15%), Denmark (±2.25%), Hungary (±15%), and Tonga (±5%).
[9]Participants in the ERM (exchange rate mechanism) II of the European Monetary System.
[10]The band widths for these countries are Belarus (adjusted frequently), Honduras (±7%), Israel (±26%), and Romania and Slovenia (unannounced).
[11]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 United Nations–administered province of Kosovo, the euro is the most widely used currency.
[12]Insufficient information on the country is available for classification.

Principal Policy Decisions of the Executive Board

Technical Assistance—Framework Administered Account—Establishment of China Technical Assistance Subaccount

In accordance with the terms and conditions of the Instrument establishing the Framework Administered Account for Technical Assistance Activities (Decision No. 10942-(95/33)),[1] as amended, the Fund hereby approves the establishment of the "China Technical Assistance Subaccount," which shall be used by the Fund to administer resources to be contributed by the government of the People's Republic of China, as described in EBS/03/61 (5/16/03).

Decision No. 13015-(03/49)
Adopted May 23, 2003

Technical Assistance—Framework Administered Account—Establishment of Iraq Technical Assistance Subaccount

In accordance with the terms and conditions of the Instrument establishing the Framework Administered Account for Technical Assistance Activities (Decision No. 10942-(95/33)),[2] as amended, the Fund hereby approves the establishment of the "Technical Assistance Subaccount for Iraq," which shall be used by the Fund to administer resources to be contributed by the Governments of Australia, Canada, Italy, and the United Kingdom, and any subsequent Contributors, as described in EBS/03/105 (7/15/03).

Decision No. 13062-(03/72)
Adopted July 22, 2003

Overdue Financial Obligations—Strengthened Cooperative Strategy—Review

The Fund has reviewed progress under the strengthened cooperative strategy with respect to overdue financial obligations to the Fund as described in EBS/03/118 (8/14/03). The Fund reaffirms its support for the strengthened cooperative strategy and agrees to extend the availability of the rights approach until end-August 2004 (EBS/03/118, 8/14/03).

Decision No. 13080-(03/80)
Adopted August 21, 2003

[1]*Selected Decisions and Selected Documents of the International Monetary Fund*, Twenty-Eighth Issue (December 31, 2003), p. 157.
[2]Ibid., p. 157.

General Data Dissemination System—Amendment

The Executive Directors approve the draft amendment to the General Data Dissemination System as set forth in SM/03/212, Sup. 4 (10/29/03).

Decision No. 13126-(03/102)
Adopted November 6, 2003

Income Position for FY2004—Review

The Fund has reviewed the income position for FY2004 in accordance with Rule I–6(4)(b) (EBS/03/163, 12/5/03).

Decision No. 13145-(03/114)
Adopted December 12, 2003

East African Development Bank—Termination of Status as Prescribed Holder of SDRs

The Fund notes that the status of the East African Development Bank as a prescribed holder of SDRs has been terminated as of December 10, 2003, and concurs in the arrangement made by the East African Development Bank to sell its SDR holdings in a transaction by agreement on February 5, 2004 (EBS/03/179, 12/30/03).

Decision No. 13167-(04/2)
Adopted January 8, 2004

Cooperation with Investigations on Fund Activities by Auditing Institutions of Members—Procedures

The Executive Board approves the procedures set forth in SM/04/7, 1/12/04.

Decision No. 13172-(04/6)
Adopted January 20, 2004

Eleventh General Review of Quotas—Period for Consent to Increases—Extension

Pursuant to Paragraph 4 of the Resolution of the Board of Governors No. 53–2,[3] "Increase in Quotas of Fund Members—Eleventh General Review," the Executive Board decides that notices of consent from

[3]Ibid., p. 752.

members to increases in their quotas must be received in the Fund by 6:00 p.m., Washington time, on July 31, 2004 (EBD/04/6, 1/21/04).

Decision No. 13181-(04/10)
Adopted January 28, 2004

Framework Administered Account for Technical Assistance Activities—Canadian Technical Assistance Subaccount

In accordance with the terms and conditions of the Instrument establishing the Framework Administered Account for Technical Assistance Activities (Decision No. 10942-(95/33)),[4] as amended, the Fund hereby approves the establishment of the "Canadian Technical Assistance Subaccount," which shall be used by the Fund to administer resources to be contributed by the Government of Canada, as described in EBS/04/7 (EBS/04/7, 1/21/04).

Decision No. 13182-(04/10)
Adopted January 28, 2004

Strengthening the Effectiveness of Article VIII, Section 5

1. Pursuant to Article VIII, Section 5, the Fund decides that all members shall provide the information listed in Annex A to this decision, which is necessary for the Fund to discharge its duties effectively. Members shall provide the data specified in Annex A for the periods commencing after December 31, 2004. Annex A shall be reviewed no later than December 31, 2007.

2. When a member fails to provide information to the Fund as specified in Article VIII, Section 5, or in a decision of the Fund adopted pursuant to that Article including information listed in Annex A (hereinafter "information required under Article VIII, Section 5"), the procedural framework set forth in paragraphs 5 through 17 below shall apply. Failure to provide information includes both the nonprovision of information and the provision of inaccurate information.

3. A member has an obligation to provide information required under Article VIII, Section 5, to the best of its ability. Therefore, there is no breach of obligation if the member is unable to provide information required under Article VIII, Section 5, or to provide more accurate information than the information it has provided. However, a member that is unable to provide final data is obligated to provide provisional data to the best of its ability until it is in a position to provide the Fund with final data. When assessing a member's ability to provide information, the Fund will give the member the benefit of any doubt.

4. In the context of performance criteria associated with the use of the Fund's general resources, a member may be found in breach of its obligation under Article VIII, Section 5, only if (i) it has reported that a performance criterion was met when in fact it was not, or that a performance criterion was not observed by a particular margin and it is subsequently discovered that the margin of non-observance was greater than originally reported; and (ii) a purchase was made on the basis of the information provided by the member, or the information was reported to the Executive Board in the context of a review that was subsequently completed or of a decision of the Executive Board to grant a waiver for non-observance of the relevant performance criterion.

Procedures Prior to Report by the Managing Director to the Executive Board

5. Whenever it appears to the Managing Director that a member is not providing information required under Article VIII, Section 5, the Managing Director shall call upon the member to provide the required information; before making a formal representation to the member, the Managing Director shall inform, and enlist the cooperation of, the Executive Director for the member. If the member persists in not providing such information and has not demonstrated to the satisfaction of the Managing Director that it is unable to provide such information, the Managing Director shall notify the member of his intention to make a report to the Executive Board under Rule K-l for breach of obligation unless, within a specified period of not less than a month, such information is provided or the member demonstrates to his satisfaction that it is unable to provide such information.

6. Whenever it appears to the Managing Director that a member has provided inaccurate data on information required under Article VIII, Section 5, the Managing Director shall consult with the member to assess whether the inaccuracy is due to a lack of capacity on the part of the member. If, after consulting with the member, the Managing Director finds no reason to believe that the inaccuracy is due to a lack of capacity on the part of the member, he shall notify the member of his intention to make a report to the Executive Board for breach of obligation under Rule K-l unless the member demonstrates to his satisfaction within a period of not less than one month that it was unable to provide more accurate information.

7. If the Managing Director concludes that the nonprovision of information or the provision of inaccurate information is due to the member's inability to provide the required information in a timely and accurate fashion, he may so inform the Executive Board. In that case, the Executive Board may decide to apply the provisions of paragraph 10 below.

Report by the Managing Director

8. After the expiration of the period specified in the Managing Director's notification to the member, the Managing Director shall make a report to the Executive Board under Rule K-l for breach of obligation, unless the Managing Director is satisfied that the member's response meets the requirements specified in his notification. The report shall identify the nature of the breach and include the member's response (if any) to the Managing Director's notification, and may recommend the type of remedial actions to be taken by the member.

Consideration of the Report

9. Within 90 days of the issuance of the Managing Director's report, the Executive Board will consider the report with a view to deciding whether the member has breached its obligations. Before reaching a decision, the Executive Board may request from the staff and the authorities additional clarification of the facts respecting the alleged breach of obligation; the Executive Board will specify a deadline for the provision of such clarification.

10. If the Executive Board finds that the member's failure to provide information required under Article VIII, Section 5 is due to its inability to provide the information in a timely and accurate fashion, the Executive Board may call upon the member to strengthen its capacity to provide the required information and ask the Managing Director to report periodically on progress made by the member in that respect. The member may request technical assistance from the Fund.

[4] Ibid., p. 157.

11. (a) If the Executive Board finds that the member has breached its obligation, the Executive Board may call upon the member to prevent the recurrence of such a breach in the future and to take specific measures to that effect. Such measures may include the implementation of improvements in the member's statistical systems or any other measures deemed appropriate in view of the circumstances.

(b) In addition, if the Executive Board finds that the member is still not providing the required information, the Executive Board will call upon the member to provide such information.

(c) The Executive Board will specify a deadline for taking any remedial actions specified under (a) and (b); in principle, the deadline will not exceed 90 days for actions specified under (b). The decision may note the intention of the Managing Director to recommend the issuance of a declaration of censure if the specified actions are not implemented within the specified period. In order to assist the Executive Board in identifying the appropriate actions to address a breach of obligation under Article VIII, Section 5, the member may, before the Board meeting, provide the Executive Board with a statement specifying the remedial actions it intends to take and a proposed time frame. The member may also request technical assistance from the Fund.

(d) At the expiration of the period specified by the Executive Board, the Managing Director shall report to the Executive Board on the status of the specified actions. If the member has not taken the specified actions within the specified period, and depending on the circumstances of such failure, the Managing Director may recommend and the Executive Board may decide (i) to extend the period before further steps under the procedural framework are taken; (ii) to call upon the member to take additional remedial actions within a specified time frame; or (iii) to issue a declaration of censure against the member.

Declaration of Censure

12. If a member fails to implement the actions specified by the Executive Board before the established deadline, the Managing Director may recommend and the Executive Board may decide to issue a declaration of censure. Before the adoption of a declaration of censure, the Executive Board may issue a statement to the member setting out its concerns and giving the member a specified period to respond.

13. The declaration of censure will identify the breach of obligation under Article VIII, Section 5, and the specified remedial actions the member has failed to take within the specified time frame. The declaration may specify a new deadline for the implementation by the member of the specified remedial actions; in addition, the declaration may identify further remedial actions for the member to implement before the specified deadline. It will note that the member's failure to implement any of the actions called for in the declaration within the specified time frame may result in the issuance of a complaint for ineligibility under Article XXVI (a) and the imposition of this measure. At the expiration of the period specified by the Executive Board, the Managing Director shall report to the Executive Board on the status of the specified actions.

Sanctions Under Article XXVI

14. Following the adoption of a declaration of censure, if the Executive Board finds that the member has failed to implement any of the actions called for in the declaration within the specified time frame, the Managing Director may issue a complaint to the Executive Board and recommend that the Executive Board declare the member ineligible to use the general resources of the Fund for its breach of obligation under Article VIII, Section 5. The Executive Board decision declaring the member ineligible to use the general resources of the Fund will note that the member's persistence in its failure to fulfill its obligations under Article VIII, Section 5, following the declaration of ineligibility may result in the issuance of a complaint for the suspension of the member's voting and related rights and in the imposition of this measure.

15. If the member persists in its failure to fulfill its obligations under Article VIII, Section 5, for six months after the declaration of ineligibility, the Managing Director may issue a complaint and recommend that the Fund suspend the member's voting and related rights. The Executive Board decision suspending the member's voting and related rights will note that the member's persistence in its failure to fulfill its obligations under Article VIII, Section 5, following the declaration of suspension of voting and related rights may result in the issuance of a complaint for compulsory withdrawal and in the initiation of the proceedings for the compulsory withdrawal of the member from the Fund.

16. If the member persists in its failure to fulfill its obligation under Article VIII, Section 5, for six months after the suspension of its voting rights, the Managing Director may initiate proceedings for the compulsory withdrawal of the member from the Fund.

17. All the Executive Board decisions arising from a breach of obligation taken under the procedures described above, including a decision to issue the statement of concern referred to in paragraph 12 above, will give rise to a public announcement with prior review of the text by the Executive Board.

Annex A

The data referred to in paragraph 1 of this decision are the national data on the following matters:

(i) reserve, or base money;

(ii) broad money;

(iii) interest rates, both market-based and officially determined, including discount rates, money market rates, rates on treasury bills, notes and bonds;

(iv) revenue, expenditure, balance and composition of financing (that is, foreign financing and domestic bank and nonbank financing) for the general and central governments respectively;[5] the stocks of central government and central government–guaranteed debt, including currency and maturity composition and, if the debt data are amenable to classification on the basis of the residency or nonresidency of the holder, the extent to which the debt is held by residents or nonresidents;

(v) balance sheet of the central bank;

(vi) external current account balance;

(vii) exports and imports of goods and services;

(viii) the international reserve assets and reserves liabilities of the monetary authorities, specifying separately any reserve assets that are pledged or otherwise encumbered as well as net derivative positions;

(ix) gross domestic product or gross national product;

[5]The general government consists of the central government (budgetary funds, extra-budgetary funds, and social security funds) and state and local governments.

(x) consumer price index;

(xi) gross external debt;[6] and

(xii) consolidated balance sheet of the banking system.

Decision No. 13183-(04/10)
Adopted January 30, 2004

Transparency and Fund Policies—Issues and Next Steps—Amendments to Decision

Publication Policies of the Fund

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 16–17, and to the authorization of the World Bank in the case of Documents 6 and 11. For purposes of this decision (i) Documents 1–4, 6, 9–10, 11, 13, and 17 will be referred to as "Country Documents"; (ii) Documents 5, 7–8, and 16 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 5–11 and 13 shall be voluntary but presumed. From July 1, 2004, onwards, a member's consent to Fund publication of Documents 1, 2, and 4 shall also be voluntary but presumed; until July 1, 2004, consent to the publication of these documents shall be voluntary. A member's consent to Fund publication of Documents 3 and 16–17 shall be voluntary.

(b) The presumption referred to in paragraph 3(a) means that Fund publication of an applicable document would be expected to occur within 30 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 decided whether it will consent to the publication of the document, the Secretary will remind the member to communicate its publication decision to the Fund within 30 calendar days following the Executive Board meeting. Unless the member's explicit consent is received by the Fund, Documents 1–11, 13, and 16–17 shall not be published.

4. (a) In the case of a member's Poverty Reduction Strategy Paper (PRSP), Interim PRSP, or PRSP progress report (Document 5), the Managing Director will not recommend its endorsement by the Executive Board if the member concerned does not consent to its publication.

(b) From July 1, 2004, onwards, the Managing Director will generally not recommend that the Executive Board approve a request to use Fund resources that would result in the relevant member obtaining exceptional access to the Fund's general resources, unless that member consents to the publication of the associated staff report. The use of Fund 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 Fund 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, a member's actual consent shall normally be communicated 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, and 17) 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 to Documents which Pertain to Members

8. Prior to publication of a Country Document, or a certain Country Policy Intentions Document (Documents 7–8) that has been the basis of a Fund decision, or Document 16 the member concerned may propose deletions to the Managing Director. In the case of a serious disagreement between the Managing Director and the member, the Managing Director or the Executive Director elected, appointed, or designated by that member may refer the matter to the Executive Board for its consideration. Deletions, if any, should be limited to highly market-sensitive material, mainly on exchange rates and interest rates, in banking and fiscal areas, and in vulnerability assessments. In particular, deletions will not apply to information in the public domain or politically sensitive information that is not highly market sensitive. In the case of Documents 1, 7–9, and 16–17, information relating to any performance criterion or structural benchmark 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. If, in a particular case, 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.

9. Deletions will not generally apply to a PRSP, an Interim PRSP, or a PRSP progress report that has been the basis of a Fund decision.

Chairman's Statements in Respect of Use of Fund Resources

10. After the Executive Board adopts a decision regarding a member's use of Fund resources (including a decision completing a review under a Fund arrangement) or completes a discussion on a member's participation in

[6]Gross external debt is the outstanding amount of those actual current, and not contingent, liabilities that require payment(s) of principal and/or interest by the debtor at some point(s) in the future and that are owed to nonresidents by residents of an economy (SM/03/386, Sup. 1, 1/23/04).

the HIPC Initiative, PRSP, Interim PRSP, or PRSP progress report, 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 PRSP, Interim PRSP, or PRSP progress report. Waivers for nonobservance or of applicability of performance criteria, if any, will be mentioned in the press release containing the Chairman's statement. Before the 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 very minor revisions, if any, and to consent to its publication immediately after the Executive Board meeting. Notwithstanding the above, no Chairman's Statement released under this paragraph shall contain any reference to a discussion or decision pertaining to (i) 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; or (ii) a request to amend a repurchase expectation schedule pursuant to paragraph 1(b) of Decision No. 5703-(78/39)[7] or paragraph 10(a) of Decision No. 4377-(74/114).[8] In the case of an Executive Board meeting pertaining solely to a discussion or decision described in either (i) or (ii) above, no Chairman's statement will be released.

Non-Publication of PINs and Chairman's Statements in Selected Cases—Release by the Fund of Factual Statements in Lieu

11. (a) From July 1, 2004, onwards, if a member does not consent to the publication of a Public Information Notice (PIN) following the Executive Board's conclusion of an Article IV consultation with that member, or following a post-program monitoring or ex post assessment discussion 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 (Document 10) under paragraph 10 where one would be applicable, a brief factual statement describing the Executive Board's decision relating to that member's use of Fund resources (including any information on waivers, HIPC initiative decisions, and endorsements of Documents 5) will be released instead.

Fund Policy Documents

12. 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 Public Information Notice (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 that may have been adopted by the Executive Board or the Chairman's summing-up of the discussions. It will also include a short section setting out background information.

13. (a) Prior to the publication of a Fund policy staff report, the Managing Director may make necessary factual corrections and deletions 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 13(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.

Timing and Means of Fund Publication

14. Documents may be published under this decision only after their consideration by the Executive Board, except for (i) PRSPs, Interim PRSPs, or PRSP progress reports; (ii) documents circulated to the Executive Board for information only; and (iii) Reports on Observance of Standards and Codes (ROSCs) and Assessment of Financial Sector Supervision and Regulation (AFSSR) reports. Documents under items (i)–(iii) may be published immediately after circulation to the Executive Board.

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

Repeal of Superseded Decisions

16. 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; and (iv) "Release of Information—Reports on Recent Economic Developments and Statistical Appendices and Annexes," Decision No. 10138-(94/61), adopted July 11, 1994. 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

17. 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 70 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.

[7]Ibid., p. 387.
[8]Ibid., p. 269.

Other Matters/Review

18. 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.

19. This decision shall be reviewed in light of experience at regular intervals not to exceed 24 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. Poverty Reduction Strategy Papers (PRSPs), Interim PRSPs, and PRSP Progress Reports
6. Joint Fund/World Bank Staff Assessments of PRSPs, Interim PRSPs, and PRSP Progress Reports
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 non-observance, of performance criteria
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. Other Documents

16. LOIs/MEFPs for Staff Monitored Programs (SMPs)
17. Stand-alone Staff Reports on SMPs

Decision No. 13197-(04/16)
Adopted February 20, 2004

Trade-Related Balance of Payments Adjustments—Fund Support

1. The Fund is prepared to provide financial assistance to members that are experiencing balance of payment difficulties as a result of trade liberalization measures undertaken by other countries. Such assistance shall be made available (i) in the upper credit tranches under a Stand-By Arrangement, (ii) under the Extended Fund Facility, or (iii) under the Poverty Reduction and Growth Facility, and shall be subject to the general access limits established from time to time under such policies. Liberalization measures undertaken by other members would normally be limited to measures introduced either (i) under a WTO agreement or (ii) on a nondiscriminatory basis.

2. Financing under this decision may be provided to address the existing or anticipated balance of payments difficulties identified in paragraph 1 either at the time of the approval of an arrangement or completion of a program review under such an arrangement, upon the Fund's determination that the member is implementing economic adjustment policies that are designed to address the identified balance of payments problems.

3. When making a request for financing under paragraph 2 above, the member may also request that the Fund indicate its willingness to consider providing additional financing if the balance of payments difficulties identified in paragraph 1 above that may arise during the course of the arrangement are larger than anticipated at the time of the approval of the original request under paragraph 2 above. This additional financing, which shall not exceed 10 percent of quota, may be requested by the member and be provided at any time during the period of the arrangement upon a determination by the Fund, in the context of a special review under the arrangement, that (i) the member's adjustment program is broadly on track, and (ii) the additional financing is justified by unanticipated balance of payments difficulties of the type identified in paragraph 1.

4. Nothing in this decision shall be understood as preventing a member from requesting Fund financial assistance outside this decision to address the balance of payments problems identified in paragraph 1.

5. This decision shall be reviewed no later than April 30, 2007 (SM/04/63, Sup. 1, 4/1/04).

Decision No. 13229-(04/33)
Adopted April 2, 2004

PRGF-HIPC Trust Instrument—Amendment

The Executive Board approved the following decision, with one objection from Ms. Jacklin (US):

The Instrument to Establish a Trust for Special PRGF Operations for the Heavily Indebted Poor Countries and Interim PRGF Subsidy Operations (annexed to Decision No. 11436-(97/10),[9] adopted February 4, 1997), as amended, shall be amended as follows:

The third sentence of Section III, Paragraph 3(e), shall be amended to read:

7. "The Trustee retains the right to commit additional assistance at the completion point, beyond that already committed, but only so as to bring the ratio of the net present value of debt-to-exports to 150 percent (or debt-to-fiscal revenue to 250 percent), if the deterioration in the member's debt sustainability is

[9] Ibid., p. 105.

primarily attributable to a fundamental change in the member's economic circumstances due to exogenous factors" (EBS/04/43, 3/18/04).

Decision No. 13224-(04/33)
Adopted April 1, 2004

PRGF Trust and PRGF-HIPC Trust—Reserve Account—Review

Pursuant to Decision No. 10286-(93/23) ESAF,[10] adopted on February 22, 1993, as amended, the Fund has reviewed the adequacy of 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 April 1, 2004 to September 30, 2004.

Decision No. 13226-(04/34) PRGF
Adopted April 5, 2004

Income Position, Rate of Charge, and Burden Sharing for FY2004 and FY2005—Review—Disposition of Net Income for FY2004

1. The Fund's net income for FY2004 derived from the application of paragraph 2 of Decision No. 12988-(03/36),[11] adopted April 21, 2003, shall be placed in the Fund's Special Reserve after the end of the financial year.

2. The expense derived from the application of International Accounting Standard 19-Employee Benefits during FY2004 shall be charged against the Fund's Special Reserve and shall be recorded separately in the financial records of the Fund (EBS/04/55, 4/14/04).

Decision No. 13235-(04/42)
Adopted April 30, 2004

Income Position, Rate of Charge, and Burden Sharing for FY2004 and FY2005—Review—Rate of Charge on Use of Fund Resources for FY2005

1. Notwithstanding Rule I–6(4)(a), effective May 1, 2004, the proportion of the rate of charge referred to in Rule I–6(4) to the SDR interest rate under Rule T–1 shall be 154.0 percent.

2. The net income target for FY2005 shall be SDR 191 million. Any net income for financial year 2005 in excess of SDR 191 million shall be used to reduce retroactively the proportion of the rate of charge for financial year 2005. If net income for financial year 2005 is below SDR 191 million, the amount of projected net income for financial year 2006 shall be increased by the equivalent of that shortfall. For the purpose of this provision, net income shall be calculated without taking into account net operational income generated by the surcharges on purchases under the Supplemental Reserve Facility, the surcharge on purchases in the credit tranches and under the Extended Fund Facility or the effect on income of the implementation of International Accounting Standard 19-Employee Benefits (EBS/04/55, 4/14/04).

Decision No. 13236-(04/42)
Adopted April 30, 2004

[10]Ibid., p. 441.
[11]Ibid., p. 416.

Income Position, Rate of Charge, and Burden Sharing for FY2004 and FY2005—Review—Burden Sharing Implementation in FY2005

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 (EBS/04/55, 4/14/04).

Section II. Determination of 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 (EBS/04/55, 4/14/04).

Section III. Adjustment for Deferred Charges

Notwithstanding paragraph 1(a) of Section IV of Executive Board Decision No. 12189-(00/45),[12] adopted April 28, 2000, the rate of charge and the rate of remuneration determined under that Section shall be rounded to two decimal places (EBS/04/55, 4/14/04).

Section IV. Amount for Special Contingent Account–1

1. An amount of SDR 94 million shall be generated during financial year 2005 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),[13] 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, 2004, August 1, 2004, November 1, 2004, and February 1, 2005; shortly after July 31 for the period from May 1 to July 31; shortly after October 31

[12]Ibid., p. 404.
[13]*Selected Decisions and Selected Documents of the International Monetary Fund*, Twenty-Seventh Issue (December 31, 2002), p. 390.

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),[14] 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),[15] 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) (EBS/04/55, 4/14/04).

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),[16] adopted April 28, 2000 (EBS/04/55, 4/14/04).

Decision No. 13237-(04/42)
Adopted April 30, 2004

[14] *Selected Decisions and Selected Documents of the International Monetary Fund*, Twenty-Sixth Issue (December 31, 2001), p. 319.
[15] *Selected Decisions*, Twenty-Eighth Issue, December 2003, p. 398.
[16] Ibid., p. 404.

Income Position, Rate of Charge, and Burden Sharing for FY2004 and FY2005—Review—Cost of Administering PRGF Trust

For financial year 2005, no reimbursement shall be made to the General Resources Account from the PRGF Trust Reserve Account for the cost of administering the PRGF Trust (EBS/04/55, 4/14/04).

Decision No. 13238-(04/42) PRGF
Adopted April 30, 2004

Income Position, Rate of Charge, and Burden Sharing for FY2004 and FY2005—Review—Surcharges on Purchases Under Supplemental Reserve Facility, and in Credit Tranches and Under Extended Fund Facility—Disposition of Net Operating Income

For financial year 2005, after meeting the cost of administering the PRGF Trust, any remaining net operational income generated by the surcharges on purchases under the Supplemental Reserve Facility and the surcharges on purchases in the credit tranches and under the Extended Fund Facility shall be placed after the end of that financial year to the General Reserve (EBS/04/55, 4/14/04).

Decision No. 13239-(04/42) SRF
Adopted April 30, 2004

Income Position, Rate of Charge, and Burden Sharing for FY2004 and FY2005—Review of System of Special Charges

The Fund has reviewed the system of special charges applicable to overdue obligations to the General Resources Account, the Structural Adjustment Facility, and the Trust Fund (EBS/04/55, 4/14/04).

Decision No. 13240-(04/42) G/SAF/TR
Adopted April 30, 2004

Relations with Other International Organizations

Amid signs of a strengthening global economic recovery, close cooperation between the IMF and other international organizations continued to be of critical importance in FY2004. In an increasingly integrated financial system, identifying risks and generating sustained and widespread momentum for economic growth requires a high level of collaboration between the Fund, the World Bank, the United Nations (UN) and its specialized agencies, the World Trade Organization (WTO), the Organization for Economic Cooperation and Development (OECD), the Bank for International Settlements (BIS), regional development banks, and intergovernmental groups.

Regional Representation and Technical Assistance

The IMF's Offices in Europe and the Regional Office for Asia and the Pacific maintain close ties with other international organizations, while the Fund maintains technical assistance centers in Africa, Asia, and the Caribbean, and runs or contributes to regional training institutes in Europe, Africa, and Asia.

Following the reorganization of the Fund's permanent presence in Europe in FY2003, in which a Brussels Office was added to the existing Paris and Geneva Offices, the Paris Office remains the center of the Fund's European operations, with the Director of the Paris Office being also the Director of the Offices in Europe. The Paris Office liaises with regional and international institutions located in Europe and contributes to the Fund's European operations, focusing on multilateral and regional surveillance. Paris Office staff represent the Fund at donor and surveillance committees of the OECD, provide secretariat services to the Group of 10 (G-10), and keep close contact with the BIS in Basel. They also attend, on an ad hoc basis, meetings of organizations such as the Financial Action Task Force (FATF), the European Parliament, and the Council of Europe.

The primary purpose of the Brussels Office is to contribute to the surveillance of the European Union and the euro area and enhance cooperation with EU institutions. This involves the participation in Fund consultations with EU institutions in Brussels and Frankfurt, ongoing information gathering, and regular contacts with EU officials.

The Office in Geneva monitors, analyzes, and reports on the activities of Geneva-based socioeconomic agencies, with particular emphasis on the multilateral trading system and trade-related developments in the European Union. These agencies include the WTO, the International Labor Organization (ILO), the UN Conference on Trade and Development (UNCTAD), the UN High Commissioner for Refugees (UNHCR), the UN Office of the High Commissioner for Human Rights (OHCHR), the World Health Organization (WHO), the UN Economic Commission for Europe (UNECE), and the Inter-Parliamentary Union (IPU).

The IMF's Regional Office for Asia and the Pacific, located in Tokyo, is responsible for enhancing surveillance and promoting the IMF's initiatives in Asia. The Office works closely with regional groupings such as the Asia-Pacific Economic Cooperation (APEC), the Association of South East Asian Nations (ASEAN), the Pacific Islands Forum (Forum), the South Asian Association for Regional Cooperation (SAARC), the South East Asian Central Banks (SEACEN), and the Executives' Meeting of East Asia-Pacific Central Banks (EMEAP). In addition to providing the secretariat for the Manila Framework Group, the Office also maintains close contact with two regional organizations, the Asian Development Bank (AsDB) and the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP), and with the World Bank's Office in Japan. It also facilitates the IMF's participation in the Consultative Group meetings of donor nations held in the Asia and Pacific region.

The West African Regional Technical Assistance Center (West AFRITAC) opened in Bamako, Mali, on May 29, 2003, to strengthen locally based technical assistance and training in ten participating countries,[1] furthering efforts by the IMF and the World Bank, in cooperation with donors, to build country ownership of poverty reduction efforts. The East AFRITAC was established in Tanzania in October 2002, and three more AFRITACs are planned for sub-Saharan Africa. Through the Pacific Financial Technical Assistance Center (PFTAC) and the Caribbean Regional Technical Assistance Center (CARTAC), the Fund provides similar technical assistance to its members in the Asia-Pacific region and in the Caribbean, respectively, that are seeking to improve their economic and fiscal management practices. The IMF also provides policy-related training to public sector officials and private sector managers through its support of the Joint Africa Institute, the Joint Vienna Institute, and the Singapore Training Institute. Each of these facilities offers courses and seminars on topics of relevance to regional capacity building.

Collaboration with the World Bank

The collegial relationship between the IMF and the World Bank has existed since their founding at the Bretton Woods Conference of 1944. As mandated in their respective Articles of Agreement and in the joint 1989 Concordat, they play important complementary roles in ensuring the world's economic growth and stability. Both institutions conduct regular consultations of senior staff members, participate in joint missions, attend joint meetings, and share documents. Collaboration by the staff, both on policy advice and on operational matters, is guided by the ongoing dialogue between IMF and Bank management.

[1] Benin, Burkina Faso, Côte d'Ivoire, Guinea, Guinea-Bissau, Mali, Mauritania, Niger, Senegal, and Togo.

As the mandates of the IMF and the World Bank have evolved, it has been necessary periodically to redefine the rules of engagement and the division of labor between the two organizations, with a view to enhancing their overall effectiveness. Building upon the sustained momentum since 2001 to strengthen the framework for Bank-Fund collaboration, the two institutions continued in FY2004 to review experience to date in implementing the guidance note on Operationalizing Bank-Fund Collaboration in Country Programs and Conditionality, issued in 2002. The guidance note forms the basis for collaboration between the area departments of the Fund and the regional departments of the Bank on country programs and conditionality. A subsequent review in September 2003 indicated broad satisfaction with the framework for Bank-Fund collaboration but also highlighted a number of areas for further improvement, including a consistent application of the division of labor between the two institutions with regard to conditionality, coordination in interacting with authorities, and shared work at the country level, for example, during joint missions.

The Fund and the Bank also cooperate closely in monitoring financial system stability, especially through the Financial Sector Assessment Program (FSAP), which aims to increase the effectiveness of efforts to promote the soundness of financial systems in member countries. Detailed Financial System Stability Assessments (FSSAs) of observance of relevant financial sector standards and codes are a key component of the FSAP. Reports on Observance of Standards and Codes (ROSCs) are a by-product of FSSAs. Much of the value added by the FSAP derives from its collaborative nature.

As of end-February 2004, 106 countries had participated or were participating in the FSAP, including a significant number of systemically or regionally important countries. A joint Fund-Bank FSAP review, considered by the Boards of the two institutions in March 2003, identified several common challenges: streamlining assessments to maintain a realistic pace, improving prioritization and selectivity, and ensuring systematic follow-up. A further joint Fund-Bank review is planned by 2005, and a joint research program relating to measures of financial sector development and deepening is currently under way.

The Fund and the Bank are also collaborating closely on a program to assess progress in member countries' implementation and observance of standards and codes. The Fund has taken the lead on data and fiscal transparency; both institutions have assessed financial sector standards jointly as part of the FSAP; and the Bank has taken the lead in corporate governance, accounting and auditing, insolvency, and creditor rights. A joint Fund-Bank review is planned for 2005.

Given synergies with assessments of prudential supervisory standards, the FSAP provides a suitable context for undertaking assessments of countries' anti-money-laundering (AML) and combating the financing of terrorism (CFT) regimes. In 2002, the Financial Action Task Force (FATF) 40 + 8 Recommendations were added to the list of standards for which ROSCs are prepared, and a common AML/CFT methodology document developed by the Fund and the Bank was endorsed for use in both Fund-Bank-led ROSCs and those led by the FATF and FATF-style regional bodies. (See Section 2.) Since the Fund and the Bank initiated a twelve-month pilot program of AML/CFT assessments in October 2002 using the common methodology, 41 countries have been assessed, 33 by Fund and Bank experts. These assessments were conducted in all regions of the world and in both industrial and developing countries. In March 2004, the Executive Boards of the Fund and the Bank reviewed the pilot program and agreed to adopt a more comprehensive and integrated approach to conducting assessments of compliance with international standards for fighting money laundering and terrorist financing, building on the pilot program. Going forward, the Fund and the Bank both plan to carry out 10 money-laundering and terrorist-financing assessments a year as part of the FSAP (and, for the Fund, also as part of its offshore financial center assessments).

The two institutions also work jointly on global development issues. Together, the IMF and the World Bank have sought to relaunch the Doha Round of multilateral trade negotiations following the failure of discussions at the last ministerial meeting of the WTO in Cancún, Mexico, in September 2003. Following the World Bank-IMF Annual Meetings in Dubai in September 2003, IMF Managing Director Horst Köhler and World Bank President James Wolfensohn wrote jointly to heads of government, calling on world leaders not to allow the impasse at Cancún to undermine the commitments made in the Doha Development Agenda. As part of efforts within both institutions to help members adjust to the effects of trade liberalization, the IMF is preparing an initiative to support countries that experience temporary balance of payments shortfalls as a result of multilateral trade liberalization, while the Bank will support programs to improve trade logistics and competitiveness.

In April 2004, the staffs of the Fund and the Bank prepared the first annual Global Monitoring Report. This report assesses progress on policies and actions needed to achieve the Millennium Development Goals (MDGs) and considers the contributions of developing countries, developed countries, and the international financial institutions to the development partnership agreed at Monterrey in 2002. To strengthen the monitoring of progress toward the MDGs, Bank and Fund staff are collaborating on enhancing the Fund's General Data Dissemination System (GDDS) to support the compilation of MDG indicators.

Finally, one of the most important areas of IMF-World Bank cooperation is their work toward the common objective of reducing poverty by stimulating economic growth and providing debt relief. Launched by the Bank and the Fund in 1996 and enhanced in 1999, the Heavily Indebted Poor Countries (HIPC) Initiative is a comprehensive approach to debt reduction for poor countries that entails coordinated action by the international financial community, including the multilateral institutions. Debt relief under the HIPC Initiative is approved and disbursed based on a recipient country's continued effort toward macroeconomic adjustment and structural and social reforms. Some of the resources freed up by debt relief are expected to be used to finance social programs—primarily basic health care and education. All countries requesting debt relief under the HIPC Initiative must prepare a Poverty Reduction Strategy Paper (PRSP) through a broad-based participatory process. Fund and Bank staff work together in evaluating PRSPs and Interim Poverty Reduction Strategy Papers (IPRSPs). The staffs of both institutions prepare Joint Staff Assessments (JSAs) of the PRSPs, which are referred to the Executive Boards of both institutions for decision. During FY2004, 28 JSAs were completed by Fund and Bank staff.

Relations with the United Nations

The IMF works closely with the United Nations through the Special Representative of the Fund to the UN and through other extensive institutional contacts. The mandate of the Special Representative, who operates out of the Fund Office at the United Nations in New York, is to foster communications and cooperation between the IMF and the UN. The most prominent functions of the UN Office include making the IMF's views known, providing input for the deliberations at the UN on IMF-related issues, keeping the IMF informed of major developments within the UN system, and facilitating cooperation between the two institutions.

During FY2004, collaboration between the IMF and the UN continued to focus on the challenges of financing development around the world and implementing the commitments of the Monterrey Consensus. In the follow-up to the International Conference on Financing for Development held in Monterrey, Mexico, in March 2002, the Fund participated in the first UN General Assembly High-Level Dialogue on Financing for Development, held in New York on October 29–30, 2003. In his remarks to the plenary, IMF Managing Director Horst Köhler reaffirmed that the Fund would continue to play its role in implementing the Monterrey Consensus—helping low-income countries establish a framework for sound macroeconomic policies and institutions—especially by streamlining conditionality; strengthening the alignment between the PRSP, national budget frameworks and the PRGF; and reinforcing technical assistance. Mr. Köhler also noted that the Monterrey Consensus extended beyond poverty alleviation to embrace building a stronger international financial system that helps all countries seize the benefits of globalization.

On March 23, 2004, a delegation of United Nations Economic and Social Council (ECOSOC) ambassadors met in a preparatory session with members of the Fund's Executive Board, management, and senior staff to discuss the themes of the upcoming seventh annual high-level meeting of ECOSOC with the Bretton Woods institutions. Participants at the preparatory session emphasized that cooperation between the IMF and ECOSOC—and the United Nations more broadly—should continue to be pragmatic and mutually supportive, with each institution focusing its energies on its own mandate and area of expertise. Deputy Managing Director Agustín Carstens subsequently attended the high-level meeting, held in New York on April 26, 2004, which also involved the World Bank, the WTO, and representatives from other agencies and civil society.

Liaison with Other Intergovernmental Groups

On October 27–28, 2003, the IMF's Statistics Department and the Bank for International Settlements (BIS) hosted a two-day conference—the first of its kind at the international level—for officials and analysts from central banks, statistical institutes, international institutions, academia, and the private sector. The conference was designed as a forum for exchanging ideas and building consensus on the development of reliable real estate indicators. The IMF's own work on financial soundness indicators has pointed to the need to improve real estate statistics, and the conference provided a useful forum for networking and collaboration between international and country institutions in taking this work forward.

As a member of the Financial Stability Forum (FSF), the IMF takes the lead on developing, organizing, and carrying out assessments of offshore financial centers' adherence to international standards. IMF staff attended the tenth and eleventh meetings of the FSF held, respectively, on September 10, 2003, in Paris, and March 29–30, 2004, in Rome. Fund staff also attended the FSF's third Latin American regional meeting in Santiago, Chile, on November 17–18, 2003. The Chairman of the FSF was an observer at the October 2003 and April 2004 meetings of the International Monetary and Financial Committee (IMFC).

Collaboration between the IMF and the WTO takes place formally as well as informally, as outlined in their Cooperation Agreement signed in December 1996. Under the agreement, the IMF has observer status at WTO meetings and regularly attends formal meetings of most WTO bodies. In particular, the IMF participates in the WTO-led Integrated Framework for Trade-Related Technical Assistance (a joint effort by six agencies, including the World Bank); contributes to the work of the WTO Working Group on Trade, Debt, and Finance; and is a regular member of the Committee on Balance of Payments Restrictions. At the May 2003 meeting of the WTO General Council, the Fund's Managing Director and the President of the World Bank shared their views with WTO national delegations on trade issues and coherence in the work of the three organizations.

As part of the Fund's ongoing efforts to strengthen dialogue with national legislators, IMF staff also participated in a panel on the Bretton Woods institutions at the annual meeting of the Inter-Parliamentary Union in October 2003. Throughout FY2004, the IMF continued to participate actively in the meetings and activities of other major intergovernmental groups, including the Group of Seven (G-7), Group of Ten (G-10), Group of Twenty (G-20), and Group of Twenty-Four (G-24). The Managing Director attended the G-8 summit in Evian, France, on June 2–3, 2003, and the meetings of the G-7 ministers and central bank governors, in Deauville, France, on May 16–17, 2003, and in Boca Raton, Florida, on February 7, 2004. First Deputy Managing Director Anne O. Krueger attended the Annual Meeting of the G-20 finance ministers and central bank governors on October 25–26, 2003, in Morelia, Mexico.

Cooperation with Regional Development Banks

Whether working to prevent crisis, alleviate poverty, combat financial abuse, or strengthen the global economic system, the IMF works closely with the world's multilateral and regional development banks. This collaboration includes formulation and implementation of policies in the economic and financial areas, release of information, and staff visits. In conjunction with the Asian Development Bank (AsDB), the European Central Bank (ECB), the World Bank, and other donor organizations, the Fund cosponsored the conference for the Commonwealth of Independent States (CIS-7), held in Bishkek, Kyrgyz Republic, on May 10–13, 2003, to celebrate the tenth anniversary of the Kyrgyz Republic's national currency and to highlight economic progress in the CIS countries.

The IMF also worked with the AsDB to review and exchange experiences on the development of poverty reduction strategies in East Asian countries by cosponsoring, with the World Bank and the United Nations Development Program (UNDP), the forum of the Second East Asia and Pacific Regional Conference on Poverty Reduction Strategies, which was convened in Phnom Penh, Cambodia, on October 16–18, 2003. (See Section 4, Box 4.2.)

Role of IMF Management

In a globalized world, close cooperation between financial, trade, and development organizations is essential. Efforts to prevent crisis and to promote growth depend on the coordinated actions of many international institutions. This is especially true in times of economic uncertainty. IMF management plays an important role in promoting this multilateral collaboration in many international forums. (See Section 8 for a description of the changes that occurred in the Fund's senior management team during FY2004.)

In early July 2003, Managing Director Horst Köhler made his sixth visit to Africa since assuming office in May 2000. He met with senior government officials in Ethiopia, Kenya, Madagascar, and Mozambique. In a keynote address delivered at the Head of African States Meeting held in Maputo, Mozambique, on July 10, 2003, Mr. Köhler noted that achieving the ambitious Millennium Development Goal of halving poverty by 2015 required effort on all sides: creating domestic conditions for growth through sound national policies, and ensuring that the international community is supportive of Africa's integration in the global economy. Over the long term, the IMF will further tailor its assistance to the challenges that Africa faces, helping countries in the region build stronger, more diversified financial sectors that will enable them to mobilize domestic investment, attract foreign direct investment, and pave the way for greater access to foreign capital markets. Also in July 2003, Mr. Köhler attended the Central American Conference in San Salvador. In his remarks at a working luncheon of the APEC meetings in Phuket, Thailand, on September 4, 2003, he stressed the importance of strengthening growth through regional and global economic cooperation.

On October 24, 2003, the Managing Director attended the Madrid Donors' Conference on Reconstruction in Iraq. He reaffirmed the Fund's readiness to play its part in international efforts to rebuild that country, noting that the Fund had been engaged in the reconstruction effort from the outset, as well as in efforts to boost stability and prosperity in the Middle East as a whole. Later that month, he attended the "East-West Conference on the Economic Potential of a Larger Europe" in Vienna, Austria, expressing confidence that European enlargement held tremendous promise for both the established and the new members of the European Union, and noting that the IMF's role, especially in terms of its ongoing surveillance and its work on transparency and international codes, was evolving in tandem with Europe's further economic integration. On January 12, 2004, Mr. Köhler attended the Special Summit of the Americas in Monterrey, Mexico, where he reaffirmed the IMF's commitment to assisting countries in Latin America to build a better future for their people, noting that IMF financial support for the region had reached unprecedented levels and that the IMF was providing assistance to many emerging market members facing severe external difficulties.

The IMF's Deputy Managing Directors also attended many conferences, meetings, and seminars throughout the year. In May 2003, First Deputy Managing Director Anne O. Krueger attended a meeting of Turkey's Banking Regulation and Supervision Agency and participated in a forum, "Establishing a Future: Marching Towards 2023." Both events took place in Istanbul. In December 2003, she presented a speech at the African Economic Research Consortium and participated in several workshop discussions. In her keynote address at the Malaysia Institute of Economic Research's National Economic Outlook 2004 Conference, held in December 2003, the First Deputy Managing Director commented on some of the lessons learned from the financial crises of the 1990s in the context of the conference's theme of "Developing a Dynamic Capital Market." On January 21–25, 2004, Ms. Krueger attended the World Economic Forum's Annual Meeting in Davos, Switzerland.

In November 2003, Deputy Managing Director Shigemitsu Sugisaki participated in the Asian Development Bank's Second Ministerial Conference on Central Asia Economic Cooperation, which was held in Tashkent, Uzbekistan. Deputy Managing Director Eduardo Aninat delivered the keynote address at the opening of the West AFRITAC on May 29, 2003. In March 2004, Mr. Aninat's successor, Deputy Managing Director Agustín Carstens, spoke at the Sixth Annual Meeting of Latin American Bank Chief Executives, in Santiago, Chile. He also attended the Inter-American Development Bank's Annual Meeting in Lima, Peru, during which he presented a paper, "Banking Crises in Latin America and the Political Economy of Financial Sector Policy." Mr. Carstens also participated in the International Donors' Conference on Afghanistan held in Berlin on March 30–31, 2004.

External Communications

In FY2004, the IMF continued to carry out a coordinated external communications strategy, in line with the Executive Board's discussion in March 2003.[1] The strategy focuses on two-way communication with groups and individuals through nonofficial channels, ensuring that the IMF learned from its interlocutors as it continued to assess and reform its policies and operations. The strategy also encompasses work on improving the public's understanding of and support for the Fund and its activities. (For a description of the IMF's transparency policy, see Section 6.) The IMF's main external communications activities are described below.

Public Statements and Publications

In accordance with the IMF's transparency policy, a large number of *policy and country papers* and summaries of Board discussions were released during FY2004. The Fund's external website (*www.imf.org*) continued to be the primary vehicle for dissemination. During the year, an average of 120 items a month were added to the *What's New* section of the website.

The *external website* was redesigned during FY2004 to better meet user needs. Both the World Economic Outlook database and the e-mail notification system were enhanced. During the past financial year, over 8 million e-mails were sent to subscribers, who now have the option of receiving country-specific documents in addition to documents from a given series.

Following the Executive Board's March 2003 review of the IMF's external communications strategy, the Fund undertook a pilot project to increase the publication on the external website of selected types of Fund documents in *languages other than English*, when translations are available and a request for publication has been received. This pilot has been extended for further assessment.

The *Executive Board's weekly calendar* is now available on the website, as are *ex post assessments of country programs* (which are part of the IMF's country report series).

Speeches and other public appearances by management and senior staff conveyed the IMF's views on broad policy and economic issues ranging from IMF reform to the outlook for the world economy, and on specific country and regional issues. The IMF posted most speeches on the website within hours of delivery.

Publication of economic and financial research and policy analysis papers included two issues of the *World Economic Outlook*; two issues of the *Global Financial Stability Report*; the quarterly journal *IMF Staff Papers;* the quarterly magazine *Finance & Development*; the biweekly newsletter *IMF Survey;* and a wide array of books, manuals and guides, Occasional Papers, Working Papers, Policy Discussion Papers, pamphlets, and leaflets (see Table V.1).

To make the IMF's technical and analytical work more accessible, the IMF published new titles in its *Economic Issues*, *Issues Briefs*, and *Factsheets* series. *Economic Issues* are brief, readable summaries of policy-related findings of economic research carried out by Fund staff. *Issues Briefs* discuss key issues facing the IMF and the global economy, while the *Factsheets* explain in plain language how the IMF works.

The Media

Press briefings by the Director of the External Relations Department were held at headquarters for Washington-based journalists, usually at two-week intervals. Transcripts and videos of the briefings were posted on the IMF's website shortly afterwards.

Press releases on decisions taken by the Executive Board, and on activities and statements by management and senior staff, were distributed electronically directly to journalists worldwide and posted on the website. Over the course of the financial year, more than 300 press releases and other communications to the press were prepared and distributed.

A *web page for journalists* was created on the Fund's external website shortly before the end of the financial year, offering links to information of particular interest to the media. The page also serves as a gateway to the password-protected *Media Briefing Center*, an online service giving journalists access to embargoed documents, press briefings, and other useful information.

To reach wider audiences in member countries, IMF management and senior staff expressed their views on issues of importance to the Fund through a variety of other media channels. For instance, the Fund responded to interview requests with management or senior staff in the print and broadcast media, and Fund authors also offered *media articles,* often called op-eds, on country-specific or topical policy issues.

Press conferences with management and senior staff, held on such occasions as the Spring and Annual Meetings and on the release of major reports such as the *World Economic Outlook* and the *Global Financial Stability Report,* were also made widely available to the public as transcripts and videos posted on the website.

[1]The Board review of the external communications strategy is outlined at *www.imf.org/external/np/sec/pn/2003/pn0333.htm*.

Outreach to Civil Society

In October 2003, the Managing Director issued to all members of the IMF staff the *Guide for Staff Relations with Civil Society Organizations*, which was published on the IMF's website shortly afterwards. The preparation of the *Guide* followed a proposal, welcomed by IMF Executive Directors, to offer guidance for staff outreach that would focus specifically on issues arising in interactions with civil society that influence the Fund's operational work. Great care was taken to obtain a balanced spectrum of views. The *Guide* was drafted by an external expert and involved extensive consultation with civil society organizations (CSOs) and IMF staff.

The IMF continues to deepen its *outreach to CSOs*, including nongovernmental organizations, labor unions, faith-based organizations, business associations, and research institutes and other think tanks. IMF staff and management meet frequently with civil society representatives both at headquarters and in the Fund's member countries. The Fund interacts with CSOs (1) at Fund headquarters on global policy issues; (2) in the context of Article IV consultations and program design, particularly in low-income countries preparing poverty reduction strategies; and (3) in the normal course of work with member countries, especially the work conducted by resident representatives.

The IMF's quarterly *Civil Society Newsletter* is distributed electronically to subscribers and is posted on the IMF website. To ensure that it reaches as wide an audience as possible, including national organizations in member countries, it is translated into French, Spanish, and Russian.

Outreach to Legislators

FY2004 saw a substantial expansion in the IMF's *outreach to legislators*. IMF staff held various in-country seminars—for example, in Lao P.D.R., Vietnam, and Russia—as well as regional seminars with legislators in South Asia, the Middle East and North Africa, and Southeastern Europe. The seminars provided an opportunity for IMF staff to hear the views of legislators and to explain IMF policy advice. IMF management and Executive Directors met with legislators on their visits to member countries, and the IMF hosted several visiting parliamentary delegations at its headquarters. In FY2004, the Working Group of Executive Directors on Enhancing Communication with National Legislators was established. It recommended that outreach should be expanded to help build understanding of the Fund's work.

The IMF has expanded its collaboration with the *Parliamentary Network on the World Bank*. In February 2004, management participated in the group's annual meeting, which provided yet another occasion for legislators to have a dialogue with the IMF. Fund staff are also collaborating with other umbrella groups, such as the Global Organization of Parliamentarians Against Corruption.

Public Outreach

In September 2003, the IMF launched a new *Book Forum* series open to the public and designed to attract small, specialized groups interested in discussing books on topical economic issues. Book topics ranged from capitalism and globalization to IMF governance and the voice of developing countries in the IMF. The general public was also drawn to the *Economic Forum* series, which continued to provide an opportunity for informed discussion reflecting diverse points of view.

Outreach to *academics, students, and the policy research community* also continued to expand. In FY2004, some 180 briefings were given, along with the continuation of the biannual briefing to Washington-area think tanks to provide background on key issues surrounding the upcoming Spring and Annual Meetings. The IMF continues to be responsive to the general public, and in FY2004 the staff answered thousands of e-mails and written queries and commentaries on the work and policy advice of the IMF.

The *IMF Center* hosted nearly 17,000 visitors in FY2004. In addition to its web-based educational programs, such as "The IMF in Action" and "Trading Around the World," the Center offered curriculums for elementary and high school groups. In FY2004, 375 elementary school students visited the Center to participate in lesson plans aimed at teaching them about international cooperation, currency, and trade. In addition to the permanent exhibit "Money Matters" on the history of global cooperation, the Center featured a new exhibit, "Money and Sovereignty," developed in collaboration with the Smithsonian Institution, exploring the symbolic language of money from antiquity to the present. In conjunction with embassies, the Center organized and hosted cultural events that brought in new and large audiences.

The depth and variety of *volunteer and philanthropic activities* being pursued by the IMF reflects the commitment of the institution and its employees to "give back" to communities located both in the Washington, D.C., area and in member countries around the world. The IMF's *Civic Program* and staff volunteers reach out to low-income communities at home and abroad through civic grants; volunteerism; donations to humanitarian relief efforts; the provision of space in the IMF headquarters building for community meetings, cultural events and fundraisers; and the donation of goods such as computers, furniture, clothing, and school supplies. The ultimate objective of all of the IMF's outreach efforts is to help the recipients build a better future. In financial year 2004, direct IMF grants and staff donations to the IMF's annual "Helping Hands" campaign and humanitarian relief campaigns totaled about $1 million. Since the inception of the Civic Program ten years ago, the IMF and its staff have contributed over $7 million to charities in the Washington, D.C., area and in developing countries. Information on the Civic Program is available on the external website.

Table V.1 Publications Issued, Financial Year Ended April 30, 2004

Reports and Other Documents

*Annual Report of the Executive Board for the Financial Year Ended April 30, 2003** (Chinese, English, French, German, and Spanish).

Annual Report on Exchange Arrangements and Exchange Restrictions, 2003
$110; $55 to full-time university faculty members and students.

Summary Proceedings of the Fifty-Sixth Meeting of the Board of Governors (2002).*

*The IMF Committee on Balance of Payments Statistics, Annual Report, 2003.**

Selected Decisions and Selected Documents of the International Monetary Fund, 28th edition.

IMF Financial Statements, quarters ended April 30, 2003; October 31, 2003; January 31, 2004.

Periodic Publications

Balance of Payments Statistics Yearbook
Vol. 54, 2003. A two-part yearbook. $98 a year.

Direction of Trade Statistics
Quarterly, with yearbook. $155 a year; $129 to full-time university faculty members and students. $70 for yearbook only.

*Finance and Development**
Quarterly (Arabic, Chinese, English, French, and Spanish). Free by subscription. Airspeed delivery, $20. Individual copies, $10.

Government Finance Statistics Yearbook
Vol. 27, 2003 (Introduction and titles of lines in English, French, and Spanish). $80.

*IMF Research Bulletin**
Quarterly.

*IMF Staff Papers**
Three times a year. $72 a year; $46 to full-time university faculty members and students.

*IMF Staff Papers: Special Issue of the Proceedings of the Third Annual Research Conference (*Vol. 50, 2002). $18.

*IMF Survey**
Twice monthly, once in December (English, French, and Spanish). Private firms and individuals are charged an annual rate of $109. Vol. 33–2003 (English), Vol. 33–2003 (French), and Vol. 33–2003 (Spanish).

International Financial Statistics
Monthly, with yearbook. $495 a year; $247 to full-time university faculty members and students. $95 for yearbook only; $65 for monthly issues. *International Financial Statistics* is also available on CD-ROM and on the Internet at *www.imf.statistics.org*; price information is available on request.

Occasional Papers

No. 218. *Fiscal Vulnerability and Financial Crises in Emerging Market Economies*, by Richard Hemming, Michael S. Kell, and Axel Schimmelpfennig. 2003.

No. 219. *Economic Policy in a Highly Dollarized Economy: The Case of Cambodia,* by Mario de Zamaroczy and Sopanha Sa. 2003.

No. 220. *Effects of Financial Globalization on Developing Countries: Some Empirical Evidence,* by Eswar S. Prasad, Kenneth Rogoff, Shang-Jin Wei, and Ayhan Kose. 2003.

No. 221. *Deflation: Determinants, Risks, and Policy Options,* by Manmohan S. Kumar, Taimur Baig, Jörg Decressin, Chris Faulkner-MacDonagh, and Tarhan Feyzioğlu. 2003.

No. 222. *Informal Funds Transfer Systems: An Analysis of the Informal Hawala System,* by Mohammed El Qorchi, Samuel Munzele Maimbo, and John F. Wilson. 2003.

No. 223. *Monetary Union Among Member Countries of the Gulf Cooperation Council,* by a staff team led by Ugo Fasano. 2003.

No. 224. *Managing Systemic Banking Crises,* by a staff team led by David S. Hoelscher and Marc Quintyn. 2003.

No. 225. *Rules-Based Fiscal Policy in France, Germany, Italy, and Spain,* by Teresa Dában, Enrica Detragiache, Gabriel di Bella, Gian Maria Milesi-Ferretti, and Steven Symansky. 2003.

No. 226. *Hong Kong SAR: Meeting the Challenges of Integration with the Mainland,* edited by Eswar Prasad, with contributions from Jorge Chan-Lau, Dora Iakova, William Lee, Hong Liang, Ida Liu, Papa N'Diaye, and Tao Wang. 2004.

No. 227. *U.S. Fiscal Policies and Priorities for Long-Run Sustainability,* edited by Martin Mühleisen and Christopher Towe, 2004.

No. 228. *Capital Markets and Financial Intermediation in The Baltics,* by Alfred Schipke, Christian Beddies, Susan M. George, and Niamh Sheridan. 2004.

Recent Occasional Papers are available for $25 each, $22 for full-time university faculty members and students.

World Economic and Financial Surveys

*World Economic Outlook**
A survey by the staff of the International Monetary Fund.
Twice a year (April and September) (Arabic, English, French, and Spanish).
$49; $46 for full-time university faculty members and students.

Global Financial Stability Report, September 2003, April 2004.
$49; $46 for full-time university faculty members and students.

Emerging Local Securities and Derivatives Markets: Recent Developments and Policy Issues
$49; $46 for full-time university faculty members and students.

Official Financing: Recent Developments and Selected Issues, by a staff team led by Martin G. Gilman and Jian-Ye Wang.
$42; $35 for full-time university faculty members and students.

Books and Seminar Volumes

Challenges to Central Banking from Globalized Financial Systems, edited by Piero C. Ugolini, Andrea Schaechter, and Mark R. Stone. $40.

Changing Customs: Challenges and Strategies for the Reform of Customs Administration, edited by Michael Keen. $25.

Current Developments in Monetary and Financial Law, Vol. 2. $65.

Fiscal Policy Formulation and Implementation in Oil-Producing Countries, by Jeffrey M. Davis, Rolando J. Ossowski, and Annalisa Fedelino. $37.

Lifting the Oil Curse: Improving Petroleum Revenue Management in Sub-Saharan Africa, by Menachem Katz, Ulrich Bartsch, Harinder Malothra, and Milan Cuc. $20.

The Low-Income Countries of the Commonwealth of Independent States: Progress and Challenges in Transition, edited by Clinton R. Shiells and Sarosh Sattar (with the World Bank). $36.

Managing Oil Wealth: The Case of Azerbaijan, by John Wakeman-Linn, Chonira Aturupane, Stephan Danninger, Koba Gvenetadze, Niko Bobdari, and Eric Le Borgne. $20.

Russia Rebounds, edited by David Owen and David O. Robinson. $28.

Who Will Pay? Coping with Aging Societies, Climate Change, and Other Long-Term Fiscal Challenges, by Peter S. Heller. $28.

Manuals and Guides

Balance of Payments Textbook (Arabic). $25.

External Debt Statistics Guide for Compilers and Users (English, French, Spanish). $60.

Foreign Direct Investment Statistics: How Countries Measure FDI (with OECD). $25.

Government Finance Statistics Manual 2001, by the Statistics Department (French, Russian). $40.

Guidelines for Public Debt Management: Accompanying Document and Selected Case Studies, by the staffs of the IMF and the World Bank. $31.

Quarterly National Accounts Manual: Concepts, Data Sources, and Compilation, by Adriaan Bloem, Robert J. Dippelsman, Nils O. Maehle (Russian). $40.

Suppressing the Financing of Terrorism: A Handbook for Legislative Drafting, by the IMF Legal Department (Arabic, English, French, Spanish, Russian*). $21.

Taxing the Financial Sector: Concepts, Issues, and Practices, edited by Howell H. Zee. $17.

Table V.1 *(concluded)*

Economic Issues Series*

No. 28. *Moral Hazard: Does IMF Financing Encourage Imprudence by Borrowers and Lenders?* by Timothy Lane and Steven Phillips (Arabic).

No. 29. *The Pension Puzzle: Prerequisites and Policy Choices in Pension Design,* by Nicholas Barr (Arabic).

No. 30. *Hiding in the Shadows: The Growth of the Underground Economy,* by Friedrich Schneider with Dominik Enste (Arabic, Chinese).

No. 31. *Corporate Sector Restructuring: The Role of Government in Times of Crisis,* by Mark R. Stone (Arabic, Chinese, French, Russian, and Spanish).

No. 32. *Should Financial Regulators Be Independent?* by Marc G. Quintyn and Michael W. Taylor (English).

No. 33. *Educating Children in Poor Countries*, by Arye L. Hillman and Eva Jenkner (English).

Pamphlet Series*

No. 53. *Governance of the International Monetary Fund: Decision Making, Institutional Oversight, Transparency, and Accountability,* by Leo Van Houtven (French).

Guide to the IMF Series*

IMF Technical Assistance: Transferring Knowledge and Best Practice (Arabic, Chinese, English, French, Russian, and Spanish).

What Is the International Monetary Fund? (Arabic, Bahasa Indonesian, and Thai).

Miscellaneous Publications

Challenges of Growth and Globalization in the Middle East and North Africa, by George T. Abed and Hamid R. Davoodi (Arabic and English).

Choosing Exchange Regimes in the Middle East and North Africa, by Abdelali Jbili and Vitali Kramarenko (Arabic and English).

Creating Employment in the Middle East and North Africa, by Edward Gardner (Arabic and English).

Financial Development in the Middle East and North Africa, by Susan Creane, Rishi Goyal, A. Mushfiq Mobarak, and Randa Sab (Arabic and English).

GCC Countries: From Oil Dependence to Diversification, by Ugo Fasano and Zubair Iqbal (Arabic and English).

IMF Macroeconomic Research on Low-Income Countries (English).

The Middle East and North Africa in a Changing Oil Market, by Bright E. Okogu (Arabic and English).

Per Jacobsson Pamphlets: *The Arab World: Performance and Prospects*; and *The Boom-Bust Capital Spending Cycle in the United States: Lessons Learned* (English).

Independent Evaluation Office Reports

Independent Evaluation Office, Annual Report 2003.

The IMF and Recent Capital Account Crises: Indonesia, Korea, Brazil. Full Report $25. Abridged versions in English, Korean, and Portuguese.

Fiscal Adjustment in IMF-Supported Programs. Full Report $25. Abridged version in English.

Working Papers and Policy Discussion Papers*

IMF Working Papers and *Policy Discussion Papers* are designed to make IMF staff research available to a wider audience. They represent work in progress and reflect the views of the individual authors rather than those of the IMF.

Working Papers 03/92–252 and 04/1–73 were issued in FY2004.
$15 each; $375 for annual subscription.

Policy Discussion Papers 03/3–03/6 and 04/1 were issued in FY2004.
$10 each; annual subscription is included as part of the subscription to Working Papers.

Country Reports*

IMF Country Reports provide comprehensive material on economic developments and trends in member countries, including key statistics.

Country Reports 03/121–402 and 04/1–119 were issued in FY2004. $15 each.

*Available in English and selected other languages in full text on the IMF's website (*www.imf.org*). The site also contains additional information about the IMF and its publications and videos—including the current *Publications Catalog*, a searchable IMF publications database, and ordering information and forms.

IMF publications are free unless otherwise indicated.

Copies of IMF publications and videos may be obtained from Publication Services, International Monetary Fund, 700 19th Street, N.W., Washington, D.C. 20431, U.S.A.

Telephone: (202) 623-7430
Telefax: (202) 623-7201
E-mail: publications@imf.org

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

Eighth Meeting, Dubai, United Arab Emirates, September 21, 2003

1. The International Monetary and Financial Committee held its eighth meeting in Dubai on September 21, 2003, under the Chairmanship of Mr. Gordon Brown, Chancellor of the Exchequer of the United Kingdom. The Committee expresses its gratitude to the Dubai authorities and the government of the United Arab Emirates for the excellent arrangements.

The Global Economy and Financial Markets

2. The Committee welcomes the increasing signs that economic activity is strengthening in many economies, and the improved prospects for a steady and strengthening global recovery going forward. The major uncertainties have lessened since we met last April. Nevertheless, risks remain in many countries and it is important that policymakers stand ready to take the necessary policy actions. The Committee underscores the importance of close international cooperation and determined action across the membership to foster a strong, sustainable, and broad-based economic recovery.

3. The Committee emphasizes that, as the recovery proceeds, all countries have an interest in seeing more balanced growth with orderly adjustment. Sustained and vigorous structural reforms in many areas, and domestic sources of growth, are important in this respect. The Committee agrees on the need for continued focus by the IMF on exchange rate issues across the membership.

4. The international community must urgently make progress on trade and development. Ministers reaffirm their full political commitment to a multilateral rules-based approach to trade liberalization, and to making substantial and concrete progress. Ministers were disappointed at the breakdown of trade negotiations in Cancún. Ministers urge a speedy resumption of the Doha Round, which is vital for strong global growth and our development objectives. This should focus on the issues of importance to all countries of open markets and fair access and the reduction of trade-distorting subsidies in all areas, notably in agriculture. The Committee reiterates the crucial importance of removing the obstacles and moving forward without delay, and calls on all countries to play their part. It stresses the importance of the IMF's initiative to provide assistance to countries to help them address the transitional impact of trade reforms, which will contribute to the Doha Round.

5. In the advanced economies, monetary policy should continue to support demand in the context of low inflation, and the automatic fiscal stabilizers should be allowed to operate within credible medium-term frameworks to deliver fiscal consolidation. The vigorous pursuit of structural reforms and enhanced corporate governance and transparency are key to stronger, globally balanced growth. In the United States, where the fiscal stance has substantially supported activity, fiscal policy will need to focus on strengthening sustainability over the medium term. In Europe, progress in structural reforms should be accelerated and deepened both to strengthen work incentives, investment, and competition and to address the fiscal pressures of population aging. In Japan, continued efforts will be necessary to strengthen the banking and corporate sectors and end deflation, and to make a beginning toward fiscal consolidation over the medium term.

6. The improved financial market environment provides a valuable window of opportunity for emerging market economies to continue to pursue ambitious institutional and structural reforms which, together with sound macroeconomic policies, will enhance growth prospects and reduce vulnerabilities. While many countries have strengthened policies, key priorities remain to improve fiscal positions, strengthen banking and corporate sectors, reduce balance sheet vulnerabilities, and foster more broadly based growth. Growth in the Middle East and North Africa has picked up. However, the challenge facing the region will be to accelerate medium-term growth and absorb the rapidly growing labor force.

7. The Committee reaffirms its support for a multilateral effort to reconstruct and redevelop Iraq, and welcomes the constructive role being played by the IMF. It looks forward to the donors conference in Madrid next month based on a comprehensive needs assessment involving the World Bank and the IMF. The Committee supports the IMF providing, subject to its policies, financial and other assistance to Iraq.

8. Growth prospects in many low-income countries have strengthened, underpinned by improved macroeconomic policies and domestic reforms. However, significantly faster growth will be needed to reduce poverty and meet the Millennium Development Goals (MDGs) set out in the UN Millennium Declaration. This requires stronger policy frameworks and institutions, better governance, higher and more effective aid flows, and improved market access. African countries should continue to press forward with the region-wide implementation of the New Partnership for Africa's Development (NEPAD), particularly to strengthen the foundations for investment and private sector–led growth.

Strengthening IMF Surveillance and Promoting International Financial Stability

9. Strengthened and effective IMF surveillance is essential to enhancing crisis prevention and promoting stability and sustainable global growth. The Committee welcomes the ongoing reforms to strengthen the framework for IMF surveillance, and underlines the importance of enhancing and implementing surveillance consistently and evenhandedly across the membership. The Committee also welcomes the increased focus of surveillance on capital markets, and encourages the IMF and the Financial Stability Forum working together to identify gaps and further strengthen assessments of systemic weaknesses in financial markets.

10. The Committee stresses the need for the IMF to continue to improve the quality, effectiveness, and persuasiveness of its surveillance. This will involve: sharpening surveillance, especially in systemically and regionally important countries; working to enhance the impact of IMF policy advice; and continuing efforts to bring fresh perspectives to assessments. The Committee looks forward to discussing progress in these areas following the Executive Board's 2004 biennial review of surveillance.

11. The Committee emphasizes that it is particularly important that surveillance focus on identifying potential problems early and provide candid advice on policy reforms. In this respect, Committee members identified a number of key issues for the coming year, including making progress on structural reform and on medium-term sustainable fiscal frameworks; reducing balance sheet vulnerabilities, including currency mismatches, and improving debt sustainability; and encouraging policy measures to reduce global imbalances.

12. The Committee underscores the importance of increased transparency and candor of the IMF's advice to members. It notes the Executive Board's recent agreement on a policy of voluntary but presumed publication of IMF Article IV reports and program documents, and the enhanced provisions for exceptional access.

13. The Committee emphasizes its support for ways to achieve some of the objectives of the Contingent Credit Lines (CCL), intended to reduce vulnerabilities and provide precautionary support for members with strong policies in dealing with external financial developments. It looks forward to further work in this area.

14. The Committee welcomes the progress in strengthening the framework for crisis resolution, especially the inclusion by an increasing number of countries of collective action clauses (CACs) in their international sovereign bonds, and encourages their use on a voluntary basis by other countries. It also calls on the IMF to promote the voluntary inclusion of CACs. The Committee looks forward to the efforts led by sovereign debtors and private creditors to develop a voluntary Code of Conduct, and encourages the IMF to continue to contribute to this work. It looks forward to the ongoing work on issues of general relevance to the orderly resolution of financial crises, including transparency and disclosure, aggregation and intercreditor equity. The Committee looks forward to a report on progress at its next meeting.

Accelerating Poverty Reduction and Strengthening Sustainable Economic Growth in Low-Income Countries

15. The Committee stresses that the IMF has an important role to play in helping low-income countries achieve high and sustained growth and poverty reduction, in close cooperation with the World Bank. It agrees that this support should be firmly aligned behind Poverty Reduction Strategy Papers and that the Fund should work in its core areas of competence alongside the Bank in support of the Millennium Development Goals. The IMF needs to remain engaged with low-income countries over the long term through well-targeted technical assistance, capacity building, surveillance, and, when warranted, temporary financial assistance. The Committee looks forward to reviewing Bank-Fund collaboration in that area at its next meeting.

16. The Committee emphasizes the importance of initiatives to enhance the IMF's support for low-income countries, including ensuring that macroeconomic policy frameworks support higher and sustained growth and poverty reduction; improving governance and strengthening institutions to support growth and private sector development; reducing vulnerability to shocks; and helping countries move beyond sustained reliance on IMF financial arrangements when ready. The Committee underscores the importance of technical assistance, and looks forward to work on adapting IMF instruments and reviewing PRGF financing. The Committee looks forward to a comprehensive review of progress at its next meeting.

17. The Committee emphasizes the urgent need to enhance market access and to increase the level and effectiveness of donor resources for low-income countries. In order to help achieve the Millennium Development Goals, the Committee calls upon the IMF to cooperate with the World Bank in work on aid effectiveness, absorptive capacity, and results-based measurement mechanisms, and in examining the merits of various policy options and financing mechanisms, such as an international financing facility, to mobilize the substantial additional resources that are needed over the medium term. Developing and emerging market countries should also be closely involved. The Committee looks forward to a report by the next Annual Meetings.

18. The Committee notes the progress in providing debt relief to the world's poorest countries under the enhanced HIPC Initiative. It calls on the IMF, in collaboration with the World Bank, to develop strategies to help countries implement the necessary policies and reforms to reach decision and completion points as quickly as possible, and achieve a lasting exit from unsustainable debt. The Committee urges all creditors that have not yet done so to deliver debt relief in full and invites the IMF to report on the compliance of countries. It recognizes the importance of providing topping up as appropriate, and of the ongoing discussions on the topping-up methodology and the financial implications.

Other Issues

19. The Committee stresses that the IMF's effectiveness as a cooperative institution depends on all members having an appropriate voice and representation. The Committee welcomes the measures being taken to improve the capacity of developing and transition countries to participate more effectively in IMF policy formulation and decision making. It welcomes the IMF Executive Board's progress report on quotas, representation, and voice and asks the IMF to examine these issues further, and will review progress at its next meeting. The Committee recommends completion of the ratification of the Fourth Amendment.

20. The Committee welcomes the further actions taken by the international community to combat money laundering and the financing of terrorism, and the progress with the 12-month pilot program of AML/CFT assessments. The Committee is encouraged by the continued close cooperation among the IMF, the World Bank, the FATF, and FATF-style regional bodies, and increased country involvement, and supports the enhanced delivery of critically

needed technical assistance. The Committee encourages all members to adopt AML/CFT laws and practices consistent with the agreed international standards, and looks forward to a full report at the conclusion of the pilot program.

21. The Committee welcomes the work of the Independent Evaluation Office, and its role in enhancing the learning culture, effectiveness, and accountability of the IMF. It emphasizes the importance of the IMF taking forward the work on prolonged use, capital account crises, and fiscal adjustment, in the light of the IEO's recommendations.

22. The Committee expresses its appreciation of the work of Shigemitsu Sugisaki as Deputy Managing Director and Kenneth Rogoff as Economic Counsellor.

23. The next meeting of the IMFC will be held in Washington, D.C. on April 24, 2004.

International Monetary and Financial Committee Attendance

September 21, 2003

Chairman
Gordon Brown

Managing Director
Horst Köhler

Members or Alternates
Ibrahim A. Al-Assaf, Minister of Finance, Saudi Arabia
Mervyn King, Governor, Bank of England, United Kingdom
(Alternate for Gordon Brown, Chancellor of the Exchequer, United Kingdom)
Peter Costello, Treasurer of the Commonwealth of Australia
Job Graça, Deputy Minister of Finance, Angola
(Alternate for José Pedro de Morais, Jr., Minister of Finance, Angola)
Rodrigo de Rato, First Vice President and Minister of Economy, Spain
Hans Eichel, Minister of Finance, Germany
Geir Hilmar Haarde, Minister of Finance, Iceland
Jamaludin Mohd Jarjis, Finance Minister II, Malaysia
Mohammed K. Khirbash, Minister of State for Finance and Industry, United Arab Emirates
Aleksei Kudrin, Deputy Chairman of the Government and Minister of Finance, Russian Federation
Mohammed Laksaci, Governor, Banque d'Algérie
Roberto Lavagna, Minister of Economy and Production, Argentina
John Manley, Minister of Finance, Canada
Jean-Claude Trichet, Governor, Banque de France
(Alternate for Francis Mer, Minister of Economy, Finance and Industry, France)
Antonio Palocci, Minister of Finance, Brazil
Didier Reynders, Minister of Finance, Belgium
Toshihiko Fukui, Governor, Bank of Japan
(Alternate for Masajuro Shiokawa, Minister of Finance, Japan)
Yaga V. Reddy, Governor, Reserve Bank of India
(Alternate for Jaswant Singh, Minister of Finance and Company Affairs, India)
John W. Snow, Secretary of the Treasury, United States
Paul Toungui, Minister of State, Minister of Finance, Economy, Budget, and Privatization, Gabon
Giulio Tremonti, Minister of Economy and Finance, Italy
Kaspar Villiger, Minister of Finance, Switzerland
Gerrit Zalm, Minister of Finance, the Netherlands
Zhou Xiaochuan, Governor, People's Bank of China

Observers
Willem F. Duisenberg, President, European Central Bank (ECB)
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, Organization for Economic Cooperation and Development (OECD)
Ian Kinniburgh, Director, Development Policy and Planning Office, Department of Economic and Social Affairs, United Nations (UN)
Malcolm D. Knight, General Manager, Bank for International Settlements (BIS)
Eddy Lee, Director, International Policy Group Department, International Labor Organization (ILO)
Trevor A. Manuel, Chairman, Joint Development Committee
Pedro Solbes, Commissioner for Economic and Monetary Affairs, European Commission
Francisco Thompson-Flores, Deputy Director-General, World Trade Organization (WTO)
James D. Wolfensohn, President, World Bank

Ninth Meeting, Washington D.C., April 24, 2004

1. The International Monetary and Financial Committee held its ninth meeting in Washington, D.C., on April 24, 2004, under the Chairmanship of Mr. Gordon Brown, Chancellor of the Exchequer of the United Kingdom.

The Global Economy and Financial Markets—Sustaining the Recovery

2. The Committee welcomes the strengthening of the global economic recovery since its meeting last September. Industrial production and global trade have picked up sharply, and improved prospects in most regions point to stronger global growth going forward. However, a number of risks remain. These arise from large global imbalances, medium-term fiscal challenges in many countries, and the implications of the eventual transition to a higher interest rate environment. Continuing geopolitical uncertainties and developments in oil markets also remain important concerns.

3. The priority now is to implement the macroeconomic and structural policy measures that will help achieve a robust, balanced, and sustainable recovery. Structural reforms are essential to improve growth potential. Priority should be given to medium-term fiscal consolidation; reforms of pension and health care systems; better functioning labor and product markets; and reduction of vulnerabilities in banking and corporate sectors. The Committee calls on all countries and regions to play their part and cooperate in addressing global imbalances.

4. The economy of the United States is expanding briskly, and Japan's economy continues to recover. The recovery in the euro area so far is more subdued. Monetary policy in advanced economies will need to remain consistent with price stability and support the recovery; in many countries where growth is strengthening, interest rates will over time need to rise to more neutral levels; and it will be important to communicate policy intentions clearly. The Committee encourages countries to take advantage of the current environment to strengthen the foundations for sustainable growth. Priorities for action include medium-term fiscal consolidation in the United States; acceleration of structural reforms in the euro area; and continued banking and

corporate reforms in Japan. Fiscal consolidation is also needed in the euro area and Japan.

5. The Committee is encouraged by the strong performance and recovery in many emerging market and developing countries, which has been aided by improved fundamentals and a rebound in private capital flows. Countries should continue to use the opportunity provided by the favorable financial market environment to strengthen growth prospects and reduce vulnerabilities. This will require steps to further strengthen fiscal positions and improve the structure and sustainability of debt, sustained and broad-ranging structural reforms, and, in some emerging market countries, a move toward more exchange rate flexibility as appropriate. The Committee welcomes the improvement in Argentina's macroeconomic performance, and calls on the government to continue to push ahead with full implementation of the policies and provisions of its economic recovery program aimed at strengthening growth, including negotiations aimed at reaching a sustainable debt restructuring through a collaborative agreement with creditors.

6. Economic performance in many low-income countries continues to improve. Nevertheless, the Millennium Development Goals (MDGs) set out in the UN Millennium Declaration remain at risk, particularly in sub-Saharan Africa, and much remains to be done by all partners in the global effort to deliver them. The Committee underscores that stronger domestic institutions, sound economic policies, trade integration, and less burdensome regulation will be needed to underpin faster growth and poverty reduction. It welcomes the recent steps taken through the New Partnership for Africa's Development (NEPAD) and the African Union to improve governance and eradicate corruption. It calls on the international community to provide additional and coordinated assistance—including technical assistance; policy advice; increased and more effective aid including grants and debt relief; and greater access to industrial country markets.

7. The Committee received the report of Dr. Supachai Panitchpakdi, Director-General of the World Trade Organization. It reiterates the critical importance of open markets for supporting broad-based global economic growth and prosperity. The Committee calls for constructive and determined efforts by all countries to achieve early progress with the Doha Round, focusing on the issues of importance to all countries of open markets and fair access, and the reduction of trade-distorting subsidies in all areas, notably in agriculture. A successful completion of the round is a shared responsibility, important for all countries, particularly developing countries. The Committee supports the IMF's role in advocating trade liberalization and helping members to take all the necessary actions to gain full advantage of the opportunities provided by more open trade. It welcomes the IMF's decision to establish a Trade Integration Mechanism, designed as a temporary policy to address concerns associated with the current round of multilateral trade negotiations.

Crisis Prevention and IMF Surveillance Across the Membership: Priorities, Tools, and Modalities

8. Effective and evenhanded IMF surveillance remains an essential element of the international community's efforts to enhance crisis prevention, promote financial stability, and foster high and sustainable growth. The Committee especially welcomes the increased focus of surveillance on financial sector and capital market issues—including the work from the Financial Sector Assessment Program, Reports on the Observance of Standards and Codes, and Offshore Financial Center assessments; economic developments and policies in countries of systemic or regional importance; early identification of potential vulnerabilities; and institutional foundations of growth. It also welcomes the work already under way and the proposed pilots on the treatment of public investment in IMF advice and arrangements with a view to protecting infrastructure investment, consistent with macroeconomic stability and debt sustainability.

9. The Committee welcomes efforts to bring a fresh perspective to the surveillance of program countries, and the decisions taken to increase the transparency of surveillance. It calls for a strengthening of efforts to ensure the objectivity of surveillance (including through debt sustainability analysis), and requests the IMF to explore ways to support countries' own economic efforts when the IMF is not providing financial assistance. The Committee looks forward to the forthcoming biennial review of surveillance, which should provide a thorough assessment and candid review of surveillance, and propose ways to enhance its focus, quality, persuasiveness, impact, and overall effectiveness.

10. The Committee welcomes the greater focus on vulnerabilities and key issues for surveillance identified at its meeting in Dubai: improving debt sustainability; reducing balance sheet vulnerabilities; and making progress on structural reform and sustainable medium-term fiscal frameworks. It agrees that further progress in these areas, as well as with policies to facilitate the adjustment of global imbalances, remain key priorities for surveillance in the coming year. Surveillance will also need to pay due attention to relevant political risks and to vulnerabilities to exchange rate and interest rate movements.

11. The Committee looks forward to further work on ways to reduce vulnerabilities and provide support for members with strong policies in dealing with external financial developments. It looks forward to the upcoming discussion of precautionary arrangements and their potential to assist members' own efforts to prevent balance of payments crises and as a possible exit strategy from IMF financial support.

12. The Committee welcomes the inclusion by an increasing number of countries of collective action clauses (CACs) in their international sovereign bonds and the convergence toward a market standard. It calls on the IMF to continue to promote progress in this area. The Committee also encourages sovereign debtors and private creditors to continue their work on a voluntary Code of Conduct, and looks forward to reviewing further work on issues of general relevance to the orderly resolution of financial crises. The Committee takes note of the Executive Board's ongoing review of the framework, and application of procedures, for exceptional access to IMF resources. It calls on the IMF to continue reviewing implementation of its lending into arrears policy.

Enhancing IMF Support to Low-Income Members: Instruments and Financing; IMF-World Bank Collaboration; and Promoting Debt Sustainability

13. The Committee reiterates that the IMF—in partnership with multilateral development banks and donors—has an important role to play in assisting its low-income members with effective policy advice, financing, and technical assistance to achieve high and sustained growth and poverty reduction. It welcomes the progress on better tailoring the IMF's assistance to the differing financing and policy needs of low-income countries. The Committee looks forward to further work on a strengthened process of surveillance for those countries where the IMF is not providing financing, with a view toward enhancing the signaling role of surveillance and promoting country ownership. It underscores the importance of improving the macroeconomic design of PRGF-supported programs, including the social impact. The Committee underscores the importance of maintaining an adequate PRGF

financing capacity. In order to meet future needs, it calls for further discussions on the financing of a self-sustained PRGF. The Committee welcomes that some countries have indicated a willingness to provide additional resources.

14. The Committee reiterates that the Monterrey Consensus and Poverty Reduction Strategy Paper (PRSP) approach provide the appropriate framework for the IMF's engagement with low-income countries and its participation in global efforts toward achieving the MDGs. It encourages a further sharpening of the focus of PRSPs and PRGF-supported programs to enhance their linkage to the MDGs and their operational usefulness for policy choices and donor coordination. The first Global Monitoring Report on meeting the MDGs highlights the significant remaining challenges. The Committee expresses concern that, on current trends, most MDGs will not be met without an increase in the level and effectiveness of financial resources in support of strong policies. It looks forward to reviewing at its next meeting the ongoing joint work with the World Bank on aid effectiveness, absorptive capacity, results-based measurement mechanisms, and various policy options and financing mechanisms, such as an international financing facility and other options. In this regard, it welcomes the consultation with emerging markets and developing countries. The Committee welcomes the recent review of IMF-World Bank collaboration, and supports the plans for improved coordination.

15. The Committee welcomes the progress in providing debt relief under the enhanced HIPC Initiative, with a further five countries reaching their completion point since the Annual Meetings. It looks forward to continued further progress toward full implementation of the Initiative, and takes note of the work being undertaken on options for addressing the sunset clause. The Committee urges all creditors that have not yet done so to deliver debt relief in full. It welcomes the development by the IMF and the World Bank of a debt sustainability framework for low-income countries, and looks forward to further work to make it operational.

Other Issues

16. The Committee underscores the importance of IMF technical assistance in supporting members' efforts to build institutional capacities and implement sound economic policies and financial systems, which will lay the foundations for sustained growth and poverty reduction.

17. The Committee underscores the importance of further determined action by the international community to combat money laundering and the financing of terrorism. It welcomes the significant progress that has been made under the 12-month IMF/World Bank pilot program of AML/CFT assessments. The Committee endorses the recent decision by the Executive Board to make the scope of the IMF's involvement in AML/CFT assessments comprehensive and a regular part of the IMF's work. It encourages all international organizations and bodies to work together closely in conducting assessments and delivering critically needed technical assistance. The Committee urges all members to adopt and implement the revised FATF 40 + 8 Recommendations as the accepted international standard.

18. The IMF's effectiveness and enhanced credibility as a cooperative institution also depends on all members having appropriate voice and representation. Efforts should continue to be made to enhance the capacity of developing and transition countries to participate more effectively in IMF decision making. The Committee calls on the Executive Board to continue its work on IMF quotas, voice, and representation, and looks forward to a report on progress at its next meeting. The Committee recommends completion of the ratification of the Fourth Amendment.

19. The IMF's liquidity is adequate to meet the near-term projected needs of its members although continued monitoring will be important.

20. The Committee welcomes the high-quality work of the Independent Evaluation Office, and looks forward to its reports on PRSP/PRGF, technical assistance, and the role of the IMF in Argentina from 1991 to 2002.

21. The Committee pays tribute to Mr. Horst Köhler for his leadership of the International Monetary Fund as Managing Director during the past four years. In the face of a difficult world economic situation and unprecedented challenges for the international community, Mr. Köhler has worked tirelessly to promote close international cooperation so that all can share in the benefits of globalization. He has strengthened the IMF's role in working for the stability of the international financial system, has helped the IMF lead the international effort to assist low-income countries, and has instilled a listening and learning culture in the IMF that will change the way in which the IMF interacts with members and civil society.

22. The Committee also acknowledges the contribution of Mr. Jacques J. Polak through 57 years of service to the IMF.

23. The next meeting of the IMFC will be held in Washington, D.C., on October 2, 2004.

International Monetary and Financial Committee Attendance

April 24, 2004

Chairman
Gordon Brown

Acting Managing Director
Anne O. Krueger

Members or Alternates
Abraham A. Al-Assaf, Minister of Finance, Saudi Arabia
Mervyn King, Governor, Bank of England, United Kingdom
(Alternate for Gordon Brown, Chancellor of the Exchequer, United Kingdom)
Peter Costello, Treasurer of the Commonwealth of Australia
M.R. Pridiyathorn Devakula, Governor, Bank of Thailand
Hans Eichel, Minister of Finance, Germany
Per-Kristian Foss, Minister of Finance, Norway
Francisco Gil-Díaz, Secretary of Finance and Public Credit, Mexico
Ralph Goodale, Minister of Finance, Canada
Mohammed K. Khirbash, Minister of State for Finance and Industry, United Arab Emirates
Aleksei Kudrin, Minister of Finance, Russian Federation
Mohamed Laksaci, Governor, Banque d'Algérie
Roberto Lavagna, Minister of Economy and Production, Argentina
Lesetja Kganyago, Director General: Finance, National Treasury, South Africa
(Alternate for Trevor Manuel, Minister of Finance, South Africa)
Jean-Pierre Roth, Chairman of the Governing Board, Swiss National Bank
(Alternate for Hans-Rudolf Merz, Minister of Finance, Switzerland)
Antonio Palocci, Minister of Finance, Brazil
Didier Reynders, Minister of Finance, Belgium
Nicolas Sarkozy, Minister of State; Minister of Economy, Finance, and Industry, France
Yaga V. Reddy, Governor, Reserve Bank of India
(Alternate for Jaswant Singh, Minister of Finance, India)
Alan Greenspan, Chairman, Board of Governors of the Federal Reserve System
(Alternate for John W. Snow, Secretary of the Treasury, United States)

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, the Netherlands
Zhou Xiaochuan, Governor, People's Bank of China

Observers

Roger W. Ferguson, Jr., Chairman, Financial Stability Forum (FSF)
Donald J. Johnston, Secretary-General, Organization for Economic Cooperation and Development (OECD)
Malcolm D. Knight, General Manager, Bank for International Settlements (BIS)
Jan Kregel, Interregional Adviser, Division on Globalization and Development Strategies, United Nations Conference on Trade and Development (UNCTAD)
Eddy Lee, Economic Adviser and Director, International Policy Group Department, International Labor Organization (ILO)
José Antonio Ocampo, Under Secretary-General, Department of Economic and Social Affairs, United Nations (UN)
Ngozi N. Okonjo-Iweala, Chairperson, a.i., Joint Development Committee
Klaus P. Regling, Director-General for Economic and Financial Affairs, European Commission
Supachai Panitchpakdi, Director-General, World Trade Organization (WTO)
Jean-Claude Trichet, President, European Central Bank (ECB)
James D. Wolfensohn, 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)

Sixty-Eighth Meeting, Dubai, United Arab Emirates, September 22, 2003

1. At our last meeting, we strongly reaffirmed our commitment to achieve the Millennium Development Goals (MDGs) set out in the UN Millennium Declaration endorsed by heads of state and governments in the UN General Assembly on September 8, 2000, and, in particular, our commitment to the global effort needed to reduce poverty. Today we renewed that commitment and continued our work on implementing the strategies, partnerships, and actions agreed in Doha, Monterrey, and Johannesburg.

2. We welcomed the paper on supporting sound policies with adequate and appropriate financing and its country-based approach. We agreed that there was an urgent need to scale up efforts if the MDGs are to be met and that this would require enhanced concerted actions on the part of both developing and developed countries and the international institutions. Developing countries will have to sustain their efforts to strengthen policies and governance so as to ensure that domestic resources, private inflows, and aid can be used effectively in spurring growth, improving service delivery, and reducing poverty. Developed countries will need to move vigorously in supporting these efforts with more and better aid, debt relief, and improved market access.

3. To implement this partnership to meet the MDGs, systematic efforts will be needed to achieve greater synergies between poverty reduction strategies and longer-term MDG targets, to specify and implement the actions needed to accelerate progress on the MDGs, and to identify the volumes and forms of financing needed to implement agreed strategies. We agreed that ensuring adequate, timely, and more predictable financing and enhancing aid absorptive capacity through policy and institutional reforms would both be critical to the virtuous cycle of actions needed to meet the MDGs. We urge that countries, without delay, take specific steps to meet their commitments to provide additional aid resources by 2006. Furthermore, we call upon the Bank,working with the Fund, to examine the merits of various policy options, such as an international financing facility, to mobilize the substantial additional resources that are needed over the medium term and can be effectively used to achieve development results and in scaling up progress toward the MDGs. Developing and emerging market countries should also be consulted closely. We asked the Bank to report to us at our Spring 2004 meeting.

4. Changes are also needed in the way that aid is provided, as highlighted in the Declaration of the Rome High-Level Forum on Harmonization. In addition to streamlining procedures and lowering transaction costs, assistance will have to be better aligned to country need, to country priorities and processes, to countries that demonstrate the ability to achieve measurable development results; and to support the development of countries' capacity. Commitments should also be predictable and long term; provided in a form that can meet cash requirements to achieve the MDGs; and in appropriate country circumstances, especially in view of long-term debt sustainability, more of it should be provided in grants and, where conditions warrant, in ways that can finance recurrent costs.

5. We continue to believe that a successful conclusion to the Doha Development Agenda is vital to growth, poverty reduction, and progress in attaining the MDGs. We therefore regret the temporary setback to multilateral trade negotiations at WTO's Fifth Ministerial Conference and urge all participants to capitalize on progress to date and put the process back on track as soon as possible. We welcome the Bank and the Fund's recent pledge to support countries to benefit fully from a more liberalized trading system. We also urge continued efforts to tailor Bank lending activities to support country-owned trade initiatives, translating analysis and diagnostics into meaningful operations.

6. As called for at Monterrey, we have continued our consideration of innovative and pragmatic ways to enhance the voice and effective participation of developing and transition countries in the work and decision making of the Bank and the Fund. There is no single approach to accomplish this, but, rather, action is required over time across a range of issues. The development of the Poverty Reduction Strategy approach represents a step toward ensuring responsiveness by the Bretton Woods Institutions to country-owned strategies and priorities. In this context, we also welcome ongoing efforts to promote greater openness and transparency, decentralization and staff diversity in all its dimensions. We urge the Bank and the Fund to step up these efforts.

7. We welcomed the further progress by Directors on measures to enhance capacity in developing and transition country Executive Directors' offices and in capitals. We also welcomed the proposed Analytical Trust Fund for use by Executive Directors representing sub-Saharan African developing countries in undertaking independent research and analysis on development issues. We called for further work on additional capacity-enhancing measures, including secondments. We look forward to concrete action by our Spring meeting.

8. The IDA-13 Mid-Term Review and IDA-14 negotiations provide a timely opportunity to enhance borrower participation in the IDA replenishment process and its Board's decision making. We noted that by taking up their full IDA subscriptions, developing countries could significantly increase their

aggregate voting share and we encouraged these countries to take the necessary actions in this regard. We urged further consideration and progress on all these issues.

9. We note that the complexities involved in changing the voting structure and composition of the Boards will require time and effort to arrive at the necessary political consensus. However, we recognize the need to continue our efforts on these issues. We asked the Boards of Executive Directors to report back to us on all aspects of the voice issue at the 2004 Annual Meeting. A roadmap on procedures and next steps will be considered at our Spring meeting.

10. We reviewed the status of the HIPC Initiative and reconfirmed our commitment to its objectives, full financing, and implementation. We also recalled that within existing guidelines, additional relief can be provided at the completion point, on a case-by-case basis, and noted ongoing discussions about the topping-up methodology and requested further work on this issue. Some HIPCs face a continued challenge to reach the decision point and we encouraged ongoing efforts by staff in this area, including application of the approach contained in the World Bank Task Force Report on Low-Income Countries under Stress. We recalled the importance of full creditor participation and again urged all official and commercial creditors that have not yet done so to participate in the HIPC initiative and welcomed the recent decisions by some non-Paris Club creditors (India and Libya). We look forward to a report being prepared by the staffs of the Bank and the Fund on a forward-looking framework for debt sustainability in low-income countries and to reviewing the report at our next meeting. We also encouraged further work by the Bank and the Fund on ways to help reduce the vulnerability of these countries to exogenous shocks, including commodity market and weather-related shocks.

11. We are encouraged by the continuing progress under the PRSP approach. We welcome the increasing openness of policy dialogue with all stakeholders, improved focus on sources of growth and the investment climate and on policies needed to reduce poverty and achieve the MDGs, greater realism and better prioritization, increased pro-poor public spending, and efforts to strengthen public expenditure management and better integrate expenditure proposals into national budgets. At the same time, we recognized that PRSPs are charged with multiple and sometimes competing objectives, and the challenge now is to achieve successful implementation, including through much more effective donor alignment and harmonization around national strategies. We also asked the Bank and the Fund to respond to requests for assistance from countries undertaking Poverty and Social Impact Analyses (PSIAs) and developing alternative scenarios to meet the MDGs, where appropriate.

12. We stressed the need for accelerating progress and results on service-delivery MDGs, including through the Education for All Fast Track Initiative (FTI). We asked the Bank to report on progress on funding and lessons from the implementation of the FTI at our next meeting.

13. We supported the World Bank Group's renewed focus on infrastructure, in light of the important contribution infrastructure makes to sustainable economic growth and reaching the MDGs by improving the investment climate and supporting the development requirements of low- and middle-income countries. We welcomed the report on the infrastructure action plan, as well as the follow-up to the recommendations of the World Panel on Financing Water Infrastructure, and asked the Bank Group to work with member countries to secure its early implementation within their development strategies. In particular, we noted the importance of scaling up investments within a comprehensive development approach, and the catalytic role international financial institutions can play in this regard. We stressed that the right policy environment and institutional and maintenance capacity are crucial for ensuring sustainable infrastructure investments. We are pleased the Bank Group has intensified efforts to build on its international comparative advantage, expertise, and established policies, by investing in infrastructure projects, supported by country diagnostic work. We also urged the Bank Group to engage in cross-border investments, especially in light of the linkages to the trade agenda. We encouraged the Bank, the IFC, and MIGA to continue to work together on initiatives that facilitate and promote the use of joint instruments, and through work at the sub-sovereign level and via guarantees. Finally we noted that an implementation progress update would be provided to Bank Executive Directors before our next meeting, and we will return to this issue at a future meeting.

14. Progress in all areas we discussed and others is critical to achieving the MDGs and related development outcomes. We, therefore, welcomed the implementation report for the global monitoring of policies and actions for achieving the MDGs, which will allow the Committee to maintain a strategic overview on progress on key issues and priorities in the policy agenda and to reinforce accountabilities. We look forward to the first full report at our next meeting.

15. Finally, we noted the current difficulties in the region in which we met. We welcomed the active role of the World Bank in helping meet the urgent economic and social needs of the Palestinian people of the West Bank and Gaza. We also welcomed its role in promoting economic and infrastructure cooperation in the region. We noted the constructive role played by the Bretton Woods institutions, in cooperation with other international organizations, in positioning themselves to work closely with the people of Iraq in the task of reconstruction and development toward a future that will enable them to achieve their economic potential under their own leadership. We look forward to the forthcoming donors' conference on Iraq, which will play a critical role in mobilizing resources adequate to placing Iraq on the path of economic recovery. Success both in the West Bank and Gaza and in Iraq, while challenging, is nonetheless essential to stability and development in the region and beyond.

16. We wish to thank the authorities and people of the United Arab Emirates for their excellent hospitality and facilities.

17. We welcome confirmation of Mr. Trevor Manuel, Minister of Finance of South Africa, for an additional term as Chairman.

18. The next meeting of the Committee will be held in Washington, D.C., on April 25, 2004.

Sixty-Ninth Meeting, Washington D.C., April 25, 2004

1. The strategies and decisions agreed in Doha, Monterrey, and Johannesburg set out a framework for fighting poverty and achieving the internationally agreed goals of the UN Millennium Declaration, based on countries pursuing sound policies and good governance, combined with stronger international cooperation and support. We met today to assess progress based on the first *Global Monitoring Report*. We welcomed the report, which provides a good basis for our yearly review. Building on this work, future reports should focus on the agenda of monitorable actions in the identified priority areas in order to reinforce accountabilities and enhance cooperation among all development partners.

2. We recognize that there has been progress on many fronts, including significant reforms undertaken by developing countries and important gains in reducing income poverty. However, we are very concerned that, based on

current trends, most Millennium Development Goals (MDGs)[1] will not be met by most developing countries, particularly in sub-Saharan Africa. All parties, developing and developed countries and the international institutions, must urgently enhance concerted action to accelerate progress toward these goals.

3. Sustainable and inclusive growth needs to be accelerated in many developing countries, in particular through improving the enabling climate for private sector activity; strengthening reforms, capacity, and results focus in public institutions and improving the quality of governance; scaling up effective investment in infrastructure; and ensuring access to health care, education and other basic social services and fighting the HIV/AIDS epidemic.

4. Specific priorities must be determined at the country level in the context of country-owned and monitored development strategies, as reflected in the Poverty Reduction Strategy Papers (PRSPs) in the case of low-income countries and respective national strategy frameworks in middle-income countries (MICs). We look forward to reviewing progress on the Bank's efforts to enhance its support for development in MICs at a future meeting. Given the centrality of faster and more equitable economic growth for making greater progress on the MDGs, we welcomed the efforts of the Bank to support stronger investment climates in developing countries and we intend to discuss improving the climate for private sector activity at our next meeting. As we have noted previously, infrastructure investment within the right policy environment makes a fundamental contribution to economic growth and achievement of the MDGs. The implementation of the infrastructure action plan of the Bank has been reviewed by the Board of Directors and we look forward to a discussion on progress at our next meeting.

5. Developed countries must meet their commitments to help accelerate progress. Sustaining stable, balanced, and strong growth in the global economy is a prerequisite. Ensuring a successful, pro-development, and timely outcome to the Doha Development Agenda is critical to global growth and the economic prospects of developing countries. We stressed our commitment to a constructive and determined effort to move the multilateral trade agenda forward. We again stressed that it is essential for developed countries to do more to liberalize their markets and eliminate trade-distorting subsidies, including in the areas of agriculture, textiles, and clothing, which are of particular importance for developing countries. At the same time, we emphasized the importance of trade facilitation and liberalization efforts in developing countries. We welcomed the Bank's continuing efforts to promote trade facilitation and the Integrated Framework, as well as the IMF's recently adopted Trade Integration Mechanism, which will provide additional support and assurances to developing countries as they integrate further into the global trading system. We also urged continued efforts to tailor Bank lending activities to support capacity building and country-owned trade initiatives. We noted the growing importance of migration and, with it, workers' remittances and called for further work to improve understanding of their determinants and to create a supportive environment to enhance their development impact.

6. More aid is also required. It should be predictable, timely, long term and more effective. We urged developed countries that have not done so to make concrete efforts toward the target of 0.7 percent of GNP as ODA. A substantial and timely agreement on the funding of IDA-14 will be a critical affirmation of our commitment to mobilize the resources for our support for strong, results-oriented action by partners in the poorest countries.

7. We noted a progress report on financing modalities and we look forward to a report at our next meeting on aid effectiveness, absorptive capacity, results-based measurement mechanisms, and elaboration of policy options and financing mechanisms for mobilizing additional resources (including examining an international finance facility, global taxation, and other proposals). More aid can be sustained only by showing positive results. This requires a strengthened effort to implement the Declaration of the Rome High-Level Forum on Harmonization and the Core Principles of Marrakech, including strengthening country capacity to manage for results. We support the work by the OECD/DAC, jointly with development partners, to address the continuing divide between agreed global policies and detailed operational procedures and country-level practices.

8. We also recalled that the IFIs are accountable for their contribution to implementing the Monterrey consensus. Key areas for action include harmonization, managing for results, and responsiveness to clients. We urged them to increase their efforts to identify and meet needs of client countries. Taking into account fiscal constraints facing clients, we encouraged the Bank to consider new innovative products, improve internal efficiencies, and simplify the application of lending policies in order to reduce the costs of doing business while respecting fiduciary and safeguard standards.

9. In April 2002, we endorsed the plan to help make primary education a reality for all children by 2015 and achieve gender equality in primary and secondary education by 2005. The Fast Track Initiative (FTI) was designed to address the data, policy, capacity, and resource gaps that constrain progress in achieving education for all. Its implementation has highlighted the potential as well as the challenges associated with scaling up the MDG agenda more generally and, in particular, the need for credible, effective, and predictable financing in support of adequate policies and programs. The experience of FTI so far has demonstrated that it should be anchored in countries' Poverty Reduction Strategies if it is to be effective. We urged all countries, developed and developing, to take the additional steps required to make this initiative succeed and requested the Bank Board to continue to monitor progress.

10. We also reviewed implementation of the HIPC Initiative and recalled the importance of full creditor participation for its success. Thirteen countries have reached the completion point and another 14 are between decision and completion point. However, 11 countries, several of which are affected by conflict and some with protracted arrears, are either yet to reach the decision point or to begin establishing a track record under a Fund-supported program. We urged the Bank and the Fund to help facilitate these countries' rapid access to HIPC debt relief when their outstanding issues are addressed. We also urged that careful consideration be given to options to deal with the HIPC sunset clause which is scheduled to take effect end-2004.

11. We broadly supported the principles underlying the proposed framework for debt sustainability in low-income countries while acknowledging that the modalities and operational implications remained to be clarified. We stressed the need for a consistent and coordinated approach among borrowers, creditors, and donors, to ensure that resources to low-income countries are provided on appropriate terms, including the degree of concessionality and level of grant financing. This must build on full implementation of the

[1]Eradicate extreme poverty and hunger; achieve universal primary education; promote gender equality and empower women; reduce child mortality; improve maternal health; combat HIV/AIDS, malaria, and other diseases; ensure environmental sustainability; and develop a global partnership for development.

HIPC initiative. We also welcomed work by the Fund and the Bank on measures and instruments to assist low-income countries to deal with exogenous shocks and urged them to accelerate their work, in close collaboration, for early consideration by the Boards.

12. Strengthening the voice and participation of developing and transition countries in the work and decision making of the Bretton Woods institutions remains a major challenge. We welcomed the further progress made, particularly on capacity building, since our last meeting, including the establishment of an Analytical Trust Fund to support the African Chairs and a secondment program at the Bank. We look forward to receiving reports from our Boards on all aspects of this issue and to further discussion at the 2004 Annual Meeting.

13. The next meeting of the Committee will be held in Washington, D.C., on October 3, 2004.

VII

Appendix

Executive Directors and Voting Power on April 30, 2004

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	17.14
Ken Yagi *Michio Kitahara*	Japan	133,378	133,378	6.15
Karlheinz Bischofberger *Gert Meissner*	Germany	130,332	130,332	6.01
Pierre Duquesne *Sébastien Boitreaud*	France	107,635	107,635	4.96
Tom Scholar *Martin A. Brooke*	United Kingdom	107,635	107,635	4.96
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	5.15
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	4.86
Luis Martí	Costa Rica	1,891		
(Spain)	El Salvador	1,963		
Moises Schwartz	Guatemala	2,352		
(Mexico)	Honduras	1,545		
	Mexico	26,108		
	Nicaragua	1,550		
	Spain	30,739		
	Venezuela, República Bolivariana de	26,841	92,989	4.29
Pier Carlo Padoan	Albania	737		
(Italy)	Greece	8,480		
Harilaos Vittas	Italy	70,805		
(Greece)	Malta	1,270		
	Portugal	8,924		
	San Marino	420		
	Timor-Leste	332	90,968	4.19

Director *Alternate*	Casting Votes of	Votes by Country	Total Votes[1]	Percent of IMF Total[2]
Elected *(continued)*				
Ian E. Bennett	Antigua and Barbuda	385		
(Canada)	Bahamas, The	1,553		
Charles X. O'Loghlin	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	3.72
Jon A. Solheim	Denmark	16,678		
(Norway)	Estonia	902		
Benny Andersen	Finland	12,888		
(Denmark)	Iceland	1,426		
	Latvia	1,518		
	Lithuania	1,692		
	Norway	16,967		
	Sweden	24,205	76,276	3.52
Michael J. Callaghan	Australia	32,614		
(Australia)	Kiribati	306		
Michael H. Reddell	Korea	16,586		
(New Zealand)	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	3.34
Sulaiman M. Al-Turki (Saudi Arabia) *Abdallah Alazzaz* *(Saudi Arabia)*	Saudi Arabia	70,105	70,105	3.23
Sri Mulyani Indrawati	Brunei Darussalam	2,402		
(Indonesia)	Cambodia	1,125		
Ismail Alowi	Fiji	953		
(Malaysia)	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	3.18
Ismaila Usman	Angola	3,113		
(Nigeria)	Botswana	880		
Peter J. Ngumbullu	Burundi	1,020		
(Tanzania)	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		

Director *Alternate*	**Casting Votes of**	**Votes by Country**	**Total Votes[1]**	**Percent of IMF Total[2]**
Elected *(continued)*				
	South Africa	18,935		
	Sudan	1,947		
	Swaziland	757		
	Tanzania	2,239		
	Uganda	2,055		
	Zambia	5,141	65,221	3.01
A. Shakour Shaalan	Bahrain	1,600		
(Egypt)	Egypt	9,687		
Oussama T. Kanaan	Iraq	5,290		
(Jordan)	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	64,008	2.95
WANG Xiaoyi	China	63,942	63,942	2.95
(China)				
GE Huayong				
(China)				
Fritz Zurbrügg	Azerbaijan	1,859		
(Switzerland)	Kyrgyz Republic	1,138		
Wieslaw Szczuka	Poland	13,940		
(Poland)	Serbia and Montenegro	4,927		
	Switzerland	34,835		
	Tajikistan	1,120		
	Turkmenistan	1,002		
	Uzbekistan	3,006	61,827	2.85
Aleksei V. Mozhin	Russian Federation	59,704	59,704	2.75
(Russian Federation)				
Andrei Lushin				
(Russian Federation)				
Abbas Mirakhor	Afghanistan, Islamic State 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
Murilo Portugal	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	2.47
B.P. Misra	Bangladesh	5,583		
(India)	Bhutan	313		
R.A. Jayatissa	India	41,832		
(Sri Lanka)	Sri Lanka	4,384	52,112	2.40
Guillermo Le Fort	Argentina	21,421		
(Chile)	Bolivia	1,965		
Héctor Torres	Chile	8,811		
(Argentina)	Paraguay	1,249		
	Peru	6,634		
	Uruguay	3,315	43,395	2.00

Director *Alternate*	Casting Votes of	Votes by Country	Total Votes[1]	Percent of IMF Total[2]
Elected ***(continued)***				
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	1.42
			2,168,501[3, 4, 5]	100.00[6]

[1]Voting power varies on certain matters pertaining to the General Department with use of the IMF's resources in that Department.
[2]Percentages of total votes 2,173,940 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 2002 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. The total votes of this member are 963—0.04 percent in the General Department and Special Drawing Rights Department.
[5]Zimbabwe's voting rights were suspended effective June 6, 2003, pursuant to Article XXVI, Section 2(b) of the Articles of Agreement. The total votes of this member are 3,784—0.17 percent of those in the General Department and Special Drawing Rights Department.
[6]This figure may differ from the sum of the percentages shown for individual Directors because of rounding.

VIII

Appendix

Changes in Membership of the Executive Board

Changes in the membership of the Executive Board between May 1, 2003, and April 30, 2004, were as follows:

Luis Martí (Spain) was elected Executive Director for Costa Rica, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Spain, and Venezuela, effective May 1, 2003.

Haryuki Toyama (Japan) relinquished his duties as Alternate Executive Director to Ken Yagi (Japan), effective May 3, 2003.

Michio Kitahara (Japan) was appointed Alternate Executive Director to Ken Yagi (Japan), effective May 4, 2003.

Nioclás O'Murchú (Ireland) relinquished his duties as Alternate Executive Director to Ian Bennett (Canada), effective May 18, 2003.

Charles X. O'Loghlin (Ireland) was appointed Alternate Executive Director to Ian Bennett (Canada), effective May 19, 2003.

Ismaila Usman (Nigeria) was reelected Executive Director for Angola, Botswana, Burundi, Eritrea, Ethiopia, The Gambia, Kenya, Lesotho, Malawi, Mozambique, Namibia, Nigeria, Sierra Leone, South Africa, Sudan, Swaziland, Tanzania, Uganda, and Zambia, effective June 23, 2003.

WEI Benhua (China) relinquished his duties as Executive Director for China, effective July 6, 2003.

WANG Xiaoyi (China) relinquished his duties as Alternate Executive Director to WEI Benhua, effective July 6, 2003.

WANG Xiaoyi (China) was elected Executive Director for China, effective July 7, 2003.

GE Huayong (China) was appointed Alternate Executive Director to WANG Xiaoyi (China), effective August 1, 2003.

Ruediger von Kleist (Germany) relinquished his duties as Alternate Executive Director to Karlheinz Bischofberger (Germany), effective August 17, 2003.

Gert Meissner (Germany) was appointed Alternate Executive Director to Karlheinz Bischofberger (Germany), effective August 28, 2003.

Yaga V. Reddy relinquished his duties as Executive Director for Bangladesh, Bhutan, India, and Sri Lanka, effective September 6, 2003.

B. P. Misra (India) was elected Executive Director for Bangladesh, Bhutan, India, and Sri Lanka, effective September 26, 2003.

Mario Beauregard (Mexico) relinquished his duties as Alternate Executive Director to Luis Martí (Spain), effective November 15, 2003.

A. Guillermo Zoccali (Argentina) relinquished his duties as Alternate Executive Director to Guillermo Le Fort (Chile), effective December 28, 2003.

Vilhjálmur Egilsson (Iceland) relinquished his duties as Executive Director for Denmark, Estonia, Finland, Iceland, Latvia, Lithuania, Norway, and Sweden, effective January 9, 2004.

Jon A. Solheim (Norway) was elected Executive Director by Denmark, Estonia, Finland, Iceland, Latvia, Lithuania, Norway, and Sweden, effective January 10, 2004.

Moises Schwartz (Mexico) was appointed Alternate Executive Director to Luis Martí (Spain), effective January 12, 2004.

Héctor Torres (Argentina) was appointed Alternate Executive Director to Guillermo Le Fort (Chile), effective March 1, 2004.

Financial Statements

April 30, 2004

PRICEWATERHOUSECOOPERS

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Report of Independent Auditors

To the Board of Governors
of the International Monetary Fund:

In our opinion, the accompanying balance sheets and the related statements of income, changes in resources and cash flows give a true and fair view of the financial condition of the General Department of the International Monetary Fund (the “IMF”) as at April 30, 2004 and 2003, and its results of operations and cash flows for the years then ended in conformity with International Financial Reporting Standards. These financial statements are the responsibility of the IMF’s management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with International Standards on Auditing, which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information on pages 164 to 169 is presented for purposes of adding additional analysis and is not a required part of the basic financial statements. The supplementary information has been subjected to the auditing procedures applied in the audits of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

PricewaterhouseCoopers LLP

June 7, 2004

General Department
Balance Sheets
as at April 30, 2004 and 2003

(In thousands of SDRs)

	2004	2003
Assets		
Credit outstanding	62,152,682	65,977,977
Usable currencies	103,261,911	97,028,740
Other currencies	46,671,529	47,692,348
Total currencies (Notes 3 and 4)	212,086,122	210,699,065
SDR holdings	506,029	962,641
Gold holdings (Note 5)	5,851,771	5,851,771
Receivables (Note 6)	517,002	576,570
Other assets (Notes 7 and 14)	751,655	714,092
Investments held in the Special Disbursement Account (Note 8)	2,630,804	2,590,349
Structural Adjustment Facility loans (Note 3)	85,908	136,816
Total Assets	222,429,291	221,531,304

	2004	2003
Liabilities and Resources		
Liabilities:		
Remuneration payable	212,654	244,544
Other liabilities	100,189	140,347
Special Contingent Account (Note 10)	1,495,019	1,401,019
Total Liabilities	1,807,862	1,785,910
Members' Resources:		
Quotas, represented by:		
Reserve tranche positions (Notes 2 and 4)	62,856,110	68,008,951
Subscription payments: Usable	103,261,911	97,028,740
Other	46,675,979	47,693,609
Total quotas	212,794,000	212,731,300
Reserves of the General Resources Account	5,110,717	4,286,929
Accumulated resources of the Special Disbursement Account	2,716,712	2,727,165
Total Liabilities and Resources	222,429,291	221,531,304

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

/s/ Eduard Brau
Director, Finance Department

/s/ Rodrigo de Rato
Managing Director

General Department
Income Statements
for the Years Ended April 30, 2004 and 2003

(In thousands of SDRs)

	2004	2003
Operational Income		
Interest and charges (Note 6)	2,231,678	2,295,250
Interest on SDR holdings	16,630	28,038
Investment income of the Special Disbursement Account	40,938	61,431
Other charges and income (Note 6)	90,676	131,629
	2,379,922	2,516,348
Operational Expenses		
Remuneration (Note 9)	966,404	1,201,347
Administrative Expenses (Note 13)	548,792	607,086
	1,515,196	1,808,433
Total Net Income	864,726	707,915
Net Income of the General Department comprises:		
Net income of the General Resources Account	823,788	646,484
Income of the Special Disbursement Account	40,938	61,431
	864,726	707,915

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

General Department

Statements of Changes in Resources for the Years Ended April 30, 2004 and 2003

(In thousands of SDRs)

	General Resources Account				Special Disbursement Account
	Quotas	Special Reserve	General Reserve	Total Reserves	Accumulated Resources
Balance at April 30, 2002	212,415,900	2,391,224	1,249,221	3,640,445	2,878,993
Quota subscriptions	315,400	–	–	–	–
Net (loss)/income	–	(9,770)	656,254	646,484	61,431
Transfers to the PRGF Trust	–	–	–	–	(149,259)
Transfers to the PRGF-HIPC Trust	–	–	–	–	(64,000)
Balance at April 30, 2003	212,731,300	2,381,454	1,905,475	4,286,929	2,727,165
Quota subscriptions	62,700	–	–	–	–
Net income	–	33,981	789,807	823,788	40,938
Transfers from the Supplementary Financing Facility Subsidy Account	–	–	–	–	139
Transfers from the PRGF Trust	–	–	–	–	6,170
Transfers to the PRGF-HIPC Trust	–	–	–	–	(57,700)
Balance at April 30, 2004	212,794,000	2,415,435	2,695,282	5,110,717	2,716,712

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

General Department

Statements of Cash Flows
for the Years Ended April 30, 2004 and 2003

(In thousands of SDRs)

	2004	2003
Usable currencies and SDRs from operating activities		
Net income	864,726	707,915
Adjustments to reconcile net income to usable resources generated by operations:		
Changes in receivables and other assets	22,005	(37,005)
Changes in remuneration payable and other liabilities	(72,048)	(8,046)
Increase in the Special Contingent Account	94,000	94,000
Usable currencies and SDRs from credit to members:		
Purchases in currencies and SDRs, including reserve tranche purchases	(17,829,722)	(21,783,516)
Repurchases in currencies and SDRs	21,638,613	7,783,894
Repayments of Structural Adjustment Facility loans	50,908	204,876
Net usable currencies and SDRs provided by (used in) operating activities	**4,768,482**	**(13,037,882)**
Usable currencies and SDRs from investment activities		
Net acquisition of investments by the Special Disbursement Account	(40,455)	(53,048)
Net usable currencies and SDRs used by investment activities	**(40,455)**	**(53,048)**
Usable currencies and SDRs from financing activities		
Subscription payments in SDRs and usable currencies	15,675	78,850
Changes in composition of usable currencies	1,084,248	7,271,790
Transfers to the PRGF Trust, PRGF-HIPC Trust, and other accounts	(51,391)	(213,259)
Net usable currencies and SDRs provided by financing activities	**1,048,532**	**7,137,381**
Net increase (decrease) in usable currencies and SDRs	5,776,559	(5,953,549)
Usable currencies and SDRs, beginning of period	97,991,381	103,944,930
Usable currencies and SDRs, end of period	**103,767,940**	**97,991,381**

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

General Department
Notes to the Financial Statements
as at April 30, 2004 and 2003

1. Purpose and Organization

The IMF is an international organization of 184 member countries. It was established to promote international monetary cooperation and exchange stability and to maintain orderly exchange arrangements among members; to facilitate the expansion and balanced growth of international trade, and contribute thereby to the promotion and maintenance of high levels of employment; and to provide temporary financial assistance to member countries under adequate safeguards to help ease balance of payments adjustment. The IMF conducts its operations and transactions through the General Department and the Special Drawing Rights Department (the SDR Department). The General Department consists of the General Resources Account (GRA), the Special Disbursement Account (SDA), and the Investment Account. The latter has not been established. The IMF also administers trusts and accounts established to perform financial and technical services and financial operations consistent with the purposes of the IMF. The resources of these trusts and accounts are contributed by members or the IMF through the SDA. The financial statements of the SDR Department and these trusts and accounts are presented separately.

General Resources Account

The GRA holds the general resources of the IMF. Its resources reflect the receipt of quota subscriptions, use and repayment of IMF credit, collection of charges on the use of credit, payment of remuneration on creditor positions, borrowings, and payment of interest and repayment of borrowings.

Special Disbursement Account

The assets and resources of the SDA are held separately from other accounts of the General Department. Resources of the SDA include transfers received from the Trust Fund, a trust administered by the IMF as trustee (in liquidation), and part of the proceeds from the sales of the IMF's gold in the past. Income from the investment of gold profits in the SDA is to be transferred, as needed, to the Poverty Reduction and Growth Facility—Heavily Indebted Poor Countries Trust (PRGF-HIPC Trust), in accordance with decisions of the IMF. The SDA also holds outstanding loans extended under the Structural Adjustment Facility (SAF), which was established in March 1986 to provide balance of payments assistance on concessional terms to qualifying low-income developing country members.

Assets that exceed the financing needs of the SDA, excluding investments arising from the sales of gold undertaken pursuant to the 1999 decision on gold sales by the IMF, are transferred to the Reserve Account of the Poverty Reduction and Growth Facility Trust (PRGF Trust), which is administered separately by the IMF as trustee.

2. Summary of Significant Accounting Policies

Basis of Presentation

The financial statements of the IMF are prepared in accordance with International Financial Reporting Standards (IFRS). Specific accounting principles and disclosure practices are explained further below. The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Revenue and Expense Recognition

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

Unit of Account

The financial statements are expressed in terms of SDRs. The value of the SDR is determined by the IMF each day by summing the values in U.S. dollars, based on market exchange rates, of the currencies in the SDR valuation basket. The IMF reviews the SDR valuation basket every five years. The latest review was completed in October 2000, and the new composition of the SDR valuation basket became effective on January 1, 2001. The currencies in the basket as of April 30, 2004 and 2003 and their amounts were as follows:

Currency	Amount
Euro	0.4260
Japanese yen	21.0000
Pound sterling	0.0984
U.S. dollar	0.5770

As of April 30, 2004, one SDR was equal to 1.45183 U.S. dollars (one SDR was equal to 1.38391 U.S. dollars as of April 30, 2003).

Credit Outstanding

The IMF provides balance of payments assistance in accordance with established policies by selling to members, in exchange for their own currencies, SDRs or currencies of other members. When members make purchases, they incur obligations to repurchase the IMF's holdings of their currencies arising from the purchases within specified periods by payments in SDRs or other currencies, as determined by the IMF. IMF credit is subject to specific repayment schedules over periods which vary depending on the type of facility used. Members are entitled to repurchase, at any time, the IMF's holdings of their currencies on which charges are levied and are expected to make repurchases as and when their balance of payments and reserve position improve.

The repurchase policies of the IMF are intended to ensure the revolving character of its resources. Programs supported by the IMF are guided by the requirement that members should be able to make repurchases in accordance with the normal terms of borrowing referred to as the obligation schedule, for the respective facilities. In keeping with a long-standing principle of the IMF that its resources should be repaid as soon as the balance of payments and reserve position improve, borrowers in a position to do so are expected to make repurchases ahead of the original schedule under predetermined expectation schedules. However, if a member's external position is not sufficiently strong, it may request repayments on the expectation schedule be extended to the original obligation schedule by a period of up to one year for credit tranche and Supplemental Reserve Facility purchases (up to six months for purchases after February 21, 2003) or three years for Extended Fund Facility purchases. A member is considered overdue only after failure to make a payment on the repurchase obligation schedule.

Overdue Obligations and the Burden Sharing Mechanism

It is the policy of the IMF to exclude from current income charges due by members that are six months or more overdue in meeting payments to the IMF. The IMF fully recovers this lost income from unpaid charges under the burden sharing mechanism, through adjustments, in the current period, to the rates of charge and remuneration. Members that have borne the financial consequences of overdue charges receive refunds to the extent that overdue charges that had given rise to burden sharing adjustments are settled.

An impairment loss is recognized only if there is objective evidence of impairment as a result of a past event that occurred after initial recognition, and is determined as the difference between the credit outstanding's carrying amount and the present value of the estimated future cash flows.

First Special Contingent Account

In view of the risk resulting from overdue credit, the IMF accumulates balances in the first Special Contingent Account (SCA-1). Losses arising from overdue principal, if realized, would be charged against the SCA-1. The IMF has not realized any losses on overdue financial obligations. However, the IMF considers it prudent to maintain the SCA-1 as added protection until all arrears are fully settled. Balances in the SCA-1 are to be distributed to the members that shared the cost of its financing when there are no outstanding overdue repurchases and charges, or at such earlier time as the IMF may decide.

Currencies

Currencies consist of members' currencies and securities held by the IMF. Each member has the option to substitute non-negotiable and non-interest-bearing securities for the IMF's holdings of its currency that exceed 1/4 of 1 percent of the member's quota. These securities are encashable by the IMF on demand.

Each member is required to pay to the IMF its initial quota and subsequent quota increases partly in its own currency, with the remainder to be paid in usable currencies prescribed by the IMF, or SDRs. One exception was the quota increase of 1978, which was paid entirely in members' own currencies.

Usable Currencies

Usable currencies consist of currencies of members considered by the IMF to have strong balance of payments and reserve positions. These currencies are included in the IMF's financial transactions plan to finance purchases and other transfers of the IMF. Participation in the financial transactions plan is reviewed on a quarterly basis. The IMF considers cash and cash equivalents to be usable currencies and SDR holdings. The changes in non-usable currency result from the IMF's transactions (purchases and repurchases) where a member's currency is exchanged for another member's currency, or from the inclusion/exclusion of a member's currency in the IMF's transaction plan.

Valuation of Currencies

Currencies, including securities, are valued in terms of the SDR on the basis of the currency/SDR exchange rate determined for each currency. Securities are not marketable, but can be converted into cash on demand. Each member is obligated to maintain, in terms of the SDR, the value of the balances of its currency held by the IMF in the GRA. This requirement is referred to as the maintenance-of-value obligation. Whenever the IMF revalues its holdings of a member's currency, a receivable or a payable is established for the amount required to maintain the SDR value of the IMF's holdings of that currency. The currency balances in the balance sheet include these receivables and payables. All currencies were revalued in terms of the SDR on April 30, 2004 and 2003.

SDR Holdings

Although SDRs are not allocated to the IMF, the IMF may acquire, hold, and dispose of SDRs through the GRA. The IMF receives SDRs from members in the settlement of their financial obligations to the IMF and uses SDRs in transactions and operations with members. The IMF earns interest on its SDR holdings at the same rate as all other holders of SDRs.

SDR Interest Rate

The SDR interest rate is determined weekly by reference to a combined market interest rate, which is a weighted average of yields on short-term instruments in the capital markets of the euro area, Japan, the United Kingdom, and the United States.

Gold Holdings

The Articles of Agreement limit the use of gold in the IMF's operations and transactions. Any use provided for in the Articles requires a decision adopted by an 85 percent majority of the total voting power. In accordance with the provisions of the Articles, whenever the IMF sells gold held on the date of the Second Amendment of the IMF's Articles of Agreement (April 1, 1978), the portion of the proceeds equivalent at the time of sale to one SDR per 0.888671 gram of fine gold, which is equal to SDR 35 per fine troy ounce, must be placed in the GRA. Any excess over this value will be held in the SDA or transferred to the Investment Account. The IMF may also sell gold held on the date of the Second Amendment to those members that were members on August 31, 1975, in proportion to their quotas on that date, in exchange for their own currencies, at a price equivalent at the time of sale to one SDR per 0.888671 gram of fine gold.

The IMF values its gold holdings at historical cost using the specific identification method (see Note 5).

SAF Loans in the Special Disbursement Account

Repayments of all SAF loans are transferred to the PRGF Trust Reserve Account when received. Allowances for loan losses would be established if and when there is objective evidence that an impairment loss on loans has been incurred.

Investments in the Special Disbursement Account

Investments are made in debt securities and fixed-term deposits, which are classified as available for sale securities. Debt securities comprise securities issued by international financial organizations and domestic government bonds in the euro area, Japan, the United Kingdom and the United States. Investments are marked to market on the last business day of the accounting period. The carrying amounts of investments approximate their fair value and the unrealized gains and losses are included in the income statements. Purchases are valued and reflected on the trade date basis and sales are based on the actual settlement date valuations. Investment income comprises interest earned on investments, realized and unrealized gains and losses on investments, including currency valuation differences arising from exchange rate movements against the SDR.

Interest rate risk is managed by limiting the investment portfolio to a weighted average effective duration that does not exceed three years. Currency risk is minimized by investing in securities denominated in SDRs or in the constituent currencies of the SDR valuation basket. Risk is further minimized by ensuring that the currency composition of the investment portfolio matches, as closely as possible, the currency composition of the SDR valuation basket.

Fixed Assets

Fixed assets with a cost in excess of a threshold amount are capitalized at cost. Buildings and equipment are depreciated using the straight-line method over the estimated useful lives of the assets, which range from 3 years for equipment to 30 years for buildings.

Quotas

Each member is assigned a quota that forms the basis of its financial and organizational relationship with the IMF. A member's quota is related to, but not strictly determined by, economic factors such as national income, the value of external trade and payments, and the level of official reserves. Quotas determine members' subscriptions to the IMF, their relative voting power, access to financing, and their share in SDR allocations. Should a member withdraw from the Fund, quotas are repayable to the extent they are not needed to settle other net obligations of the member to the Fund.

Reserve Tranche Position

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

Reserves

The IMF's reserves, consisting of the General Reserve and the Special Reserve, provide it with protection against financial risk of a general nature. The IMF determines annually what part of its net income will be retained and placed to the General Reserve or the Special Reserve, and what part, if any, will be distributed. The Articles of Agreement permit the IMF to use the Special Reserve for any purpose for which it may use the General Reserve, except distribution. After meeting the cost of administering the PRGF Trust, net operational income generated from the surcharges on purchases under the SRF, the credit tranches, and the EFF has been transferred to the General Reserve. All other income has been transferred to the Special Reserve.

Charges

The IMF levies periodic charges on members' use of IMF credit. The basic rate of charge is set as a proportion of the SDR interest rate, which is equivalent to the effective interest rate. For financial year 2004, the basic rate of charge was 132 percent of the SDR interest rate. The basic rate of charge is increased to offset the effect on the IMF's income of the nonpayment of charges and to finance the additions to the SCA-1. The average adjusted rate of charge before applicable surcharges for financial year 2004 was 2.17 percent (for financial year 2003 the average rate was 2.74 percent). A surcharge progressing from 300 to 500 basis points above the rate of charge applies to use of credit under the SRF. In addition, credit outstanding in excess of 200 percent of quota, resulting from purchases after November 28, 2000 in the credit tranches and under the EFF (other than those under the SRF), is subject to a surcharge of 100–200 basis points. Special charges are levied on members' currency holdings that are not repurchased when due and on overdue charges. Special charges do not apply to members that are six months or more overdue to the IMF. A service charge is levied by the IMF on all purchases, except reserve tranche purchases. A refundable commitment fee is charged on Stand-By and Extended Arrangements. At the expiration or cancellation of an arrangement, the unrefunded portion of the commitment fee is taken into income.

Remuneration

The IMF pays interest, referred to as remuneration, on a member's reserve tranche position. The rate of remuneration, which is equivalent to the effective interest rate, is equal to the SDR interest rate, adjusted downward to finance a share of the nonpayment of charges and additions to the SCA-1. The average adjusted rate of remuneration for the financial year ended April 30, 2004 was 1.48 percent (1.96 percent for the financial year ended 2003). A portion of the reserve tranche is unremunerated and is equal to 25 percent of the member's quota on April 1, 1978—that part of the quota that was paid in gold prior to the Second Amendment of the Fund's Articles. For a member that joined the Fund after that date, the unremunerated reserve tranche is the same percentage of its initial quota as the average unremunerated reserve tranche was as a percentage of the quotas of all other members when the new member joined the Fund. The unremunerated reserve tranche remains fixed for each member in nominal terms, but because of subsequent quota increases, it is now significantly lower when expressed as a percentage of quota. The average is equal to 3.8 percent of quota at April 30, 2004 and 2003, but the actual percentage is different for each member.

Pension and Other Post-Retirement Obligations

The IMF operates two defined-benefit pension plans and provides post-retirement benefits to retired staff.

The pension plans are funded by payments from the staff and the IMF, taking into account the recommendations of independent actuaries. Assets of the plans are held in separate trustee-managed funds and are measured at fair value as of the balance sheet date. Pension obligations are measured using the Projected Unit Credit Method, which measures the present value of the estimated future cash outflows, using interest rates of government securities that have maturities approximating the terms of the pension liabilities.

The assets set aside for the provision of post-retirement benefits are held in an investment account administered by the IMF. This account is funded by contributions from the IMF. The expected costs of the post-retirement medical and life insurance benefits are accrued over the period of employment using the Projected Unit Credit Method. Valuations of these obligations are carried out by independent actuaries.

The pensions and other post-retirement benefits expense recognized include the actuarial gains and losses in excess of a 10 percent corridor which is amortized over the estimated service life remaining of IMF staff. The 10 percent corridor is the higher of 10 percent of the defined benefit obligation or the fair value of assets.

Comparatives

When necessary, comparative figures have been reclassified to conform with changes in the presentation of the current year.

Accounting and Reporting Developments

In December 2003, the International Accounting Standards Board issued International Accounting Standard 32 "Financial Instruments: Disclosure and Presentation," (IAS 32 revised). This standard clarifies, among other things, the definition of a financial liability, particularly as it relates to shareholder interests that have redemption features. The Fund will consider the implications of this revision for presentation of the balance sheet of the General Department. IAS 32 revised is effective for annual periods beginning on or after January 1, 2005, and will thus be effective for the Fund's Financial Year 2006.

3. Credit Outstanding

Credit outstanding in the General Resources Account and SAF loans in the SDA are carried at amortized cost which is historical cost.

Changes in the outstanding use of IMF credit under the various facilities of the GRA during the years ended April 30, were as follows:

	April 30, 2002	Purchases	Repur-chases	April 30, 2003	Purchases	Repur-chases	April 30, 2004
	In millions of SDRs						
Credit tranches	28,227	9,664	(3,993)	33,898	12,874	(5,042)	41,730
Extended Fund Facility	15,491	1,451	(2,000)	14,942	1,132	(2,323)	13,751
Supplemental Reserve Facility	5,875	10,566	(741)	15,700	3,807	(13,479)	6,028
Systemic Transformation Facility	1,311	–	(667)	644	–	(490)	154
Enlarged Access	321	–	(42)	279	–	(3)	276
Compensatory and Contingency Financing Facility	746	–	(332)	414	–	(294)	120
Supplementary Financing Facility	110	–	(9)	101	–	(7)	94
Total credit outstanding	52,081	21,681	(7,784)	65,978	17,813	(21,638)	62,153

The IMF approved the following requests to extend the repurchase expectations by one year during financial years ended April 30:

	Total Repurchase Expectations Extended	
	2004	2003
	In millions of SDRs	
Argentina	1,941	5,818
Brazil	8,096	–
Ecuador	–	14
Papua New Guinea	26	–
Serbia and Montenegro	19	–
Sri Lanka	–	52
Turkey	8,273	–
Uruguay	227	129

During financial year 2004, the IMF also approved, under its exceptional access policy, a three-year Stand-By Arrangement with Argentina for SDR 9 billion and augmented Brazil's Stand-By Arrangement by SDR 4.5 billion.

As of April 30, 2004 and 2003, SDA loans amounted to SDR 86 million and SDR 137 million, respectively, and interest due from members in arrears, computed at 0.5 percent a year, amounted to SDR 1 million.

Scheduled repurchases in the GRA and repayments of SAF loans in the SDA are summarized below:

Financial Year Ending April 30	General Resources Account	Special Disbursement Account
	In millions of SDRs	
2005	12,478	40
2006	19,312	37
2007	17,706	–
2008	8,583	–
2009	2,057	–
2009 and beyond	1,274	–
Overdue	743	9
Total	62,153	86

The use of credit in the GRA by the largest users at April 30, was as follows:

	2004		2003	
	In millions of SDRs and as a percent of total GRA credit outstanding			
Largest user of credit	18,139	29.2%	18,192	27.6%
Three largest users of credit	44,020	70.8%	45,382	68.8%
Five largest users of credit	53,680	86.4%	56,127	85.1%

The five largest users of credit as of April 30, 2004 were Brazil, Turkey, Argentina, Indonesia, and the Russian Federation. Outstanding credit, by member, is provided in Schedule 1. The concentration of GRA outstanding credit by regional geographical area as of April 30, was as follows:

	2004		2003	
	In millions of SDRs and as a percent of total GRA credit outstanding			
Africa	1,397	2.3%	1,751	2.6%
Asia and Pacific	8,019	12.9%	8,742	13.3%
Europe	6,160	9.9%	7,704	11.7%
Latin America and the Caribbean	30,697	49.4%	30,824	46.7%
Middle East and Turkey	15,880	25.5%	16,957	25.7%
Total	62,153	100%	65,978	100%

Overdue Obligations

At April 30, 2004 and 2003, four members were six months or more overdue in settling their financial obligations to the General Department.

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

	Repurchases and SAF Loans		Charges and SAF Interest	
	2004	2003	2004	2003
	In millions of SDRs			
Total overdue	752	746	1,009	993
Overdue for six months or more	743	726	1,001	982
Overdue for three years or more	650	663	939	900

The type and duration of the overdue amounts in the General Department as of April 30, 2004, were as follows:

	Repurchases and SAF Loans	Charges and SAF Interest	Total Obligation	Longest Overdue Obligation
	In millions of SDRs			
Liberia	201	249	450	May 1985
Somalia	105	96	201	July 1987
Sudan	338	654	992	July 1985
Zimbabwe	108	10	118	February 2001
Total	752	1,009	1,761	

4. Currencies

Changes in the IMF's holdings of members' currencies for the years ended April 30, 2004 and 2003 were as follows:

	April 30, 2002	Net Change	April 30, 2003	Net Change	April 30, 2004
	In millions of SDRs				
Members' quotas	212,416	315	212,731	63	212,794
Members' outstanding use of IMF credit in the GRA	52,081	13,897	65,978	(3,825)	62,153
Members' reserve tranche positions in the GRA	(55,327)	(12,682)	(68,009)	5,153	(62,856)
Administrative currency balances	(4)	3	(1)	(4)	(5)
Total currencies	209,166	1,533	210,699	1,387	212,086

Receivables and payables arising from valuation adjustments at April 30, 2004, when all holdings of currencies of members were last revalued, amounted to SDR 9,311 million and SDR 3,139 million, respectively (SDR 20,947 million and SDR 4,985 million, respectively, at April 30, 2003). Settlements of these receivables or payables are required to be made promptly after the end of each financial year.

Other currency holdings, other than those resulting from the use of credit or usable currencies, amounted to SDR 46,672 million (SDR 47,692 million as of April 30, 2003).

5. Gold Holdings

At April 30, 2004 and April 30, 2003, the IMF held 3,217,341 kilograms of gold, equal to 103,439,916 fine ounces of gold, at designated depositories. As of April 30, 2004, the value of the IMF's holdings of gold calculated at the market price was SDR 27.7 billion (SDR 25.2 billion at April 30, 2003).

6. Interest and Charges

As of April 30, 2004, the total holdings on which the IMF levies charges amounted to SDR 62,153 million (SDR 65,978 million as of April 30, 2003). Charges and other receivables due to the IMF as of April 30 were as follows:

	2004	2003
	In millions of SDRs	
Periodic charges	1,526	1,568
Amount paid through burden sharing	(825)	(808)
Other unpaid charges	(188)	(188)
	513	572
Other receivables	4	5
Receivables	517	577

Periodic interest and charges for the years ended April 30 consisted of the following:

	2004	2003
	In millions of SDRs	
Periodic charges	2,224	2,323
Amounts paid through burden sharing adjustments, net of refunds	8	(28)
Total interest and charges	2,232	2,295

Interest earned on SAF loans for the years ended April 30, 2004 and 2003 amounted to SDR 0.5 million and SDR 8.4 million, respectively.

Special charges, service charges, and the unrefunded commitment fees are included in *Other Charges and Income*, which amounted to SDR 91 million (SDR 132 million for the year ended April 30, 2003).

7. Fixed Assets

Other assets include fixed assets, which at April 30, 2004 and 2003 amounted to SDR 267 million and SDR 238 million, respectively, and consisted of:

	2004	2003
	In millions of SDRs	
Land and buildings	363	326
Equipment	44	39
Total fixed assets	407	365
Less: accumulated depreciation	(140)	(127)
Net fixed assets	267	238

8. Investments

As at April 30, 2004 the investments in the SDA consisted of fixed-term deposits with maturity of less than one year and amounted to SDR 2,631 million (SDR 2,590 million as at April 30, 2003). Fixed-term deposits include cash equivalents amounting to SDR 37 million (SDR 21 million as at April 30, 2003) comprising short-term deposits with maturities of less than ninety days.

Income of the SDA for the years ended April 30, 2004 and 2003, comprised of interest and special charges, was SDR 41 million and SDR 61 million, respectively.

9. Remuneration

At April 30, 2004, total creditor positions on which the IMF paid remuneration amounted to SDR 56,241 million (SDR 61,428 million at April 30, 2003). Remuneration for the years ended April 30, 2004 and 2003 consisted of the following:

	2004	2003
	In millions of SDRs	
Remuneration	974	1,173
Amount paid through burden sharing adjustment, net of refunds	(8)	28
	966	1,201

10. Burden Sharing and Special Contingent Account

Cumulative charges, net of settlements, that have resulted in adjustments to charges and remuneration since May 1, 1986, amounted to SDR 825 million at April 30, 2004 (SDR 810 million at April 30, 2003). The cumulative refunds for the same period, resulting from the settlements of overdue charges for which burden sharing adjustments have been made, amounted to SDR 1,073 million (SDR 1,072 million at April 30, 2003).

The SCA-1 is financed by adjustments to the rate of charge and the rate of remuneration. Balances in the SCA-1 are to be distributed to the members that shared the cost of its financing when there are no outstanding overdue repurchases and charges, or at such earlier time as the IMF may decide. Losses arising from overdue obligations, if realized, would be shared by members in proportion to their cumulative contributions to the SCA-1. If the loss exceeded the balance in the SCA-1, the remainder would be charged to current income. At April 30, 2004, the balances held in the SCA-1 amounted to SDR 1,495 million (SDR 1,401 million at April 30, 2003).

11. Borrowings

Under the General Arrangements to Borrow (GAB), the IMF may borrow up to SDR 18.5 billion when supplementary resources are needed, in particular, to forestall or to cope with an impairment of the international monetary system. The GAB became effective on October 24, 1962, and has been renewed through December 25, 2008. Interest on borrowings under the GAB is set at a rate equal to the SDR interest rate.

Under the New Arrangements to Borrow (NAB), the IMF may borrow up to SDR 34 billion of supplementary resources. The NAB is the facility of first and principal recourse, but it does not replace the GAB, which will remain in force. Outstanding drawings and commitments under these two borrowing arrangements are limited to a combined total of SDR 34 billion. The NAB became effective for a five-year period on November 17, 1998, and has been renewed through November 16, 2008. Interest on borrowings under the NAB is payable to the participants at the SDR interest rate or any such higher rate as may be agreed between the IMF and participants representing 80 percent of the total credit arrangements.

12. Arrangements and Commitments in the General Department

An arrangement is a decision of the IMF that gives a member the assurance that the IMF stands ready to provide SDRs or usable currencies during a specified period and up to a specified amount, in accordance with the terms of the arrangement. Credit under these arrangements is subject to interest and charges that are uniform to all members and that reflect the cost to the IMF of financing such credit, plus a margin. In addition, certain surcharges may apply. At April 30, 2004, the undrawn balances under the 13 arrangements that were in effect in the GRA amounted to SDR 19,799 million (SDR 23,620 million under 18 arrangements at April 30, 2003).

The IMF has committed to lease commercial office space through 2005. Expenditures totaling SDR 18.1 million will be incurred over this period.

13. Administrative Expenses

The administrative expenses for the years ended April 30, were as follows:

	2004	2003
	In millions of SDRs	
Personnel	337	370
Pension and other related expenses	39	79
Travel	70	72
Other	104	88
Less: reimbursement for the administration of the SDR Department	(1)	(2)
Total administrative expenses, net of reimbursements	549	607

The majority of these expenses are incurred in U.S. dollars; exchange gains and losses incurred in the normal course of business are reflected in administrative expenses and are not significant.

The GRA is reimbursed for the cost of administering the SDR Department.

The GRA is to be reimbursed annually for expenses incurred in administering the SDA and the PRGF Trust. Following the establishment of the SRF and CCL and the consequent increase in net operational income, the Executive Board decided to forgo reimbursement of the expenses incurred in administering the PRGF Trust for financial years 2004 and 2003 and to transfer the amounts that would otherwise have been reimbursed to the GRA from the PRGF Trust Reserve Account, through the SDA, to the PRGF-HIPC Trust. These transfers amounted to SDR 57.7 million for financial year 2004 (SDR 64.0 million for financial year 2003).

14. Pension and Other Post-Retirement Benefits

The IMF has a defined-benefit Staff Retirement Plan (SRP) that covers substantially all eligible staff and a Supplemental Retirement Benefits Plan (SRBP) for selected participants of the SRP. Participants contribute 7 percent of their pensionable remuneration and the IMF contributes the remainder of the cost of funding the plans and pays certain administrative costs of the plans. In addition, the IMF provides other employment and post-retirement benefits, including medical, life insurance, and other long-term benefits. In 1995, the IMF established a separate account, the Retired Staff Benefits Investment Account (RSBIA), to hold and invest resources set aside to fund the cost of the post retirement benefits.

A plan amendment was adopted in December 2002, and implemented in financial year 2004, to allow certain periods of past employment to qualify for determination of participants' benefits in the SRP and the SRBP. The estimated liability resulting from the amendment was included in the actuarial valuation (SDR 32 million) for financial year 2003.

The obligations of the SRP, SRBP, and RSBIA are valued annually by independent actuaries. The latest actuarial valuations were carried out as at April 30, 2004 using The Projected Unit Credit Method. The key assumptions used are as shown below.

The amounts recognized in the balance sheet are determined as follows:

	2004				2003
	SRP	SRBP	Other	Total	Total
	In millions of SDRs				
Fair value of plan assets	2,939	2	323	3,264	2,747
Present value of the defined benefit obligation	(2,848)	(201)	(520)	(3,569)	(2,454)
Unrecognized actuarial losses/(gains)	716	52	(34)	734	99
Unrecognized prior service cost	–	–	14	14	43
Net balance sheet asset/(liability)	807	(147)	(217)	443	435

The movement in the net balance sheet asset is reconciled as follows:

	2004				2003
	SRP	SRBP	Other	Total	Total
	In millions of SDRs				
Beginning of year	774	(122)	(217)	435	470
Income/(expense) recognized in income statement	15	(28)	(38)	(51)	(79)
Contributions paid	18	3	38	59	44
End of year	807	(147)	(217)	443	435

The expense recognized in the income statement for the year ended April 30, 2003 included SDR 40 million which represents the effect of a change in the actuarial cost resulting from a revision in some participants' data. This expense related for the most part to the present value of the defined benefit obligation as originally estimated when International Accounting Standard (IAS) 19 was introduced in financial year 2000. The amounts recognized in the income statements are as follows:

	2004				2003
	SRP	SRBP	Other	Total	Total
	In millions of SDRs				
Current service cost	51	5	39	95	106
Interest cost	124	7	26	157	203
Expected loss on assets	(204)	–	(22)	(226)	(274)
Amortization of actuarial (gain)/loss	–	(2)	(6)	(8)	2
Prior service cost	14	18	1	33	42
Total (income)/expense recognized in income statement	(15)	28	38	51	79
Actual return on assets/(loss)	609	–	59	668	(72)

The principal actuarial assumptions used were as follows:

	2004	2003
	In percent	
Discount rate	5.7	6.5
Expected return on plan assets	7.5	8.3
Future salary increases	6.4–10.8	4.0–6.75
Ultimate health care costs growth rates	4.0	4.0

Schedule 1

General Department
Quotas, IMF's Holdings of Currencies, Reserve Tranche Positions, and Members' Use of Resources as at April 30, 2004

(In thousands of SDRs)

		General Resources Account			Credit Outstanding				
		IMF's holdings of currencies[1]			GRA				
Member	Quota	Total	Percent of quota	Reserve tranche position	Amount (A)	Percent[2] +	SDA[3] (B) +	PRGF Trust[4] (C) =	Total[5] (D)
Afghanistan, Islamic State of	161,900	161,916	100.0	–	–	–	–	–	–
Albania	48,700	45,350	93.1	3,355	–	–	–	63,276	63,276
Algeria	1,254,700	1,750,150	139.5	85,082	580,531	0.93	–	–	580,531
Angola	286,300	286,445	100.1	–	–	–	–	–	–
Antigua and Barbuda	13,500	13,499	100.0	6	–	–	–	–	–
Argentina	2,117,100	12,412,772	586.3	74	10,295,744	16.57	–	–	10,295,744
Armenia, Republic of	92,000	99,036	107.6	–	7,031	0.01	–	132,350	139,381
Australia	3,236,400	2,064,217	63.8	1,172,241	–	–	–	–	–
Austria	1,872,300	1,119,531	59.8	752,787	–	–	–	–	–
Azerbaijan	160,900	211,948	131.7	10	51,048	0.08	–	105,018	156,066
Bahamas, The	130,300	124,051	95.2	6,253	–	–	–	–	–
Bahrain, Kingdom of	135,000	65,075	48.2	69,955	–	–	–	–	–
Bangladesh	533,300	533,119	100.0	186	–	–	–	99,000	99,000
Barbados	67,500	62,461	92.5	5,040	–	–	–	–	–
Belarus, Republic of	386,400	398,083	103.0	20	11,683	0.02	–	–	11,683
Belgium	4,605,200	2,753,359	59.8	1,851,851	–	–	–	–	–
Belize	18,800	14,562	77.5	4,239	–	–	–	–	–
Benin	61,900	59,721	96.5	2,188	–	–	–	47,838	47,838
Bhutan	6,300	5,280	83.8	1,020	–	–	–	–	–
Bolivia	171,500	226,958	132.3	8,875	64,320	0.10	–	115,704	180,024
Bosnia and Herzegovina	169,100	260,637	154.1	–	91,533	0.15	–	–	91,533
Botswana	63,000	38,417	61.0	24,586	–	–	–	–	–
Brazil	3,036,100	21,175,822	697.5	–	18,139,167	29.18	–	–	18,139,167
Brunei Darussalam	215,200	157,127	73.0	58,288	–	–	–	–	–
Bulgaria	640,200	1,435,837	224.3	32,778	828,395	1.33	–	–	828,395
Burkina Faso	60,200	52,911	87.9	7,294	–	–	1,264	82,306	83,570
Burundi	77,000	76,641	99.5	360	–	–	–	26,400	26,400
Cambodia	87,500	87,500	100.0	–	–	–	–	66,900	66,900
Cameroon	185,700	185,087	99.7	644	–	–	–	225,455	225,455
Canada	6,369,200	4,020,571	63.1	2,348,635	–	–	–	–	–
Cape Verde	9,600	9,596	100.0	5	–	–	–	4,920	4,920
Central African Republic	55,700	55,547	99.7	159	–	–	–	23,656	23,656
Chad	56,000	55,719	99.5	282	–	–	–	69,883	69,883
Chile	856,100	562,854	65.7	293,247	–	–	–	–	–
China	6,369,200	4,013,672	63.0	2,355,575	–	–	–	–	–
Colombia	774,000	488,202	63.1	285,803	–	–	–	–	–
Comoros	8,900	8,358	93.9	544	–	–	–	–	–
Congo, Democratic Republic of	533,000	533,000	100.0	–	–	–	–	500,067	500,067
Congo, Republic of	84,600	93,332	110.3	536	9,253	0.01	–	6,948	16,201
Costa Rica	164,100	144,113	87.8	20,000	–	–	–	–	–
Côte d'Ivoire	325,200	324,639	99.8	572	–	–	–	271,729	271,729
Croatia, Republic of	365,100	364,943	100.0	159	–	–	–	–	–
Cyprus	139,600	84,292	60.4	55,315	–	–	–	–	–
Czech Republic	819,300	506,908	61.9	312,397	–	–	–	–	–
Denmark	1,642,800	1,008,080	61.4	634,726	–	–	–	–	–
Djibouti	15,900	14,800	93.1	1,100	–	–	–	13,630	13,630
Dominica	8,200	11,165	136.2	9	2,973	–	–	2,666	5,639
Dominican Republic	218,900	350,239	160.0	3	131,340	0.21	–	–	131,340
Ecuador	302,300	513,245	169.8	17,153	228,096	0.37	–	–	228,096
Egypt	943,700	943,715	100.0	–	–	–	–	–	–

Schedule 1 *(continued)*

Member	General Resources Account				Credit Outstanding				
		IMF's holdings of currencies[1]			GRA				
	Quota	Total	Percent of quota	Reserve tranche position	Amount (A)	Percent[2] +	SDA[3] (B) +	PRGF Trust[4] (C) =	Total[5] (D)
El Salvador	171,300	171,303	100.0	–	–	–	–	–	–
Equatorial Guinea	32,600	32,609	100.0	–	–	–	148	37	185
Eritrea	15,900	15,900	100.0	5	–	–	–	–	–
Estonia, Republic of	65,200	65,195	100.0	6	–	–	–	–	–
Ethiopia	133,700	126,520	94.6	7,188	–	–	2,824	110,491	113,315
Fiji	70,300	55,125	78.4	15,189	–	–	–	–	–
Finland	1,263,800	739,346	58.5	524,539	–	–	–	–	–
France	10,738,500	6,614,021	61.6	4,124,429	–	–	–	–	–
Gabon	154,300	190,241	123.3	179	36,114	0.06	–	–	36,114
Gambia, The	31,100	29,618	95.2	1,485	–	–	–	21,439	21,439
Georgia	150,300	161,863	107.7	10	11,563	0.02	–	168,825	180,388
Germany	13,008,200	7,850,102	60.3	5,158,155	–	–	–	–	–
Ghana	369,000	369,004	100.0	–[6]	–	–	–	298,065	298,065
Greece	823,000	528,592	64.2	294,411	–	–	–	–	–
Grenada	11,700	14,631	125.1	–	2,930	–	–	–	2,930
Guatemala	210,200	210,206	100.0	–	–	–	–	–	–
Guinea	107,100	107,026	99.9	75	–	–	–	86,114	86,114
Guinea-Bissau	14,200	15,265	107.5	–[6]	1,065	–	–	11,249	12,314
Guyana	90,900	90,902	100.0	–	–	–	–	59,696	59,696
Haiti	81,900	81,833	99.9	68	–	–	–	9,105	9,105
Honduras	129,500	120,874	93.3	8,627	–	–	–	124,573	124,573
Hungary	1,038,400	673,023	64.8	365,378	–	–	–	–	–
Iceland	117,600	99,016	84.2	18,585	–	–	–	–	–
India	4,158,200	3,271,225	78.7	887,011	–	–	–	–	–
Indonesia	2,079,300	8,674,546	417.2	145,500	6,740,742	10.85	–	–	6,740,742
Iran, Islamic Republic of	1,497,200	1,497,204	100.0	–	–	–	–	–	–
Iraq	504,000	504,013	100.0	–	–	–	–	–	–
Ireland	838,400	506,112	60.4	332,309	–	–	–	–	–
Israel	928,200	583,547	62.9	344,660	–	–	–	–	–
Italy	7,055,500	4,307,660	61.1	2,747,847	–	–	–	–	–
Jamaica	273,500	277,415	101.4	–	3,865	0.01	–	–	3,865
Japan	13,312,800	8,312,970	62.4	5,000,584	–	–	–	–	–
Jordan	170,500	427,520	250.7	69	257,081	0.41	–	–	257,081
Kazakhstan, Republic of	365,700	365,700	100.0	5	–	–	–	–	–
Kenya	271,400	258,720	95.3	12,680	–	–	–	75,586	75,586
Kiribati	5,600	5,596	99.9	9	–	–	–	–	–
Korea	1,633,600	1,125,953	68.9	507,657	–	–	–	–	–
Kuwait	1,381,100	859,184	62.2	521,923	–	–	–	–	–
Kyrgyz Republic	88,800	88,800	100.0	5	–	–	–	138,767	138,767
Lao People's Democratic Republic	52,900	52,900	100.0	–	–	–	–	28,091	28,091
Latvia, Republic of	126,800	128,668	101.5	55	1,906	–	–	–	1,906
Lebanon	203,000	184,168	90.7	18,833	–	–	–	–	–
Lesotho	34,900	31,359	89.9	3,543	–	–	–	21,000	21,000
Liberia	71,300	272,062	381.6	28	200,781	0.32	–	–	223,671
Libya	1,123,700	728,206	64.8	395,505	–	–	–	–	–
Lithuania, Republic of	144,200	168,337	116.7	16	24,150	0.04	–	–	24,150
Luxembourg	279,100	170,695	61.2	108,419	–	–	–	–	–
Macedonia, former Yugoslav Republic of	68,900	88,595	128.6	–[6]	19,693	0.03	–	22,638	42,331
Madagascar	122,200	122,174	100.0	27	–	–	–	138,143	138,143
Malawi	69,400	84,462	121.7	2,290	17,350	0.03	–	49,334	66,684
Malaysia	1,486,600	925,274	62.2	561,331	–	–	–	–	–
Maldives	8,200	6,646	81.0	1,554	–	–	–	–	–
Mali	93,300	84,387	90.4	8,924	–	–	–	105,626	105,626
Malta	102,000	61,741	60.5	40,261	–	–	–	–	–
Marshall Islands	3,500	3,500	100.0	1	–	–	–	–	–

Schedule 1 *(continued)*

	General Resources Account				Credit Outstanding				
		IMF's holdings of currencies[1]			GRA			PRGF	
Member	Quota	Total	Percent of quota	Reserve tranche position	Amount (A)	Percent[2] +	SDA[3] (B) +	Trust[4] (C) =	Total[5] (D)
Mauritania	64,400	64,404	100.0	–	–	–	–	65,633	65,633
Mauritius	101,600	79,722	78.5	21,879	–	–	–	–	–
Mexico	2,585,800	2,032,539	78.6	553,309	–	–	–	–	–
Micronesia, Federated States of	5,100	5,100	100.0	1	–	–	–	–	–
Moldova, Republic of	123,200	185,075	150.2	5	61,875	0.10	–	27,720	89,595
Mongolia	51,100	50,996	99.8	107	–	–	–	31,317	31,317
Morocco	588,200	517,758	88.0	70,443	–	–	–	–	–
Mozambique	113,600	113,600	100.0	7	–	–	–	136,970	136,970
Myanmar	258,400	258,402	100.0	–	–	–	–	–	–
Namibia	136,500	136,447	100.0	55	–	–	–	–	–
Nepal	71,300	65,536	91.9	5,774	–	–	–	7,130	7,130
Netherlands	5,162,400	3,150,904	61.0	2,011,528	–	–	–	–	–
New Zealand	894,600	547,026	61.1	347,595	–	–	–	–	–
Nicaragua	130,000	130,010	100.0	–	–	–	–	155,749	155,749
Niger	65,800	57,239	87.0	8,563	–	–	–	84,570	84,570
Nigeria	1,753,200	1,753,121	100.0	143	–	–	–	–	–
Norway	1,671,700	1,038,544	62.1	633,166	–	–	–	–	–
Oman	194,000	129,874	66.9	64,181	–	–	–	–	–
Pakistan	1,033,700	1,382,677	133.8	118	349,094	0.56	–	916,128	1,265,222
Palau	3,100	3,100	100.0	1	–	–	–	–	–
Panama	206,600	223,918	108.4	11,860	29,167	0.05	–	–	29,167
Papua New Guinea	131,600	207,027	157.3	398	75,819	0.12	–	–	75,819
Paraguay	99,900	78,428	78.5	21,475	–	–	–	–	–
Peru	638,400	718,683	112.6	–	80,250	0.13	–	–	80,250
Philippines	879,900	1,424,592	161.9	87,358	632,044	1.02	–	–	632,044
Poland, Republic of	1,369,000	850,151	62.1	518,851	–	–	–	–	–
Portugal	867,400	521,062	60.1	346,369	–	–	–	–	–
Qatar	263,800	163,442	62.0	100,359	–	–	–	–	–
Romania	1,030,200	1,406,884	136.6	–	376,679	0.61	–	–	376,679
Russian Federation	5,945,400	8,863,793	149.1	1,546	2,919,830	4.70	–	–	2,919,830
Rwanda	80,100	80,113	100.0	–	–	–	–	61,835	61,835
St. Kitts and Nevis	8,900	8,819	99.1	82	–	–	–	–	–
St. Lucia	15,300	15,295	100.0	7	–	–	–	–	–
St. Vincent and the Grenadines	8,300	7,800	94.0	500	–	–	–	–	–
Samoa	11,600	10,918	94.1	693	–	–	–	–	–
San Marino, Republic of	17,000	12,900	75.9	4,101	–	–	–	–	–
São Tomé and Príncipe	7,400	7,403	100.0	–[6]	–	–	–	1,902	1,902
Saudi Arabia	6,985,500	4,440,699	63.6	2,544,804	–	–	–	–	–
Senegal	161,800	160,296	99.1	1,512	–	–	–	155,373	155,373
Serbia and Montenegro	467,700	1,051,273	224.8	–	583,559	0.94	–	–	583,559
Seychelles	8,800	8,798	100.0	2	–	–	–	–	–
Sierra Leone	103,700	103,685	100.0	24	–	–	–	117,700	117,700
Singapore	862,500	574,306	66.6	288,255	–	–	–	–	–
Slovak Republic	357,500	357,505	100.0	–	–	–	–	–	–
Slovenia, Republic of	231,700	142,006	61.3	89,700	–	–	–	–	–
Solomon Islands	10,400	9,852	94.7	550	–	–	–	–	–
Somalia	44,200	140,907	318.8	–	96,701	0.16	8,840	–	112,004
South Africa	1,868,500	1,867,998	100.0	504	–	–	–	–	–
Spain	3,048,900	1,783,762	58.5	1,265,163	–	–	–	–	–
Sri Lanka	413,400	586,250	141.8	47,855	220,670	0.37	–	38,390	259,060
Sudan	169,700	507,342	299.0	11	337,622	0.54	–	–	396,850
Suriname	92,100	85,976	93.4	6,125	–	–	–	–	–
Swaziland	50,700	44,152	87.1	6,552	–	–	–	–	–
Sweden	2,395,500	1,483,758	61.9	911,749	–	–	–	–	–
Switzerland	3,458,500	2,145,706	62.0	1,312,765	–	–	–	–	–
Syrian Arab Republic	293,600	293,603	100.0	5	–	–	–	–	–
Tajikistan, Republic of	87,000	87,000	100.0	2	–	–	–	76,960	76,960
Tanzania	198,900	188,903	95.0	9,999	–	–	–	293,483	293,483
Thailand	1,081,900	995,883	92.0	86,020	–	–	–	–	–
Timor-Leste, The Democratic Republic of	8,200	8,200	100.0	1	–	–	–	–	–

Schedule 1 *(concluded)*

Member	Quota	General Resources Account: IMF's holdings of currencies[1] Total	Percent of quota	Reserve tranche position	Credit Outstanding: GRA Amount (A)	GRA Percent[2] +	SDA[3] (B) +	PRGF Trust[4] (C) =	Total[5] (D)
Togo	73,400	73,069	99.5	332	–	–	–	24,978	24,978
Tonga	6,900	5,195	75.3	1,712	–	–	–	–	–
Trinidad and Tobago	335,600	209,732	62.5	125,873	–	–	–	–	–
Tunisia	286,500	266,311	93.0	20,195	–	–	–	–	–
Turkey	964,000	16,436,148	1,705.0	112,775	15,584,920	25.08	–	–	15,584,920
Turkmenistan, Republic of	75,200	75,200	100.0	5	–	–	–	–	–
Uganda	180,500	180,506	100.0	–[6]	–	–	–	151,451	151,451
Ukraine	1,372,000	2,517,802	183.5	3	1,145,802	1.84	–	–	1,145,802
United Arab Emirates	611,700	395,011	64.6	217,301	–	–	–	–	–
United Kingdom	10,738,500	6,637,393	61.8	4,101,181	–	–	–	–	–
United States	37,149,300	23,143,656	62.3	13,997,168	–	–	–	–	–
Uruguay	306,500	2,025,607	660.9	–	1,719,100	2.77	–	–	1,719,100
Uzbekistan, Republic of	275,600	300,538	109.0	5	24,938	0.04	–	–	24,938
Vanuatu	17,000	14,506	85.3	2,496	–	–	–	–	–
Venezuela, República Bolivariana de	2,659,100	2,337,199	87.9	321,902	–	–	–	–	–
Vietnam	329,100	330,107	100.3	5	1,007	–	–	214,800	215,807
Yemen, Republic of	243,500	281,238	115.5	13	37,750	0.06	–	225,550	263,300
Zambia	489,100	489,101	100.0	18	–	–	72,700	504,193	576,893
Zimbabwe	353,400	470,579	133.2	328	117,505	0.19	–	81,378	198,883
Total	212,794,000	212,086,122		62,856,110	62,152,682	100.00	85,776	6,699,728	69,026,767

[1]Includes nonnegotiable, non-interest-bearing notes that members are entitled to issue in substitution for currencies, and outstanding currency valuation adjustments.
[2]Represents the percentage used by each member of total use of GRA resources (column A).
[3]The Special Disbursement Account (SDA) of the General Department had financed loans under Structural Adjustment Facility (SAF) and Poverty Reduction Growth Facility (PRGF) arrangements.
[4]For information purposes only. The PRGF Trust provides financing under PRGF arrangements and is not a part of the General Department.
[5]Includes outstanding Trust Fund loans to Liberia (SDR 23 million), Somalia (SDR 6 million), and Sudan (SDR 59 million).
[6]Less than SDR 500.

Schedule 2

General Department

Financial Resources and Liquidity Position in the General Resources Account as at April 30, 2004 and 2003

(In thousands of SDRs)

	2004	2003
Total Resources		
Currencies	212,086,122	210,699,065
SDR holdings	506,029	962,641
Gold holdings	5,851,771	5,851,771
Other assets[1]	955,814	905,771
Total resources	219,399,736	218,419,248
***Less:* Non-Usable Resources[2]**	115,631,796	120,427,867
of which: Credit Outstanding	62,152,682	65,977,977
***Equals:* Usable Resources[3]**	103,767,940	97,991,381
***Less:* Undrawn balances under GRA arrangements[4]**	19,799,322	23,620,403
***Equals:* Uncommitted usable resources**	83,968,618	74,370,978
***Plus:* Repurchases one year forward[5]**	6,940,396	19,066,175
***Less:* Prudential balance[6]**	32,828,720	32,612,340
***Equals:* One year forward commitment capacity (FCC)[7]**	58,080,294	60,824,813
Memorandum Items:		
Resources available under borrowing arrangements	34,000,000	34,000,000
Quotas of members that finance IMF transactions	164,143,600	163,061,700
Net uncommitted usable resources[8]	75,051,056	60,589,269
Liquid Liabilities[9]	62,856,110	68,008,951
Liquidity ratio[10]	119.4%	89.1%

[1]Other assets reflect current assets (charges, interest, and other receivables) and other assets (which include capital assets such as land, buildings, and equipment), net of other liabilities including remuneration payable.

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

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

[4]Amounts committed under arrangements but not yet disbursed. This includes arrangements considered precautionary.

[5]Repurchases by member countries during the coming one-year period. It is assumed that repurchases would be made on an expectation basis for SRF, and on an obligation basis under all other facilities.

[6]Prudential balance is set at 20 percent of quotas of members that issue the currencies that are used in the financing of IMF transactions and any amounts activated under borrowing arrangements.

[7]FCC is a measure of the resources availabe for new financial commitments in the coming year. It is equal to uncommitted usable resources plus repurchases one-year forward minus the prudential balance.

[8]Net uncommitted usable resources are defined as usable resources less resources committed under arrangements (adjusted to exclude inoperative arrangements, one-half of the amounts committed under precautionary arrangements) and minimum working balances (set at 10 percent of the quotas of members' deemed sufficiently strong for their currencies to be used in operations and transactions).

[9]Liquid liabilities consist of (1) members' reserve tranche positions, and (2) the amount of any outstanding borrowing by the IMF under the GAB or NAB. Both reserve tranche positions and outstanding lending under the GAB and NAB (together called members' reserve positions in the IMF) are part of members' international reserves. A member may draw on its reserve position when it represents that it has a need, and the IMF must therefore at all times be in a position to meet such requests.

[10]The liquidity ratio is a measure of the IMF's liquidity position, represented by the ratio of its net uncommitted usable resources to its liquid liabilities.

Schedule 3

General Department

Status of Arrangements
as at April 30, 2004

(In thousands of SDRs)

Member	Date of Arrangement	Expiration	Total Amount Agreed	Undrawn Balance
General Resources Account				
Stand-By Arrangements				
Argentina	September 20, 2003	September 19, 2006	8,981,000	4,810,000
Bolivia	April 2, 2003	June 15, 2004	85,750	21,430
Brazil	September 6, 2002	March 31, 2005	27,375,120[1]	10,175,482
Colombia	January 15, 2003	January 14, 2005	1,548,000	1,548,000
Dominican Republic	August 29, 2003	August 28, 2005	437,800	306,460
Jordan	July 3, 2002	July 2, 2004	85,280	74,620
Macedonia, former Yugoslav Republic of	April 30, 2003	June 15, 2004	20,000	8,000
Paraguay	December 15, 2003	March 31, 2005	50,000	50,000
Turkey	February 4, 2002	February 3, 2005	12,821,200	1,360,800
Ukraine	March 29, 2004	March 28, 2005	411,600	411,600
Uruguay	April 1, 2002	March 31, 2005	2,128,300[2]	559,200
Total Stand-By Arrangements			53,944,050	19,325,592
Extended Arrangements				
Serbia and Montenegro	May 14, 2002	May 13, 2005	650,000	350,000
Sri Lanka	April 18, 2003	April 17, 2006	144,400	123,730
Total Extended Arrangements			794,400	473,730
Total General Resources Account			54,738,450	19,799,322

[1]Includes SDR 7,61 billion available until September 5, 2003 under the Supplemental Reserve Facility, of which SDR 3.8 billion was drawn.
[2]Includes SDR 129 million available under the Supplemental Reserve Facility which has been fully drawn.

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Report of Independent Auditors

To the Board of Governors
of the International Monetary Fund:

In our opinion, the accompanying balance sheets and the related statements of income and cash flows give a true and fair view of the financial condition of the SDR Department of the International Monetary Fund (the "IMF") as at April 30, 2004 and 2003, and its results of operations and cash flows for the years then ended in conformity with International Financial Reporting Standards. These financial statements are the responsibility of the IMF's management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with International Standards on Auditing, which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information on pages 176 to 181 is presented for purposes of adding additional analysis and is not a required part of the basic financial statements. The supplementary information has been subjected to the auditing procedures applied in the audits of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

PricewaterhouseCoopers LLP

June 7, 2004

SDR Department
Balance Sheets
as at April 30, 2004 and 2003

(In thousands of SDRs)

	2004	2003
Assets		
Charges receivable	84,882	93,221
Overdue assessments and charges (Note 3)	88,933	85,849
Participants with holdings below allocations (Note 2)		
Allocations	11,838,846	11,967,946
Less: SDR holdings	3,865,861	3,953,068
Allocations in excess of holdings	7,972,985	8,014,878
Total Assets	8,146,800	8,193,948

	2004	2003
Liabilities		
Interest payable	85,229	93,562
Participants with holdings above allocations (Note 2)		
SDR holdings	16,767,772	15,971,257
Less: allocations	9,594,484	9,465,384
Holdings in excess of allocations	7,173,288	6,505,873
Holdings by the General Resources Account	506,029	962,641
Holdings of SDRs by prescribed holders	382,254	631,872
Total Liabilities	8,146,800	8,193,948

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

/s/ Eduard Brau
Director, Finance Department

/s/ Rodrigo de Rato
Managing Director

SDR Department
Income Statements
for the Years Ended April 30, 2004 and 2003

(In thousands of SDRs)

	2004	2003
Revenue		
Net charges from participants with holdings below allocations	131,593	173,884
Assessments on SDR allocations	1,400	1,600
	132,993	175,484
Expenses		
Interest on SDR holdings		
Net interest to participants with holdings above allocations	106,570	134,405
General Resources Account	16,630	28,038
Prescribed holders	8,393	11,441
	131,593	173,884
Administrative expenses	1,400	1,600
	132,993	175,484
Net Income	–	–

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

SDR Department

Statements of Cash Flows
for the Years Ended April 30, 2004 and 2003

(In thousands of SDRs)

	2004	2003
Cash flows from operating activities		
Receipts of SDRs		
Transfers among participants and prescribed holders	2,409,745	6,000,803
Transfers from participants to the General Resources Account	5,472,301	4,554,703
Transfers from the General Resources Account to participants and prescribed holders	5,928,914	5,076,989
Total Receipts of SDRs	13,810,960	15,632,495
Uses of SDRs		
Transfers among participants and prescribed holders	2,293,009	5,838,527
Transfers from participants to the General Resources Account	5,454,029	4,524,125
Transfers from the General Resources Account to participants and prescribed holders	5,928,914	5,076,989
Charges paid in the SDR Department	131,931	215,704
Other	3,077	(22,850)
Total Uses of SDRs	13,810,960	15,632,495

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

SDR Department
Notes to the Financial Statements as at April 30, 2004 and 2003

1. Nature of Operations

The Special Drawing Right (SDR) is an international interest-bearing reserve asset created by the IMF following the First Amendment of the Articles of Agreement in 1969. All transactions and operations involving SDRs are conducted through the SDR Department. The SDR may be allocated by the IMF, as a supplement to existing reserve assets, to members participating in the SDR Department. Its value as a reserve asset derives, essentially, from the commitments of participants to hold and accept SDRs and to honor various obligations connected with its proper functioning as a reserve asset.

The resources of the SDR Department are held separately from the assets of all the other accounts of, or administered by, the IMF. They may not be used to meet the liability, obligations or losses of the Fund, incurred in the operations of the General Department or other accounts, except that the SDR Department reimburses the General Department for expenses incurred in conducting the business of the SDR Department.

At April 30, 2004, all members of the IMF were participants in the SDR Department. SDRs have been allocated by the IMF to members that are participants in the SDR Department at the time of the allocation in proportion to their quotas in the IMF. Six allocations have been made (in 1970, 1971, 1972, 1979, 1980, and 1981) for a total of SDR 21.4 billion. A proposed amendment of the IMF's Articles of Agreement was approved by the Board of Governors in January 1998 to allow for a special one-time allocation of SDRs equal to 21.4 billion. The amendment will enter into force after three-fifths of the members, having 85 percent of the total voting power, have accepted it. Upon termination of participation or liquidation of the SDR Department, the IMF will provide to holders the currencies received from the participants in settlement of their obligations. The IMF is empowered to prescribe certain official entities as holders of SDRs; at April 30, 2004, 15 institutions were prescribed as holders (16 institutions at April 30, 2003). Prescribed holders do not receive allocations.

The SDR is also used by a number of international and regional organizations as a unit of account or as the basis for their units of account. Several international conventions also use the SDR as a unit of account, notably those expressing liability limits for the international transport of goods and services.

Uses of SDRs

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

General Allocations and Cancellations of SDRs

The IMF has the authority to provide unconditional liquidity through general allocations of SDRs to participants in the SDR Department in proportion to their quotas in the IMF. The IMF cannot allocate SDRs to itself or to other holders it prescribes. The Articles also provide for the cancellation of SDRs, although to date there have been no cancellations. In its decisions on general allocations of SDRs, the IMF, as prescribed under its Articles, has sought to meet the long-term global need to supplement existing reserve assets in such a manner as will promote the attainment of the IMF's purposes and avoid economic stagnation and deflation, as well as excess demand and inflation.

2. Summary of Significant Accounting Policies

Basis of Presentation

The financial statements of the SDR Department are prepared in accordance with International Financial Reporting Standards (IFRS). Specific accounting principles and disclosure practices are explained further below. The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Unit of Account

The financial statements are expressed in terms of SDRs. The value of the SDR is determined by the IMF each day by summing the values in U.S. dollars, based on market exchange rates, of the currencies in the SDR valuation basket. The IMF reviews the SDR valuation basket every five years. The latest review was completed in October 2000 and the new composition of the SDR valuation basket became effective on January 1, 2001. The currencies in the basket as of April 30, 2004 and 2003 and their amounts were as follows:

Currency	Amount
Euro	0.4260
Japanese yen	21.0000
Pound sterling	0.0984
U.S. dollar	0.5770

As of April 30, 2004, one SDR was equal to 1.45183 U.S. dollars (one SDR was equal to 1.38391 U.S. dollars as of April 30, 2003).

Allocations and Holdings

At April 30, 2004 and 2003, IMF net cumulative allocations to participants totaled SDR 21.4 billion. Participants with holdings in excess of their allocations have established a net claim on the SDR Department, which is represented on the balance sheet as a liability. Participants with holdings below their allocations have used part of their allocations, which results in a net obligation to the SDR Department and is presented as an asset of the SDR Department. Participants' net SDR positions as of April 30, 2004 and 2003 were as follows:

	2004			2003		
	Total	Below Allocations	Above Allocations	Total	Below Allocations	Above Allocations
	In millions of SDRs					
Cumulative allocations	21,433.3	11,838.8	9,594.5	21,433.3	11,967.9	9,465.4
Holdings of SDRs by participants	20,633.6	3,865.8	16,767.8	19,924.4	3,953.1	15,971.3
Net SDR positions	799.7	7,973.0	(7,173.3)	1,508.9	8,014.8	(6,505.9)

A summary of SDR holdings is provided below:

	2004	2003
	In millions of SDRs	
Participants	20,633.6	19,924.4
General Resources Account	506.0	962.6
Prescribed holders	382.3	631.8
	21,521.9	21,518.8
Less: Overdue charges receivable	88.6	85.5
Total holdings	21,433.3	21,433.3

Interest and Charges

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

The rate of interest on the SDR is determined by reference to a combined market interest rate, which is a weighted average of yields or rates on short-term instruments in the capital markets of the euro area, Japan, the United Kingdom, and the United States. The combined market interest rate used to determine the SDR interest rate is calculated each Friday, using the yields or rates of that day. The SDR interest rate, which is set equal to the combined market interest rate, enters into effect on the following Monday and applies through the following Sunday. The average SDR interest rate was 1.58 percent for the year ended April 30, 2004 (2.07 percent for the year ended April 30, 2003).

Administrative Expenses

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

Overdue Obligations

An allowance for losses resulting from overdue SDR obligations would be created if and when the IMF were to expect a loss to be incurred; no losses have been incurred to date.

3. Overdue Assessments and Charges

At April 30, 2004, assessments and charges amounting to SDR 88.9 million were overdue to the SDR Department (SDR 85.8 million at April 30, 2003). At April 30, 2004 and 2003, four members were six months or more overdue in meeting their financial obligations to the SDR Department.

Assessments and charges due from members that are six months or more overdue to the SDR Department were as follows as of April 30:

	2004	2003
	In millions of SDRs	
Total	88.9	85.8
Overdue for six months or more	87.4	83.9
Overdue for three years or more	75.9	68.1

The amount and duration of arrears as of April 30, 2004 were as follows:

	Total	Longest Overdue Obligation
	In millions of SDRs	
Iraq	54.3	November 1990
Liberia	24.2	April 1986
Somalia	10.3	February 1991
Sudan	0.1	April 1991
Total	88.9	

Schedule 1

SDR Department

Statements of Changes in SDR Holdings for the Years Ended April 30, 2004 and 2003

(In thousands of SDRs)

	Participants	General Resources Account	Prescribed Holders	Total 2004	Total 2003
Total holdings, beginning of the year	19,924,326	962,641	631,872	21,518,839	21,541,689
Receipts of SDRs					
Transfers among participants and prescribed holders					
Transactions by agreement	1,078,923		61,048	1,139,971	2,858,416
Operations					
Loans	15,675			15,675	464,746
Settlement of financial obligations	113,561		98,881	212,442	721,619
IMF-related operations					
SAF/PRGF loan	296,530			296,530	771,606
SAF repayments and interest			6,453	6,453	159,282
Special charges on SAF, PRGF, Trust Fund					95
PRGF contributions and payments	221,262		62,754	284,016	498,838
PRGF repayments and interest			332,338	332,338	334,263
HIPC payments					2,830
PRGF-HIPC contributions	937		4,153	5,090	26,174
Post-Conflict Subsidy payment	494			494	658
Net interest on SDRs	107,482		9,254	116,736	162,276
Transfers from participants to the General Resources Account					
Repurchases		2,981,392		2,981,392	1,954,711
Charges		2,455,568		2,455,568	2,505,183
Quota payment		15,675		15,675	62,468
Assessment on SDR allocation (Note 2)		1,394		1,394	1,763
Interest on SDRs		18,272		18,272	30,578
Transfers from the General Resources Account to participants and prescribed holders					
Purchases	3,500,261			3,500,261	2,215,089
In exchange for currencies of other members acquisitions to pay charges	1,398,238			1,398,238	1,597,594
Remuneration	946,840			946,840	1,175,248
Other					
Refunds and adjustments	83,575			83,575	89,058
Total receipts	7,763,778	5,472,301	574,881	13,810,960	15,632,495

Schedule 1 *(concluded)*

SDR Department

Statements of Changes in SDR Holdings for the Years Ended April 30, 2004 and 2003

(In thousands of SDRs)

	Participants	General Resources Account	Prescribed Holders	Total 2004	Total 2003
Uses of SDRs					
Transfers among participants and prescribed holders					
Transactions by agreement	932,718		207,253	1,139,971	2,858,416
Operations					
Loans	15,675			15,675	464,746
Settlement of financial obligations	114,556		97,886	212,442	721,619
IMF-related operations					
SAF/PRGF Loan			296,530	296,530	771,606
SAF repayments and interest	6,453			6,453	159,282
Special charges on SAF, PRGF, Trust Fund					95
PRGF contributions and payments	91,538		221,401	312,939	498,838
PRGF repayments and interest	303,415			303,415	334,263
HIPC payments					2,830
PRGF-HIPC contributions	4,153		937	5,090	26,174
Post-Conflict Subsidy payment			494	494	658
Transfers from participants to the General Resources Account					
Repurchases	2,981,392			2,981,392	1,954,711
Charges	2,455,568			2,455,568	2,505,183
Quota payment	15,675			15,675	62,468
Assessment on SDR allocation (Note 2)	1,394			1,394	1,763
Transfers from the General Resources Account to participants and prescribed holders					
Purchases		3,500,261		3,500,261	2,215,089
In exchange for currencies of other members					
Acquisitions to pay charges		1,398,238		1,398,238	1,597,594
Remuneration		946,840		946,840	1,175,248
Other					
Refunds and adjustments		83,575		83,575	89,058
Charges paid in the SDR department					
Net charges due	135,008			135,008	192,854
Total uses	7,057,545	5,928,914	824,501	13,810,960	15,632,495
Charges not paid when due	3,240	–	–	3,240	5,873
Settlement of unpaid charges	(163)	–	–	(163)	(28,723)
Total holdings, end of the year	20,633,633	506,029	382,254	21,521,916	21,518,839

The ending balances contain rounding.

Schedule 2

SDR Department
Allocations and Holdings of Participants as at April 30, 2004

(In thousands of SDRs)

		Holdings		
Participant	**Net Cumulative Allocations**	**Total**	**Percent of Cumulative Allocations**	**(+) Above (–) Below Allocations**
Afghanistan, Islamic State of	26,703	291	1.1	(26,412)
Albania	–	63,673	–	63,673
Algeria	128,640	9,547	7.4	(119,093)
Angola	–	145	–	145
Antigua and Barbuda	–	6	–	6
Argentina	318,370	843,583	265.0	525,213
Armenia, Republic of	–	17,598	–	17,598
Australia	470,545	117,508	25.0	(353,037)
Austria	179,045	118,805	66.4	(60,240)
Azerbaijan	–	4,630	–	4,630
Bahamas, The	10,230	70	0.7	(10,160)
Bahrain, Kingdom of	6,200	658	10.6	(5,542)
Bangladesh	47,120	1,982	4.2	(45,138)
Barbados	8,039	71	0.9	(7,968)
Belarus, Republic of	–	128	–	128
Belgium	485,246	520,390	107.2	35,144
Belize	–	1,577	–	1,577
Benin	9,409	90	1.0	(9,319)
Bhutan	–	256	–	256
Bolivia	26,703	26,763	100.2	60
Bosnia and Herzegovina	20,481	1,100	5.4	(19,381)
Botswana	4,359	33,745	774.2	29,386
Brazil	358,670	185,471	51.7	(173,199)
Brunei Darussalam	–	8,073	–	8,073
Bulgaria	–	70,513	–	70,513
Burkina Faso	9,409	186	2.0	(9,223)
Burundi	13,697	211	1.5	(13,486)
Cambodia	15,417	1,776	11.5	(13,641)
Cameroon	24,463	985	4.0	(23,478)
Canada	779,290	572,059	73.4	(207,231)
Cape Verde	620	4	0.6	(616)
Central African Republic	9,325	60	0.6	(9,265)
Chad	9,409	49	0.5	(9,360)
Chile	121,924	31,725	26.0	(90,199)
China	236,800	757,407	319.9	520,607
Colombia	114,271	113,404	99.2	(867)
Comoros	716	4	0.6	(712)
Congo, Democratic Republic of	86,309	5,027	5.8	(81,282)
Congo, Republic of	9,719	103	1.1	(9,616)
Costa Rica	23,726	170	0.7	(23,556)
Côte d'Ivoire	37,828	281	0.7	(37,547)
Croatia, Republic of	44,205	461	1.0	(43,744)
Cyprus	19,438	2,146	11.0	(17,292)
Czech Republic	–	–	–	–
Denmark	178,864	38,993	21.8	(139,871)
Djibouti	1,178	87	7.4	(1,091)
Dominica	592	61	10.4	(531)
Dominican Republic	31,585	1,120	3.5	(30,465)
Ecuador	32,929	11,888	36.1	(21,041)
Egypt	135,924	48,587	35.7	(87,337)
El Salvador	24,985	24,981	100.0	(4)
Equatorial Guinea	5,812	25	0.4	(5,787)
Eritrea	–	–	–	–
Estonia, Republic of	–	53	–	53
Ethiopia	11,160	1,633	14.6	(9,527)

Schedule 2 *(continued)*

SDR Department
Allocations and Holdings of Participants as at April 30, 2004

(In thousands of SDRs)

Participant	Net Cumulative Allocations	Holdings: Total	Holdings: Percent of Cumulative Allocations	Holdings: (+) Above (–) Below Allocations
Fiji	6,958	5,222	75.0	(1,736)
Finland	142,690	113,585	79.6	(29,105)
France	1,079,870	525,263	48.6	(554,607)
Gabon	14,091	341	2.4	(13,750)
Gambia, The	5,121	25	0.5	(5,096)
Georgia	–	1,364	–	1,364
Germany	1,210,760	1,326,256	109.5	115,496
Ghana	62,983	28,716	45.6	(34,267)
Greece	103,544	15,327	14.8	(88,217)
Grenada	930	55	5.9	(875)
Guatemala	27,678	5,437	19.6	(22,241)
Guinea	17,604	–	–	(17,604)
Guinea-Bissau	1,212	662	54.6	(550)
Guyana	14,530	2,655	18.3	(11,875)
Haiti	13,697	2,170	15.8	(11,527)
Honduras	19,057	179	0.9	(18,878)
Hungary	–	32,951	–	32,951
Iceland	16,409	87	0.5	(16,322)
India	681,170	1,518	0.2	(679,652)
Indonesia	238,956	44,897	18.8	(194,059)
Iran, Islamic Republic of	244,056	268,488	110.0	24,432
Iraq	68,464	–	–	(68,464)
Ireland	87,263	54,174	62.1	(33,089)
Israel	106,360	7,227	6.8	(99,133)
Italy	702,400	138,569	19.7	(563,831)
Jamaica	40,613	459	1.1	(40,154)
Japan	891,690	1,842,560	206.6	950,870
Jordan	16,887	3,068	18.2	(13,819)
Kazakhstan, Republic of	–	778	–	778
Kenya	36,990	1,228	3.3	(35,762)
Kiribati	–	10	–	10
Korea	72,911	15,743	21.6	(57,168)
Kuwait	26,744	109,744	410.3	83,000
Kyrgyz Republic	–	9,866	–	9,866
Lao People's Democratic Republic	9,409	11,128	118.3	1,719
Latvia, Republic of	–	23	–	23
Lebanon	4,393	20,765	472.7	16,372
Lesotho	3,739	417	11.1	(3,322)
Liberia	21,007	–	–	(21,007)
Libya	58,771	465,033	791.3	406,262
Lithuania, Republic of	–	192	–	192
Luxembourg	16,955	8,684	51.2	(8,271)
Macedonia, former Yugoslav Republic of	8,379	4,383	52.3	(3,996)
Madagascar	19,270	124	0.6	(19,146)
Malawi	10,975	1,150	10.5	(9,825)
Malaysia	139,048	121,932	87.7	(17,116)
Maldives	282	307	108.6	25
Mali	15,912	558	3.5	(15,354)
Malta	11,288	30,048	266.2	18,760
Marshall Islands	–	–	–	–
Mauritania	9,719	48	0.5	(9,671)
Mauritius	15,744	17,301	109.9	1,557
Mexico	290,020	293,258	101.1	3,238
Micronesia, Federated States of	–	1,201	–	1,201
Moldova, Republic of	–	421	–	421

Schedule 2 *(continued)*

SDR Department

Allocations and Holdings of Participants
as at April 30, 2004

(In thousands of SDRs)

		Holdings		
Participant	**Net Cumulative Allocations**	**Total**	**Percent of Cumulative Allocations**	**(+) Above (–) Below Allocations**
Mongolia	–	26	–	26
Morocco	85,689	70,219	81.9	(15,470)
Mozambique	–	53	–	53
Myanmar	43,474	211	0.5	(43,263)
Namibia	–	17	–	17
Nepal	8,105	519	6.4	(7,586)
Netherlands	530,340	506,136	95.4	(24,204)
New Zealand	141,322	19,905	14.1	(121,417)
Nicaragua	19,483	713	3.7	(18,770)
Niger	9,409	161	1.7	(9,248)
Nigeria	157,155	1,065	0.7	(156,090)
Norway	167,770	217,918	129.9	50,148
Oman	6,262	8,128	129.8	1,866
Pakistan	169,989	164,209	96.6	(5,780)
Palau	–	–	–	–
Panama	26,322	966	3.7	(25,356)
Papua New Guinea	9,300	2,002	21.5	(7,298)
Paraguay	13,697	84,971	620.4	71,274
Peru	91,319	1,143	1.3	(90,176)
Philippines	116,595	4,973	4.3	(111,622)
Poland, Republic of	–	38,865	–	38,865
Portugal	53,320	62,380	117.0	9,060
Qatar	12,822	22,159	172.8	9,337
Romania	75,950	2,749	3.6	(73,201)
Russian Federation	–	17,371	–	17,371
Rwanda	13,697	20,061	146.5	6,364
St. Kitts and Nevis	–	1	–	1
St. Lucia	742	1,494	201.4	752
St. Vincent and the Grenadines	354	4	1.0	(350)
Samoa	1,142	2,406	210.7	1,264
San Marino, Republic of	–	506	–	506
São Tomé and Príncipe	620	15	2.4	(605)
Saudi Arabia	195,527	301,365	154.1	105,838
Senegal	24,462	1,720	7.0	(22,742)
Serbia and Montenegro	56,665	6,946	12.3	(49,719)
Seychelles	406	4	1.0	(402)
Sierra Leone	17,455	19,718	113.0	2,263
Singapore	16,475	182,183	1,105.8	165,708
Slovak Republic	–	867	–	867
Slovenia, Republic of	25,431	6,428	25.3	(19,003)
Solomon Islands	654	4	0.6	(650)
Somalia	13,697	–	–	(13,697)
South Africa	220,360	222,790	101.1	2,430
Spain	298,805	282,521	94.6	(16,284)
Sri Lanka	70,868	1,407	2.0	(69,461)
Sudan	52,192	217	0.4	(51,975)
Suriname	7,750	1,296	16.7	(6,454)
Swaziland	6,432	2,468	38.4	(3,964)
Sweden	246,525	117,141	47.5	(129,384)
Switzerland	–	22,695	–	22,695
Syrian Arab Republic	36,564	190	0.5	(36,374)
Tajikistan, Republic of	–	574	–	574
Tanzania	31,372	213	0.7	(31,159)
Thailand	84,652	1,052	1.2	(83,600)
Timor-Leste, The Democratic Republic of	–	–	–	–

Schedule 2 *(concluded)*

SDR Department
Allocations and Holdings of Participants as at April 30, 2004

(In thousands of SDRs)

		Holdings		
Participant	**Net Cumulative Allocations**	**Total**	**Percent of Cumulative Allocations**	**(+) Above (–) Below Allocations**
Togo	10,975	57	0.5	(10,918)
Tonga	–	222	–	222
Trinidad and Tobago	46,231	985	2.1	(45,246)
Tunisia	34,243	17,000	49.6	(17,243)
Turkey	112,307	148,035	131.8	35,728
Turkmenistan, Republic of	–	–	–	–
Uganda	29,396	5,016	17.1	(24,380)
Ukraine	–	7,027	–	7,027
United Arab Emirates	38,737	1,261	3.3	(37,476)
United Kingdom	1,913,070	222,721	11.6	(1,690,349)
United States	4,899,530	8,571,679	174.9	3,672,149
Uruguay	49,977	17,293	34.6	(32,684)
Uzbekistan, Republic of	–	200	–	200
Vanuatu	–	897	–	897
Venezuela	316,890	6,619	2.1	(310,271)
Vietnam	47,658	690	1.4	(46,968)
Yemen, Republic of	28,743	32,935	114.6	4,192
Zambia	68,298	2,088	3.1	(66,210)
Zimbabwe	10,200	9	0.1	(10,191)
Above Allocations	9,594,484	16,767,772	174.8	7,173,288
Below Allocations	11,838,846	3,865,861	32.7	(7,972,985)
Total Participants	21,433,330	20,633,633		
General Resources Account		506,029		
Prescribed Holders		382,254		
Overdue Charges	88,586			
	21,521,916	21,521,916		

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Report of Independent Auditors

To the Board of Governors
of the International Monetary Fund:

We have audited the accompanying combined balance sheets as at April 30, 2004 and 2003, and the related combined statements of income, changes in resources, and cash flows for the years then ended of the Poverty Reduction and Growth Facility Trust.

We have audited the accompanying combined balance sheets as at April 30, 2004 and 2003, and the related combined statements of income and changes in resources for the years then ended of the Poverty Reduction and Growth Facility–Heavily Indebted Poor Countries Trust and Related Accounts.

We have also audited the accompanying balance sheets as at April 30, 2004 and 2003, and the related statements of income and changes in resources for the years then ended of the following entities:

Poverty Reduction and Growth Facility Administered Accounts
- —Austria
- —Belgium
- —Botswana
- —Greece
- —Indonesia
- —Islamic Republic of Iran
- —Portugal

Other Administered Accounts
- —Administered Account Japan
- —Administered Account for Selected Fund Activities—Japan
- —Framework Administered Account for Technical Assistance Activities
- —Administered Account—Spain
- —Supplementary Financing Facility Subsidy Account
- —Post-Conflict Emergency Assistance Subsidy Account

These financial statements are the responsibility of management of the International Monetary Fund, as trustee or administrator of the trusts and accounts listed above. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits of these statements in accordance with International Standards on Auditing, which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above give a true and fair view of the financial position of the trusts and accounts listed above as at April 30, 2004 and 2003, and the results of their operations for the years then ended in conformity with International Financial Reporting Standards.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information on pages 189 to 192 and 203 to 207 is presented for purposes of adding additional analysis and is not a required part of the basic financial statements. The supplementary information has been subjected to the auditing procedures applied in the audits of the respective financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

PricewaterhouseCoopers LLP

June 7, 2004

Poverty Reduction and Growth Facility Trust
Combined Balance Sheets
as at April 30, 2004 and 2003

(In thousands of SDRs)

	2004	2003
Assets		
Cash and cash equivalents	2,721,670	2,481,040
Investments (Note 3)	3,035,128	3,205,052
Loans receivable (Note 4)	6,699,728	6,667,296
Interest receivable	20,915	18,979
Total Assets	12,477,441	12,372,367
Liabilities and Resources		
Borrowings (Note 5)	7,512,656	7,431,854
Interest payable	34,518	39,333
Other liabilities	4,483	2,930
Total Liabilities	7,551,657	7,474,117
Resources	4,925,784	4,898,250
Total Liabilities and Resources	12,477,441	12,372,367

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

/s/ Eduard Brau
Director, Finance Department

/s/ Rodrigo de Rato
Managing Director

Poverty Reduction and Growth Facility Trust
Combined Statements of Income and Changes in Resources
for the Years Ended April 30, 2004 and 2003

(In thousands of SDRs)

	2004	2003
Balance, beginning of the year	4,898,250	4,695,845
Investment income (Note 3)	75,377	119,657
Interest on loans	33,587	31,058
Interest expense	(106,300)	(137,618)
Other expenses	(3,286)	(3,238)
Operational (loss)/income	(622)	9,859
Contributions (Note 6)	34,326	43,287
	33,704	53,146
Transfers from the Special Disbursement Account (Note 8)	51,530	213,259
Transfers through the Special Disbursement Account to the PRGF-HIPC Trust (Note 8)	(57,700)	(64,000)
Net changes in resources	27,534	202,405
Balance, end of the year	4,925,784	4,898,250

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

Poverty Reduction and Growth Facility Trust
Combined Statements of Cash Flows
for the Years Ended April 30, 2004 and 2003

(In thousands of SDRs)

	2004	2003
Cash flows from operating activities		
Net (loss)/income	(622)	9,859
Adjustments to reconcile net income to cash generated by operations		
Changes in interest payable and other liabilities	(3,262)	(225)
Changes in interest receivable	(1,936)	(2,986)
Cash from credit to members		
Loan disbursements	(865,215)	(1,217,527)
Loan repayments	832,783	723,079
Net cash used in operating activities	**(38,252)**	**(487,800)**
Cash flows from investment activities		
Net acquisition of investments	169,924	(575,767)
Net cash provided (used) by investment activities	**169,924**	**(575,767)**
Cash flows from financing activities		
Borrowings	864,978	1,192,875
Repayment of borrowings	(784,176)	(525,455)
Contributions	34,326	43,287
Transfers from the Special Disbursement Account	51,530	213,259
Transfers through the Special Disbursement Account to the PRGF-HIPC Trust	(57,700)	(64,000)
Net cash provided by financing activities	**108,958**	**859,966**
Cash and cash equivalents, beginning of year	2,481,040	2,684,641
Cash and cash equivalents, end of year	**2,721,670**	**2,481,040**

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

Poverty Reduction and Growth Facility Trust
Notes to the Combined Financial Statements
as at April 30, 2004 and 2003

1. Nature of Operations

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

The operations of the Trust are conducted through a Loan Account, a Reserve Account, and a Subsidy Account. Combining balance sheets and statements of income and changes in resources for each of these accounts are provided in Note 9 to these financial statements.

Loan Account

The resources of the Loan Account consist of the proceeds from borrowings, repayments of principal, and interest payments on loans extended by the Trust. At April 30, 2004, loans totaling SDR 6,699.7 million were outstanding (SDR 6,667.3 million at April 30, 2003). At April 30, 2004, the resources of the Loan Account included cumulative advances from the Reserve Account of SDR 74.7 million resulting from the non-payment of principal by Zimbabwe (SDR 65.5 million at April 30, 2003).

Reserve Account

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

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

Subsidy Account

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

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

2. Summary of Significant Accounting Policies

Basis of Presentation

The financial statements of the PRGF Trust are prepared in accordance with International Financial Reporting Standards (IFRS). Specific accounting principles and disclosure practices are explained further below. The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Revenue and Expense Recognition

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

Unit of Account

The financial statements are expressed in terms of SDRs. The value of the SDR is determined by the IMF each day by summing the values in U.S. dollars, based on market exchange rates, of the currencies in the SDR valuation basket. The IMF reviews the SDR valuation basket every five years. The latest review was completed in October 2000 and the new composition of the SDR valuation basket became effective on January 1, 2001. The currencies in the basket as of April 30, 2004 and 2003 and their amounts were as follows:

Currency	Amount
Euro	0.4260
Japanese yen	21.0000
Pound sterling	0.0984
U.S. dollar	0.5770

As of April 30, 2004, one SDR was equal to 1.45183 U.S. dollars (one SDR was equal to 1.38391 dollars as of April 30, 2003).

Cash and Cash Equivalents

Cash and cash equivalents include short-term deposits with a maturity of less than ninety days.These deposits are denominated in SDRs or other currencies and are carried at cost, which approximates fair value. Interest on these instruments varies and is based on prevailing market rates.

Investments

The Trust invests in debt securities and fixed-term deposits, which are classified as available for sale securities. Investments are marked to market on the last business day of the accounting period. The carrying amounts of investments approximate their fair value and the unrealized gains and losses are included in the income statements. Purchases are valued and reflected on the trade date basis and sales are based on the actual settlement date valuations. Investment income comprises interest income, realized and unrealized gains and losses on investments, including currency valuation differences arising from exchange rate movements against the SDR.

Interest rate risk is managed by limiting the investment portfolio to a weighted-average effective duration that does not exceed three years. Currency risk is minimized by investing in securities denominated in SDRs or in the constituent currencies of the SDR valuation basket. Risk is further minimized by ensuring that the currency composition of the investment portfolio matches, as closely as possible, the currency composition of the SDR valuation basket.

Loans

Loans in the Trust are initially recorded at the amount disbursed provided that the present value of the cash flows from stated interest due and the Subsidy Account is equal to or exceeds the disbursed amount. Thereafter, the carrying value of the loans is amortized cost.

Overdue Obligations

It is the Trust's policy to exclude from income interest on loans that are six months or more overdue. An impairment loss is recognized only if there is objective evidence of impairment as a result of a past event that occurred after initial recognition and is determined as the difference between the outstanding loan's carrying amount and the present value of estimated future cash flows.

Contributions

Bilateral contributions are reflected as increases in resources after the achievement of specified conditions and are subject to bilateral agreements stipulating how the resources are to be used.

Transfers

Internal transfers of resources within the IMF are accounted for under the accrual method of accounting.

Foreign Currency Translation

Foreign currency transactions are recorded at the rate of exchange on the date of the transaction. At the balance sheet date, monetary assets and liabilities denominated in foreign currencies are reported using the closing exchange rates. Exchange differences arising from the settlement of transactions at rates different from those at the originating date of the transaction and unrealized foreign exchange differences on unsettled foreign currency monetary assets and liabilities are included in the determination of net income.

Comparatives

When necessary, comparative figures have been reclassified to conform with changes in the presentation of the current year.

3. Investments

The maturities of the investments are as follows:

Maturity as at April 30	**2004**	**2003**
	In thousands of SDRs	
Less than 1 year	2,831,390	2,612,829
1–3 years	168,542	566,905
3–5 years	–	4,982
Over 5 years	35,196	20,336
Total	3,035,128	3,205,052

At April 30, the investments consisted of the following:

	2004	**2003**
	In thousands of SDRs	
Debt securities	2,800,283	2,923,255
Fixed-term deposits	234,845	281,797
Total	3,035,128	3,205,052

At April 30, investment income comprised:

	2004	**2003**
	In thousands of SDRs	
Interest income	119,077	144,544
Realized losses, net	(70,151)	(52,803)
Unrealized gains, net	26,647	29,686
Exchange rate losses, net	(196)	(1,770)
Total	75,377	119,657

4. Loans Receivable

Resources of the Loan Account are committed to qualifying members for a three-year period, upon approval by the Trustee of three-year arrangements in support of the members' macroeconomic and structural adjustment programs. Interest on the outstanding loan balances is set at the rate of ½ of 1 percent per annum. Scheduled repayments of loans by borrowers are summarized below:

Period of Repayment, Financial Year Ending April 30	
	In thousands of SDRs
2005	881,952
2006	854,789
2007	726,142
2008	815,876
2009	820,734
2010 and beyond	2,525,537
Overdue	74,698
Total	6,699,728

The above includes one member that is overdue at the end of financial year 2004 for more than six months in the amount of SDR 74.7 million (SDR 65.5 million as at April 30, 2003).

As of April 30, use of credit in the Trust by the largest users was as follows:

	2004		**2003**	
	In millions of SDRs and percent of total PRGF credit			
Largest user of credit	916.1	13.7%	737.6	11.1%
Three largest users of credit	1,920.4	28.7%	1,820.8	27.3%
Five largest users of credit	2,512.0	37.5%	2,469.9	37.0%

5. Borrowings

The following summarizes the borrowing agreements concluded as of April 30:

	Amount Undrawn	
	2004	**2003**
	In thousands of SDRs	
Loan Account	4,856,812	5,718,318
Subsidy Account	65,167	3,330

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

The Trust borrows on such terms and conditions as agreed between the Trustee and the lenders. Interest rates on borrowings as at April 30, 2004 varied between 0.5 percent and 6.5 percent a year (0.5 percent and 6.9 percent a year as at April 30, 2003). The principal amounts of the borrowings are repayable between 5½ and 16 years after the first drawing.

Scheduled repayments of borrowings are summarized below:

Period of Repayment, Financial Year Ending April 30	*In thousands of SDRs*
2005	953,566
2006	1,504,589
2007	982,706
2008	822,951
2009	822,916
2010 and beyond	2,425,928
Total	7,512,656

Borrowings and repayments during the financial year ended April 30, 2004 amounted to SDR 865 million and SDR 784 million, respectively (SDR 1,194 million and SDR 526 million, respectively, for the financial year ended April 30, 2003).

6. Contributions

The Trustee accepts contributions for the Subsidy Account on such terms and conditions as agreed between the Trustee and the contributors. At April 30, 2004, cumulative contributions received, including transfers from the Special Disbursement Account, amounted to SDR 2,430.0 million (SDR 2,395.8 million at April 30, 2003).

7. Commitments Under Loan Arrangements

An arrangement is a decision of the IMF that gives a member the assurance that the institution stands ready to provide foreign exchange or SDRs during a specified period and up to a specified amount in accordance with the terms of the decision. At April 30, 2004, undrawn balances under 36 loan arrangements amounted to SDR 2,088.9 million (SDR 2,473.8 million under 36 arrangements at April 30, 2003).

8. Transfers Through the Special Disbursement Account

The expenses of conducting the business of the Trust are paid by the General Resources Account of the IMF and reimbursed by the Reserve Account of the Trust through the Special Disbursement Account; corresponding transfers are made from the Reserve Account to the Special Disbursement Account when and to the extent needed. For financial years 2004 and 2003, the Executive Board of the IMF decided to forgo such reimbursement to the General Resources Account and to transfer an equivalent amount from the Reserve Account, through the Special Disbursement Account, to the PRGF-HIPC Trust. The amounts transferred for financial years 2004 and 2003 were SDR 57.7 million and SDR 64.0 million respectively.

Resources of up to SDR 250 million may be transferred, as needed, from the Reserve Account through the Special Disbursement Account to the PRGF-HIPC Trust to be used to provide grants or loans to eligible members under the HIPC initiative. At April 30, 2004 and 2003, SDR 43.5 million had been transferred for this purpose.

9. Combining Balance Sheets, Statements of Income, and Changes in Resources

The balance sheets, statements of income and changes in resources for each of the accounts in the PRGF Trust are presented below:

Note 9

Combining Balance Sheets as at April 30, 2004 and 2003

(In thousands of SDRs)

	Loan Account		Reserve Account		Subsidy Account		Combined	
	2004	**2003**	**2004**	**2003**	**2004**	**2003**	**2004**	**2003**
Assets								
Cash and cash equivalents	627,730	453,718	1,050,119	1,102,840	1,043,821	924,482	2,721,670	2,481,040
Investments (Note 3)	234,846	281,797	1,999,165	1,959,143	801,117	964,112	3,035,128	3,205,052
Loans receivable (Note 4)	6,699,728	6,667,296	–	–	–	–	6,699,728	6,667,296
Accrued account transfers	20,202	19,270	48,095	3,208	(68,297)	(22,478)	–	–
Interest receivable	19,866	17,338	961	1,329	88	312	20,915	18,979
Total Assets	7,602,372	7,439,419	3,098,340	3,066,520	1,776,729	1,866,428	12,477,441	12,372,367
Liabilities and Resources								
Borrowings (Note 5)	7,488,707	7,333,068	–	–	23,949	98,786	7,512,656	7,431,854
Interest payable	34,484	37,878	–	–	34	1,455	34,518	39,333
Other liabilities	4,483	2,930	–	–	–	–	4,483	2,930
Total Liabilities	7,527,674	7,373,876	–	–	23,983	100,241	7,551,657	7,474,117
Resources	74,698	65,543	3,098,340	3,066,520	1,752,746	1,766,187	4,925,784	4,898,250
Total Liabilities and Resources	7,602,372	7,439,419	3,098,340	3,066,520	1,776,729	1,866,428	12,477,441	12,372,367

Note 9 *(concluded)*

Combining Statements of Income and Changes in Resources for the Years Ended April 30, 2004 and 2003

(In thousands of SDRs)

	Loan Account		Reserve Account		Subsidy Account		Combined	
	2004	2003	2004	2003	2004	2003	2004	2003
Balance, beginning of the year	65,543	41,494	3,066,520	2,869,791	1,766,187	1,784,560	4,898,250	4,695,845
Investment income (Note 3)	–	–	48,856	74,918	26,521	44,739	75,377	119,657
Interest on loans	33,587	31,058	–	–	–	–	33,587	31,058
Interest expense	(104,912)	(135,951)	–	–	(1,388)	(1,667)	(106,300)	(137,618)
Other expenses	–	–	(1,711)	(1,575)	(1,575)	(1,663)	(3,286)	(3,238)
Operational (loss) income	(71,325)	(104,893)	47,145	73,343	23,558	41,409	(622)	9,859
Contributions (Note 6)	–	–	–	–	34,326	43,287	34,326	43,287
	(71,325)	(104,893)	47,145	73,343	57,884	84,696	33,704	53,146
Transfers from the Special Disbursement Account (Note 8)	–	–	51,530	213,259	–	–	51,530	213,259
Transfers through the Special Disbursement Account to the PRGF-HIPC Trust (Note 8)	–	–	(57,700)	(64,000)	–	–	(57,700)	(64,000)
Transfers between:								
Loan and Reserve Accounts	9,155	25,873	(9,155)	(25,873)	–	–	–	–
Loan and Subsidy Accounts	71,325	103,069	–	–	(71,325)	(103,069)	–	–
Net changes in resources	9,155	24,049	31,820	196,729	(13,441)	(18,373)	27,534	202,405
Balance, end of the year	74,698	65,543	3,098,340	3,066,520	1,752,746	1,766,187	4,925,784	4,898,250

Schedule 1

Poverty Reduction and Growth Facility Trust
Schedule of Outstanding Loans
as at April 30, 2004

(In thousands of SDRs)

	PRGF Loan Account		Structural Adjustment Facility[1]	
Member	**Balance**	**Percent**	**Balance**	**Percent**
Albania	63,275	0.94	–	–
Armenia, Republic of	132,350	1.98	–	–
Azerbaijan	105,018	1.57	–	–
Bangladesh	99,000	1.48	–	–
Benin	47,838	0.71	–	–
Bolivia	115,704	1.73	–	–
Burkina Faso	82,306	1.23	1,264	1.47
Burundi	26,400	0.39	–	–
Cambodia	66,900	1.00	–	–
Cameroon	225,455	3.37	–	–
Cape Verde	4,920	0.07	–	–
Central African Republic	23,656	0.35	–	–
Chad	69,883	1.04	–	–
Congo, Democratic Republic of	500,067	7.46	–	–
Congo, Republic of	6,948	0.10	–	–
Côte d'Ivoire	271,729	4.06	–	–
Djibouti	13,630	0.20	–	–
Dominica	2,666	0.04	–	–
Equatorial Guinea	37	–	148	0.17
Ethiopia	110,491	1.65	2,824	3.29
Gambia, The	21,439	0.32	–	–
Georgia	168,825	2.52	–	–
Ghana	298,065	4.45	–	–
Guinea	86,114	1.29	–	–
Guinea-Bissau	11,249	0.17	–	–
Guyana	59,696	0.89	–	–
Haiti	9,105	0.14	–	–
Honduras	124,573	1.86	–	–
Kenya	75,585	1.13	–	–
Kyrgyz Republic	138,766	2.07	–	–
Lao People's Democratic Republic	28,091	0.42	–	–
Lesotho	21,000	0.31	–	–
Macedonia, former Yugoslav Republic of	22,638	0.34	–	–
Madagascar	138,143	2.06	–	–
Malawi	49,333	0.74	–	–
Mali	105,626	1.58	–	–
Mauritania	65,633	0.98	–	–
Moldova, Republic of	27,720	0.41	–	–
Mongolia	31,317	0.47	–	–
Mozambique	136,970	2.04	–	–
Nepal	7,130	0.11	–	–
Nicaragua	155,748	2.32	–	–
Niger	84,570	1.26	–	–
Pakistan	916,128	13.67	–	–
Rwanda	61,835	0.92	–	–
São Tomé and Príncipe	1,902	0.03	–	–
Senegal	155,372	2.32	–	–
Sierra Leone	117,700	1.76	–	–
Somalia	–	–	8,840	10.31
Sri Lanka	38,390	0.57	–	–
Tajikistan, Republic of	76,960	1.15	–	–
Tanzania	293,482	4.38	–	–
Togo	24,978	0.37	–	–
Uganda	151,451	2.26	–	–
Vietnam	214,800	3.21	–	–
Yemen, Republic of	225,550	3.37	–	–
Zambia	504,193	7.53	72,700	84.76
Zimbabwe	81,378	1.21	–	–
Total loans outstanding	6,699,728	100.00	85,776	100.00

[1]Since Structural Adjustment Facility (SAF) loans have been disbursed in connection with PRGF arrangements, the above list includes these loans, as well as loans disbursed to members under SAF arrangements. These loans are held by the Special Disbursement Account, and reflected in the financial statements of the General Department. Repayments of all SAF loans are transferred to the PRGF Reserve Account when received.

Schedule 2

Poverty Reduction and Growth Facility Trust
Contributions to and Resources of the Subsidy Account as at April 30, 2004

(In thousands of SDRs)

Contributor[1]	Amount
Direct contributions to the Subsidy Account	
Argentina	20,400
Australia	6,770
Bangladesh	486
Canada	182,198
China	8,500
Czech Republic	10,004
Denmark	38,299
Egypt	10,002
Finland	22,684
Germany	132,832
Iceland	3,200
India	7,204
Ireland	4,740
Italy	150,261
Japan	506,997
Korea	32,191
Luxembourg	8,945
Morocco	7,284
Netherlands	94,372
Norway	28,074
Sweden	110,887
Switzerland	37,075
Turkey	6,000
United Kingdom	316,564
United States	126,079
Total direct contributions to the Subsidy Account	1,872,048
Net income transferred from PRGF Administered Accounts	
Austria	40,341
Belgium	77,953
Botswana	1,352
Chile	2,910
Greece	25,941
Indonesia	4,936
Iran, Islamic Republic of	1,364
Portugal	3,239
Total net income transferred from Administered Accounts	158,036
Total contributions received	2,030,084
Transfers from Special Disbursement Account	400,000
Total contributions received and transfers from Special Disbursement Account	2,430,084
Cumulative net income of the Subsidy Account	861,439
Resources disbursed to subsidize Trust lending	(1,538,777)
Total resources of the Subsidy Account	1,752,746

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

Schedule 3

Poverty Reduction and Growth Facility Trust
Schedule of Borrowing Agreements as at April 30, 2004

(In thousands of SDRs)

Member	Interest Rate (in percent)	Amount of Agreement	Amount Drawn	Outstanding Balance
Loan Account				
Prior to enlargement of PRGF				
Canada	Fixed[1]	300,000	300,000	70,671
France	0.5[2]	800,000	800,000	114,286
Germany	Variable[3]	700,000	700,000	152,802
Italy	Variable[3]	370,000	370,000	73,438
Japan	Variable[3]	2,200,000	2,200,000	540,630
Korea	Variable[3]	65,000	65,000	4,195
Norway	Variable[3]	90,000	90,000	13,000
Total prior to enlargement of PRGF		4,525,000	4,525,000	969,022
For enlargement of PRGF				
Belgium	Variable[3]	350,000	242,331	242,331
Canada	Variable[3]	400,000	338,713	317,330
China	Variable[3]	200,000	153,492	140,610
Denmark	Variable[3]	100,000	100,000	100,000
Egypt	Variable[3]	155,600	100,000	87,362
France	Variable[2]	2,100,000	935,571	880,155
Germany	Variable[3]	2,050,000	909,834	866,852
Italy	Variable[3]	1,010,000	575,392	570,413
Japan	Variable[3]	2,934,800	1,992,778	1,931,423
Korea	Variable[3]	27,700	27,700	25,881
Netherlands	Variable[3]	450,000	140,355	140,355
Norway	Variable[3]	60,000	60,000	53,280
OPEC Fund for International Development	Variable[3]	34,439[4]	36,990	36,990
Spain—Bank of Spain	Variable[3]	425,000	41,410	41,410
Spain—Government of Spain (ICO)	Fixed	67,000	67,000	62,504
Switzerland	Variable[3]	401,700	187,861	160,213
Total for enlargement of PRGF		10,766,239	5,909,427	5,657,109
Resources held pending repayment	[5]	–	–	862,576[5]
Total—Loan Account		15,291,239	10,434,427	7,488,707
Subsidy Account				
Malta	0.50	1,365	1,365	1,365
Pakistan	0.50	10,000	7,337	7,337
Spain—Government of Spain (ICO)	0.50	67,000	4,496	4,496
Tunisia	0.50	3,551	3,551	3,551
Uruguay	Variable[6]	7,200	7,200	7,200
Total—Subsidy Account		89,116	23,949	23,949

[1]The loans under this agreement are made at market-related rates of interest fixed at the time the loan was disbursed.
[2]The agreement with France made before the enlargement of PRGF (SDR 800 million) provides that the interest rate shall be 0.5 percent on the first SDR 700 million drawn, and at variable, market-related rates of interest thereafter. The agreement with France made for the enlargement of the PRGF (SDR 2.1 billion) provides that the interest rate shall be 0.5 percent until the cumulative implicit interest subsidy reaches SDR 250 million, and at variable, market-related rates of interest thereafter.
[3]The loans under these agreements are made at variable, market-related rates of interest.
[4]The agreement with the OPEC Fund for International Development is for an amount of $50 million, or SDR 34.4 million based on the exchange rate of 0.688785 SDR per US dollar as at April 30, 2004.
[5]This amount represents principal repayments held and invested on behalf of a lender.
[6]The interest rate payable on the borrowing from Uruguay is equal to the rate on SDR-denominated deposits less 2.6 percent a year.

Schedule 4

Poverty Reduction and Growth Facility Trust
Status of Loan Arrangements[1]
as at April 30, 2004

(In thousands of SDRs)

Member	Date of Arrangement	Expiration Date	Amount Agreed	Undrawn Balance
Albania	Jun. 21, 2002	Jun. 20, 2005	28,000	12,000
Armenia, Republic of	May 23, 2001	May 22, 2004	69,000	19,000
Azerbaijan	Jul. 6, 2001	Mar. 31, 2005	80,450	38,610
Bangladesh	Jun. 20, 2003	Jun. 19, 2006	347,000	248,000
Burkina Faso	Jun. 11, 2003	Jun. 10, 2006	24,080	17,200
Burundi	Jan. 23, 2004	Jan. 22, 2007	69,300	42,900
Cameroon	Dec. 21, 2000	Dec. 20, 2004	111,420	31,830
Cape Verde	Apr. 10, 2002	Apr. 9, 2005	8,640	3,720
Congo, Democratic Republic of	Jun. 12, 2002	Jun. 11, 2005	580,000	79,933
Côte d'Ivoire	Mar. 29, 2002	Mar. 28, 2005	292,680	234,140
Dominica	Dec. 29, 2003	Dec. 28, 2006	7,688	5,022
Ethiopia	Mar. 22, 2001	Jul. 31, 2004	100,277	10,429
Gambia, The	Jul. 18, 2002	Jul. 17, 2005	20,220	17,330
Ghana	May 9, 2003	May 8, 2006	184,500	131,800
Guinea	May 2, 2001	May 1, 2004	64,260	38,556
Guyana	Sep. 20, 2002	Mar. 19, 2006	54,550	43,030
Honduras	Feb. 27, 2004	Feb. 26, 2007	71,200	61,029
Kenya	Nov. 21, 2003	Nov. 20, 2006	175,000	150,000
Kyrgyz Republic	Dec. 6, 2001	Dec. 5, 2004	73,400	19,120
Lao People's Democratic Republic	Apr. 25, 2001	Apr. 24, 2005	31,700	13,580
Lesotho	Mar. 9, 2001	Jun. 30, 2004	24,500	3,500
Madagascar	Mar. 1, 2001	Mar. 1, 2005	91,650	22,695
Malawi	Dec. 21, 2000	Dec. 20, 2004	45,110	32,230
Mauritania	Jul. 18, 2003	Jul. 17, 2006	6,440	5,520
Mongolia	Sep. 28, 2001	Jul. 31, 2005	28,490	16,280
Nepal	Nov. 19, 2003	Nov. 18, 2006	49,910	42,780
Nicaragua	Dec. 13, 2002	Dec. 12, 2005	97,500	55,710
Niger	Dec. 22, 2000	Jun. 30, 2004	59,200	8,440
Pakistan	Dec. 6, 2001	Dec. 5, 2004	1,033,700	344,560
Rwanda	Aug. 12, 2002	Aug. 11, 2005	4,000	2,855
Senegal	Apr. 28, 2003	Apr. 27, 2006	24,270	17,330
Sierra Leone	Sep. 26, 2001	Mar. 25, 2005	130,840	28,003
Sri Lanka	Apr. 18, 2003	Apr. 17, 2006	269,000	230,610
Tajikistan, Republic of	Dec. 11, 2002	Dec. 10, 2005	65,000	39,200
Tanzania	Aug. 16, 2003	Aug. 15, 2006	19,600	14,000
Uganda	Sep. 13, 2002	Sep. 12, 2005	13,500	8,000
			4,356,075	2,088,942

[1]The Saudi Fund for Development may also provide resources to support arrangements under the PRGF through loans to qualifying members in association with loans under the PRGF. As at April 30, 2004, SDR 49.5 million of such associated loans had been disbursed.

Poverty Reduction and Growth Facility Administered Accounts
Balance Sheets
as at April 30, 2004 and 2003

(In thousands of SDRs)

	Austria		Belgium		Botswana	
	2004	2003	2004	2003	2004	2003
Assets						
Cash and cash equivalents	–	–	–	80,000	–	–
Investments (Note 3)	15,000	25,000	–	–	–	6,894
Advance payments to the PRGF Trust Subsidy Account	67	102	–	–	–	116
Interest receivable	–	–	–	225	–	–
Total Assets	15,067	25,102	–	80,225	–	7,010
Liabilities and Resources						
Deposits (Note 4)	15,000	25,000	–	80,000	–	6,894
Interest payable	67	102	–	2	–	116
Total Liabilities	15,067	25,102	–	80,002	–	7,010
Resources	–	–	–	223	–	–
Total Liabilities and Resources	15,067	25,102	–	80,225	–	7,010

	Greece		Indonesia		Iran, I. R. of		Portugal	
	2004	2003	2004	2003	2004	2003	2004	2003
Assets								
Cash and cash equivalents	–	–	25,000	25,000	–	–	–	–
Investments (Note 3)	–	7,000	–	–	5,000	5,000	8,764	10,517
Advance payments to the PRGF Trust Subsidy Account	–	15	–	–	23	23	42	50
Interest receivable	–	–	1	70	–	–	–	–
Total Assets	–	7,015	25,001	25,070	5,023	5,023	8,806	10,567
Liabilities and Resources								
Deposits (Note 4)	–	7,000	25,000	25,000	5,000	5,000	8,764	10,517
Interest payable	–	15	–	17	23	23	42	50
Total Liabilities	–	7,015	25,000	25,017	5,023	5,023	8,806	10,567
Resources	–	–	1	53	–	–	–	–
Total Liabilities and Resources	–	7,015	25,001	25,070	5,023	5,023	8,806	10,567

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

/s/ Eduard Brau
Director, Finance Department

/s/ Rodrigo de Rato
Managing Director

Poverty Reduction and Growth Facility Administered Accounts
Statements of Income and Changes in Resources for the Years Ended April 30, 2004 and 2003

(In thousands of SDRs)

	Austria		Belgium		Botswana	
	2004	2003	2004	2003	2004	2003
Balance, beginning of the year	–	–	223	18	–	–
Investment income	335	801	1,227	1,630	104	178
Other expenses	(13)	(20)	–	–	(4)	(4)
Interest expense on deposits	(102)	(130)	(399)	(400)	(115)	(138)
Net income	220	651	828	1,230	(15)	36
Transfers (to)/from the:						
PRGF Trust Subsidy Account	(220)	(651)	(1,051)	(1,025)	15	(36)
Net changes in resources	–	–	(223)	205	–	–
Balance, end of the year	–	–	–	223	–	–

	Greece		Indonesia		Iran, I. R. of		Portugal	
	2004	2003	2004	2003	2004	2003	2004	2003
Balance, beginning of the year	–	–	53	96	–	–	–	–
Investment income	84	325	402	508	81	130	143	274
Other expenses	(3)	(8)	–	–	(4)	(3)	(6)	(7)
Interest expense on deposits	(26)	(61)	–	(62)	(25)	(25)	(44)	(53)
Net Income	55	256	402	446	52	102	93	214
Transfers (to)/from the:								
PRGF Trust Subsidy Account	(55)	(256)	(454)	(489)	(52)	(102)	(93)	(214)
Net changes in resources	–	–	(52)	(43)	–	–	–	–
Balance, end of the year	–	–	1	53	–	–	–	–

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

Poverty Reduction and Growth Facility Administered Accounts
Notes to the Financial Statements as at April 30, 2004 and 2003

1. Nature of Operations

At the request of certain member countries, the IMF established the Poverty Reduction and Growth Facility Administered Accounts ("PRGF Administered Accounts" or "Administered Accounts") for the benefit of the Subsidy Account of the PRGF Trust. The Administered Accounts comprise deposits made by contributors. The difference between interest earned by the Administered Accounts and the interest payable on deposits is transferred to the Subsidy Account of the PRGF Trust.

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

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

2. Summary of Significant Accounting Policies

Basis of Presentation

The financial statements of the Administered Accounts are prepared in accordance with International Financial Reporting Standards (IFRS). Specific accounting principles and disclosure practices are explained further below. The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. The financial statements do not include a cash flow statement because the statement of income and changes in resources includes the Administered Accounts' main cash flows.

Revenue and Expense Recognition

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

Unit of Account

The financial statements are expressed in terms of SDRs. The value of the SDR is determined by the IMF each day by summing the values in U.S. dollars, based on market exchange rates, of the currencies in the SDR valuation basket. The IMF reviews the SDR valuation basket every five years. The latest review was completed in October 2000 and the new composition of the SDR valuation basket became effective on January 1, 2001. The currencies in the basket as of April 30, 2004 and 2003 and their amounts were as follows:

Currency	Amount
Euro	0.4260
Japanese yen	21.0000
Pound sterling	0.0984
U.S. dollar	0.5770

As of April 30, 2004, one SDR was equal to 1.45183 U.S. dollars (1.38391 U.S. dollars as of April 30, 2003).

Cash and Cash Equivalents

Cash and cash equivalents include short-term deposits with a maturity of less than ninety days. These deposits are denominated in SDRs or other currencies and are carried at cost, which approximates fair value. Interest received on these instruments varies and is based on prevailing market rates.

Investments

Investments are made in debt securities which are classified as available for sale securities. Investments are marked to market value on the last business day of the accounting period. The carrying amounts of investments approximate their fair value and the unrealized gains and losses are included in the income statements. Purchases are valued and reflected on the trade date basis and sales are based on the actual settlement date valuations. Investment income comprises interest income, realized and unrealized gains and losses, including currency valuation differences arising from exchange rate movements against the SDR.

Interest rate risk is managed by limiting the investment portfolio to a weighted-average effective duration that does not exceed three years. Currency risk is minimized by investing in securities denominated in SDRs or in the constituent currencies of the SDR valuation basket. Risk is further minimized by ensuring that the currency composition of the investment portfolio matches, as closely as possible, the currency composition of the SDR valuation basket.

Transfers

Internal transfers of resources within the IMF are accounted for under the accrual method of accounting.

Foreign Currency Translation

Foreign currency transactions are recorded at the rate of exchange on the date of the transaction. At the balance sheet date, monetary assets and liabilities denominated in foreign currencies are reported using the closing exchange rates. Exchange differences arising from the settlement of transactions at rates different from those at the originating date of the transaction and unrealized foreign exchange differences on unsettled foreign currency monetary assets and liabilities are included in the determination of net income.

Transfers to PRGF Trust Subsidy Account

The difference between the income earned by the Administered Accounts on the amount invested and the interest payable on the deposits of the Administered Accounts, net of any cost, is to be transferred to the Subsidy Account of the PRGF Trust.

Administrative Costs

The expenses of conducting the activities of the Administered Accounts are incurred and borne by the General Department of the IMF.

3. Investments

The maturities of the Administered Accounts' investments, consisting of debt securities, are as follows:

Maturity as at April 30	**2004**	**2003**
	In thousands of SDRs	
Less than 1 year	28,433	50,374
1–3 years	331	3,950
3–5 years	–	87
Total	28,764	54,411

At April 30, investment income comprised:

	2004	**2003**
	In thousands of SDRs	
Interest income	2,928	4,313
Realized losses, net	(696)	(560)
Unrealized gains, net	144	93
Total	2,376	3,846

4. Deposits

Austria

The Administered Account Austria was established on December 27, 1988 for the administration of resources deposited in the account by the Austrian National Bank. Two deposits (one of SDR 60.0 million made on December 30, 1988 and one of SDR 50.0 million made on August 10, 1995) are to be repaid in ten equal semiannual installments beginning five and a half years after the date of each deposit and ending at the end of the tenth year after the date of each deposit. The deposits bear interest at a rate of ½ of 1 percent a year. The first deposit from Austria had been repaid in full.

Belgium

The Administered Account Belgium was established on July 27, 1988 for the administration of resources deposited in the account by the National Bank of Belgium. Four deposits (SDR 30.0 million made on July 29, 1988; SDR 35.0 million made on December 30, 1988; SDR 35.0 million made on June 30, 1989; and SDR 80.0 million made on April 29, 1994) have an initial maturity of six months and are renewable by the IMF on the same basis. The final maturity of each deposit, including renewals, will be ten years from the initial dates of the individual deposits. The deposits bear interest at a rate of ½ of 1 percent a year. In accordance with an addendum to the account, effective on July 24, 1998, the maturities of the first three deposits will be extended by the National Bank of Belgium, for further periods of six months, provided that the total maturity period of each deposit does not exceed five years. The deposits are invested by the IMF as administrator, and the IMF as administrator pays the National Bank of Belgium interest on each deposit at an annual rate of ½ of 1 percent. The difference between the interest paid to the National Bank of Belgium and the interest earned on the deposits (net of any cost to the IMF) was retained in the account and invested. As of January 31, 2001, the Ministry of Finance of Belgium authorized a transfer of SDR 8.2 million in net earnings to the PRGF-HIPC Trust. All deposits have been repaid in full.

Botswana

The Administered Account Botswana was established on July 1, 1994 for the administration of resources deposited in the account by the Bank of Botswana. The deposit, totaling SDR 6.9 million, is to be repaid in one installment ten years after the date of deposit. The deposit bears interest at a rate of 2 percent a year. The deposit was repaid in full on March 1, 2004.

Greece

The Administered Account Greece was established on November 30, 1988 for the administration of resources deposited in the account by the Bank of Greece. Two deposits of SDR 35.0 million each (December 15, 1988 and April 29, 1994) are to be repaid in ten equal semiannual installments beginning five and a half years after the date of deposit and will be completed at the end of the tenth year after the date of the deposits. The deposits bear interest at a rate of ½ of 1 percent a year. The two deposits from Greece have been repaid in full.

Indonesia

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

Islamic Republic of Iran

The Administered Account Islamic Republic of Iran was established on June 6, 1994 for the administration of resources deposited in the account by the Central Bank of the Islamic Republic of Iran (CBIRI). The CBIRI has made five annual deposits, each of SDR 1.0 million. All of the deposits will be repaid at the end of ten years after the date of the first deposit. Each deposit bears interest at a rate of ½ of 1 percent a year.

Portugal

The Administered Account Portugal was established on May 16, 1994 for the administration of resources deposited in the account by the Banco de Portugal (BdP). The BdP has made six annual deposits, each of SDR 2.2 million. Each deposit is to be repaid in five equal annual installments beginning six years after the date of the deposit and will be completed at the end of the tenth year after the date of the deposit. Each deposit bears interest at a rate of ½ of 1 percent a year.

5. Associated Loans under the SFD Special Account

The SFD has provided additional resources to support arrangements under the PRGF. Funds become available under an associated loan after a bilateral agreement between the SFD and the recipient country has been effected.

Amounts denominated in SDRs, for disbursement to a recipient country under an associated loan, are placed by the SFD in the Saudi Fund for Development Special Account for disbursement by the IMF simultaneously with disbursements under a PRGF arrangement. These loans are repayable in ten equal semiannual installments commencing not later than the end of the first six months of the sixth year, and are to be completed at the end of the tenth year after the date of disbursement. Interest on the outstanding balance is currently set at a rate of ½ of 1 percent a year.

The receipts and uses of resources for the Saudi Fund for Development Special Account as of April 30 were as follows:

	2004	2003
	In thousands of SDRs	
Receipts of Resources		
Cumulative transfers from the Saudi Fund for Development	49,500	49,500
Cumulative repayments of associated loans	46,500	40,500
Cumulative receipts of interest on associated loans	1,893	1,858
Accrued interest on associated loans	8	18
	97,901	91,876
Uses of Resources		
Associated loans	49,500	49,500
Cumulative repayments to the Saudi Fund for Development	46,500	40,500
Cumulative payments of interest on transfers	1,893	1,858
Accrued interest on transfers	8	18
	97,901	91,876

PRGF-HIPC Trust and Related Accounts
Combined Balance Sheets
as at April 30, 2004 and 2003

(In thousands of SDRs)

	2004	2003
Assets		
Cash and cash equivalents	590,613	999,948
Investments (Note 3)	569,013	316,929
Interest receivable	1,311	4,180
Total Assets	1,160,937	1,321,057
Liabilities and Resources		
Borrowings (Note 5)	612,918	601,125
Interest payable	1,319	1,298
Total Liabilities	614,237	602,423
Resources	546,700	718,634
Total Liabilities and Resources	1,160,937	1,321,057

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

/s/ Eduard Brau
Director, Finance Department

/s/ Rodrigo de Rato
Managing Director

PRGF-HIPC Trust and Related Accounts
Combined Statements of Income and Changes in Resources
for the Years Ended April 30, 2004 and 2003

(In thousands of SDRs)

	2004	2003
Balance, beginning of the year	718,634	863,755
Investment income (Note 3)	20,879	31,821
Interest expense	(2,075)	(1,938)
Other expenses	(339)	(265)
Operational income	18,465	29,618
Contributions received	27,287	35,425
Disbursements	(275,141)	(263,130)
	(229,389)	(198,087)
Transfers	57,455	52,966
Net changes in resources	(171,934)	(145,121)
Balance, end of the year	546,700	718,634

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

PRGF-HIPC Trust and Related Accounts
Notes to the Financial Statements as at April 30, 2004 and 2003

1. Nature of Operations

The Trust for Special PRGF Operations for the Heavily Indebted Poor Countries and for Interim PRGF Subsidy Operations (the PRGF-HIPC Trust or the Trust) and Related Accounts comprise the PRGF-HIPC Trust Account, the Umbrella Account for HIPC Operations, and the Post-SCA-2 Administered Account. The PRGF-HIPC Trust Account comprises three subaccounts: the PRGF-HIPC, PRGF, and HIPC subaccounts. Combining balance sheets and income statements and changes in resources for each of these accounts are provided in Note 6. Transactions between the above accounts are eliminated on combination in the combined balance sheets and combined income statements and changes in resources.

PRGF-HIPC Trust and Related Accounts

The PRGF-HIPC Trust, for which the IMF is trustee, was established on February 4, 1997 to provide balance of payments assistance to low-income developing members by making grants or loans to eligible members for the purpose of reducing their external debt burden and for interim PRGF subsidy purposes. The resources of the PRGF-HIPC Trust are held separately from the assets of all other accounts of, or administered by, the IMF and may not be used to discharge liabilities or to meet losses incurred in the administration of other accounts.

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

PRGF-HIPC Trust Account

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

The PRGF-HIPC subaccount holds resources that can finance either HIPC operations or interim PRGF subsidy operations; the PRGF subaccount holds resources earmarked for interim PRGF subsidy operations, while the HIPC subaccount holds resources earmarked for HIPC operations. PRGF-HIPC subaccount resources used to finance HIPC operations through the HIPC subaccount are repayable to the PRGF-HIPC subaccount and bear interest at a rate equal to the average return on investments in the Special Disbursement Account.

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

Umbrella Account for HIPC Operations

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

The resources of a subaccount of the Umbrella Account consist of (1) amounts disbursed from the PRGF-HIPC Trust Account as grants or loans for the benefit of a member, and (2) net earnings from investment of the resources held in the subaccount.

The resources held in a subaccount of the Umbrella Account are to be used to meet the member's debt obligations to the IMF, or accounts administered by it, in accordance with the schedule agreed upon by the trustee and the member for the use of the proceeds of the PRGF-HIPC Trust disbursements.

Post-SCA-2 Administered Account

The Post-SCA-2 Administered Account, which is administered by the IMF on behalf of members, was established on December 8, 1999 for the temporary administration of resources transferred by members following the termination of the second Special Contingent Account (SCA-2) in the General Department of the IMF, prior to the final disposition of those resources.

Resources received from a member's cumulative SCA-2 contributions, together with the member's pro rata share of investment returns, shall be transferred to the PRGF-HIPC Trust or to the member, in accordance with the member's instructions. The assets held in the Post-SCA-2 Administered Account are held separately from the assets and property of all other accounts of, or administered by, the IMF and may not be used to discharge liabilities or to meet losses incurred in the administration of other accounts.

2. Summary of Significant Accounting Policies

Basis of Presentation

The financial statements of the PRGF-HIPC Trust and Related Accounts are prepared in accordance with International Financial Reporting Standards (IFRS). Specific accounting principles and disclosure practices are explained further below. The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. The financial statements do not include a cash flow statement because the statement of income and changes in resources includes the PRGF-HIPC Trust and Related Accounts' main cash flows.

Revenue and Expense Recognition

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

Unit of Account

The financial statements are expressed in terms of SDRs. The value of the SDR is determined by the IMF each day by summing the values in U.S. dollars, based on market exchange rates, of the currencies in the SDR valuation basket. The IMF reviews the SDR valuation basket every five years. The latest review was completed in October 2000 and the new composition of the SDR valuation basket became effective from January 1, 2001. The currencies in the basket as of April 30, 2004 and 2003 and their amounts were as follows:

Currency	Amount
Euro	0.4260
Japanese yen	21.0000
Pound sterling	0.0984
U.S. dollar	0.5770

As of April 30, 2004, one SDR was equal to 1.45183 U.S. dollars (one SDR was equal to 1.38391 U.S. dollars as of April 30, 2003).

Cash and Cash Equivalents

Cash and cash equivalents include short-term deposits with a maturity of less than ninety days. These deposits are denominated in SDRs or other currencies and are carried at cost which approximates fair value. Interest received on these instruments varies and is based on prevailing market rates.

Investments

The Trust invests in debt securities and fixed-term deposits, which are classified as available for sale securities. Investments are marked to market on the last business day of the accounting period. The carrying amounts of investments approximate their fair value and the unrealized gains and losses are included in the income statements. Purchases are valued and reflected on the trade date basis and sales are based on the actual settlement date valuations.

Investment income comprises interest income on investments, realized and unrealized gains and losses on investments, including currency valuation differences arising from exchange rate movements against the SDR.

Interest rate risk is managed by limiting the investment portfolio to a weighted-average effective duration that does not exceed three years. Currency risk is minimized by investing in securities denominated in SDRs or in the constituent currencies of the SDR valuation basket. Risk is further minimized by ensuring that currency composition of the investment portfolio matches as closely as possible, the currency composition of the SDR valuation basket.

Contributions

Bilateral contributions are reflected as increases in resources after the achievement of specified conditions and are subject to bilateral agreements stipulating how the resources are to be used.

Transfers

Internal transfers of resources within the IMF are accounted for under the accrual method of accounting.

Foreign Currency Translation

Foreign currency transactions are recorded at the rate of exchange on the date of the transaction. At the balance sheet date, monetary assets and liabilities denominated in foreign currencies are reported using the closing exchange rates. Exchange differences arising from the settlement of transactions at rates different from those at the originating date of the transaction and unrealized foreign exchange differences on unsettled foreign currency monetary assets and liabilities are included in the determination of net income.

Administrative Costs

The expenses of conducting activities of the Trust and related accounts are incurred and borne by the General Department of the IMF.

3. Investments

The maturities of the investments are as follows:

Maturity as at April 30	2004	2003
	In thousands of SDRs	
Less than 1 year	564,272	287,084
1–3 years	4,741	29,205
3–5 years	–	640
Total	569,013	316,929

At April 30, investments consisted of the following:

	2004	2003
	In thousands of SDRs	
Debt securities	314,206	316,929
Fixed-term deposits	254,807	–
Total	569,013	316,929

At April 30, investment income was comprised of:

	2004	2003
	In thousands of SDRs	
Interest income	25,978	34,682
Realized losses,net	(7,722)	(2,711)
Unrealized gains/(losses), net	2,619	(130)
Exchange rate gains/(losses), net	4	(20)
Total	20,879	31,821

4. Transfers Receivable and Payable

At April 30, 2004, the HIPC subaccount had transfers payable to the PRGF-HIPC subaccount arising from past disbursements to the Umbrella Account under the HIPC Initiative in the amount of SDR 1,012.0 million, including interest (SDR 797.0 million at April 30, 2003). Interest payable between subaccounts is eliminated on combination.

5. Borrowings

The Trust borrows on such terms and conditions as agreed between the Trust and the lenders. Interest rates on borrowings at April 30, 2004 and 2003 varied between 0 percent and 2 percent a year. The principal amounts of the borrowings are repayable in one installment at their maturity dates. Scheduled repayments of borrowings are summarized below:

Financial Year Ending April 30	
	In thousands of SDRs
2005	15,000
2006	–
2007	310
2008	20,066
2009	25,000
2010 and beyond	552,542
Total	612,918

Borrowings, net of the effect of foreign currency fluctutations, during the financial year ended April 30, 2004 amounted to SDR 6 million (SDR 31 million for the financial year ended April 30, 2003). There were no repayments in the years ended April 30, 2004 and 2003.

6. Combining Balance Sheets and Statements of Income and Changes in Resources

The balance sheets and statements of income and changes in resources for each of the accounts and subaccounts in the PRGF-HIPC Trust and Related Accounts are presented below:

PRGF-HIPC Trust and Related Accounts
Combining Balance Sheets
as at April 30, 2004 and 2003

(In thousands of SDRs)

	2004							2003			
	PRGF-HIPC Trust Account Subaccount				Umbrella Account for HIPC Operations	Post-SCA-2 Administered Account	Combined Total	PRGF-HIPC Trust Account	Umbrella Account for HIPC Operations	Post-SCA-2 Administered Account	Combined Total
	PRGF-HIPC	PRGF	HIPC	Combined							
Assets											
Cash and cash equivalents	189,060	8,105	–	197,165	353,017	40,431	590,613	539,319	420,606	40,023	999,948
Investments	554,864	14,149	–	569,013	–	–	569,013	316,929	–	–	316,929
Transfers to and from subaccounts	1,011,958	–	(1,011,958)	–	–	–	–	–	–	–	–
Interest receivable	682	–	–	682	470	159	1,311	3,303	703	174	4,180
Total Assets	1,756,564	22,254	(1,011,958)	766,860	353,487	40,590	1,160,937	859,551	421,309	40,197	1,321,057
Liabilities and Resources											
Borrowings	612,918	–	–	612,918	–	–	612,918	601,125	–	–	601,125
Interest payable	1,319	–	–	1,319	–	–	1,319	1,298	–	–	1,298
Total Liabilities	614,237	–	–	614,237	–	–	614,237	602,423	–	–	602,423
Accumulated resources	1,142,327	22,254	(1,011,958)	152,623	353,487	40,590	546,700	257,128	421,309	40,197	718,634
Total Liabilities and Resources	1,756,564	22,254	(1,011,958)	766,860	353,487	40,590	1,160,937	859,551	421,309	40,197	1,321,057

Note 6 *(concluded)*

PRGF-HIPC Trust and Related Accounts

Combining Statements of Income and Changes in Resources for the Years Ended April 30, 2004 and 2003

(In thousands of SDRs)

	2004							2003			
	PRGF-HIPC Trust Account Subaccount				Umbrella Account for HIPC Operations	Post-SCA-2 Administered Account	Combined Total	PRGF-HIPC Trust Account	Umbrella Account for HIPC Operations	Post-SCA-2 Administered Account	Combined Total
	PRGF-HIPC	PRGF	HIPC	Combined							
Balance, beginning of the year	1,035,891	18,247	(797,010)	257,128	421,309	40,197	718,634	482,352	331,128	50,275	863,755
Investment income	27,534	336	–	15,015[1]	5,226	638	20,879	23,107	7,758	956	31,821
Interest expense	(2,075)	–	(12,855)	(2,075)[1]	–	–	(2,075)	(1,938)	–	–	(1,938)
Other expenses	(327)	(12)	–	(339)	–	–	(339)	(265)	–	–	(265)
Operational income/(loss)	25,132	324	(12,855)	12,601	5,226	638	18,465	20,904	7,758	956	29,618
Contributions received	23,604	3,683	–	27,287	–	–	27,287	35,425	–	–	35,425
Grants	–	–	(202,093)	(202,093)	202,093	–	–	(345,553)	345,553	–	–
Disbursements	–	–	–	–	(275,141)	–	(275,141)	–	(263,130)	–	(263,130)
	48,736	4,007	(214,948)	(162,205)	(67,822)	638	(229,389)	(289,224)	90,181	956	(198,087)
Transfers	57,700	–	–	57,700	–	(245)	57,455	64,000	–	(11,034)	52,966
Net changes in resources	106,436	4,007	(214,948)	(104,505)	(67,822)	393	(171,934)	(225,224)	90,181	(10,078)	(145,121)
Balance, end of the year	1,142,327	22,254	(1,011,958)	152,623	353,487	40,590	546,700	257,128	421,309	40,197	718,634

[1]Interest payable between subaccounts amounting to SDR 12.9 million (SDR 14.5 million at April 30, 2003) has been eliminated in the combined totals.

Schedule 1

Post-SCA-2 Administered Account

Holdings, Interest, and Transfers for the Year Ended April 30, 2004

(In thousands of SDRs)

Member	Balance Beginning of Year	Interest Earned	Transfers to PRGF-HIPC Trust	Balance End of Period
Argentina	5,427	87	–	5,514
Dominican Republic	1,004	16	–	1,020
Fiji	216	–	(216)	–
Jordan	1,141	18	–	1,159
Tonga	29	–	(29)	–
Trinidad and Tobago	2,450	40	–	2,490
Vanuatu	49	–	–	49
Venezuela	29,881	477	–	30,358
Total at April 30, 2004	40,197	638	(245)	40,590

Schedule 2

PRGF-HIPC Trust Account

Contributions and Transfers for the Years Ended April 30, 2004 and 2003

(In thousands of SDRs)

	Subaccount			
	PRGF-HIPC	PRGF	HIPC	Combined
Period ended April 30, 2003				
Belgium	3,625	–	–	3,625
Belize	20	–	–	20
Brazil	11,033	–	–	11,033
Denmark	2,188	–	–	2,188
Estonia, Republic of	1	–	–	1
Latvia, Republic of	142	–	–	142
Mexico	7,961	–	–	7,961
Netherlands	–	3,244	–	3,244
South Africa	4,000	–	–	4,000
St. Vincent and the Grenadines	11	–	–	11
Switzerland	3,200	–	–	3,200
	32,181	3,244	–	35,425
Transfers from SDA	64,000	–	–	64,000
	96,181	3,244	–	99,425
Period ended April 30, 2004				
Belgium	3,745	–	–	3,745
Belize	20	–	–	20
Fiji	21	–	–	21
Latvia, Republic of	142	–	–	142
Mexico	7,914	–	–	7,914
Netherlands	–	3,683	–	3,683
Nigeria	734	–	–	734
Norway	1,156	–	–	1,156
Poland, Republic of	2,630	–	–	2,630
South Africa	4,000	–	–	4,000
St. Vincent and the Grenadines	11	–	–	11
Switzerland	3,228	–	–	3,228
Tonga	3	–	–	3
	23,604	3,683	–	27,287
Transfers from SDA	57,700	–	–	57,700
	81,304	3,683	–	84,987

Schedule 3

Umbrella Account for HIPC Operations
Grants, Interest, Disbursements and Changes in Resources for the Years Ended April 30, 2004 and 2003

(In thousands of SDRs)

Member	Opening Balance	Grants from PRGF-HIPC Trust Account	Interest Earned	Disbursements	Ending Balance
Period ended April 30, 2003					
Benin	693	12,680	49	3,735	9,687
Bolivia	39,057	–	735	7,746	32,046
Burkina Faso	25,748	1,342	513	6,967	20,636
Cameroon	736	–	11	325	422
Chad	840	1,475	29	2,327	17
Ethiopia	1,857	4,129	34	3,904	2,116
Gambia, The	65	–	1	26	40
Ghana	9,949	–	95	9,874	170
Guinea	27	2,746	31	1,888	916
Guinea-Bissau	5	–	–	–	5
Guyana	12,248	4,133	253	6,728	9,906
Honduras	2,296	–	13	2,278	31
Madagascar	1,465	2,887	28	2,182	2,198
Malawi	23	–	1	–	24
Mali	9,343	32,038	239	7,645	33,975
Mauritania	4,446	21,545	366	9,474	16,883
Mozambique	60,776	–	1,087	14,352	47,511
Nicaragua	–	1,888	9	665	1,232
Niger	1,101	1,812	9	1,098	1,824
Rwanda	309	838	8	1,068	87
Senegal	3,414	–	26	3,413	27
Sierra Leone	13,859	23,640	156	23,560	14,095
Tanzania	70,612	–	1,235	16,159	55,688
Uganda	68,639	–	1,224	16,917	52,946
Zambia	3,620	234,400[1]	1,606	120,799	118,827
	331,128	345,553	7,758	263,130	421,309
Period ended April 30, 2004					
Benin	9,687	–	122	4,553	5,256
Bolivia	32,046	–	459	8,858	23,647
Burkina Faso	20,636	–	266	10,019	10,883
Cameroon	422	3,019	22	1,474	1,989
Chad	17	2,850	15	2,390	492
Congo, Democratic Republic of	–	1,131	9	567	573
Ethiopia	2,116	18,765	33	3,662	17,252
Gambia, The	40	–	–	39	1
Ghana	170	15,150	114	15,253	181
Guinea	916	–	6	894	28
Guinea-Bissau	5	–	–	–	5
Guyana	9,906	23,741	255	8,093	25,809
Honduras	31	4,300	11	1	4,341
Madagascar	2,198	609	16	2,195	628
Malawi	24	4,628	23	2,847	1,828
Mali	33,975	–	291	8,881	25,385
Mauritania	16,883	–	221	6,949	10,155
Mozambique	47,511	–	693	9,178	39,026
Nicaragua	1,232	69,275	264	3,571	67,200
Niger	1,824	18,239	33	4,753	15,343
Rwanda	87	–	1	8	80
Senegal	27	25,636	39	6,174	19,528
Sierra Leone	14,095	14,750	125	23,601	5,369
Tanzania	55,688	–	729	15,775	40,642
Uganda	52,946	–	696	17,273	36,369
Zambia	118,827[1]	–	783	118,133	1,477
	421,309	202,093	5,226	275,141	353,487

[1]Includes an additional grant contribution by the Netherlands to Zambia in the context of the HIPC Initiative.

Schedule 4

PRGF-HIPC Trust Account
Cumulative Contributions and Transfers as at April 30, 2004

(In thousands of SDRs)

	Subaccount			
Member	**PRGF-HIPC**	**PRGF**	**HIPC**	**Combined**
Algeria	412	–	–	412
Australia	–	–	17,019	17,019
Austria	–	–	9,981	9,981
Bangladesh	1,163	–	–	1,163
Barbados	250	–	–	250
Belgium	22,199	–	–	22,199
Belize	120	–	–	120
Brazil	11,033	–	–	11,033
Brunei Darussalam	4	–	–	4
Cambodia	27	–	–	27
Canada	32,929	–	–	32,929
China	13,132	–	–	13,132
Colombia	13	–	–	13
Croatia, Republic of	31	–	–	31
Cyprus	544	–	–	544
Denmark	13,068	–	–	13,068
Egypt	37	–	–	37
Estonia, Republic of	372	–	–	372
Fiji	21	–	–	21
Finland	2,583	–	–	2,583
France	55,892	–	–	55,892
Gabon	458	–	–	458
Greece	2,200	–	–	2,200
Iceland	643	–	–	643
India	390	–	–	390
Indonesia	124	–	–	124
Ireland	3,937	–	–	3,937
Israel	1,189	–	–	1,189
Italy	43,309	–	–	43,309
Jamaica	1,800	–	–	1,800
Japan	98,355	–	–	98,355
Korea	10,625	–	–	10,625
Kuwait	108	–	–	108
Latvia, Republic of	710	–	–	710
Luxembourg	488	–	–	488
Malaysia	478	–	–	478
Malta	706	–	–	706
Mauritius	40	–	–	40
Mexico	31,857	–	–	31,857
Morocco	49	–	–	49
Netherlands	–	20,019	16,347[1]	36,366
New Zealand	1,158	–	–	1,158
Nigeria	6,150	–	–	6,150
Norway	11,854	–	–	11,854
Oman	73	–	–	73
Pakistan	105	–	–	105
Philippines	4,500	–	–	4,500
Poland, Republic of	4,742	–	–	4,742
Portugal	4,430	–	–	4,430
Russian Federation	10,200	–	–	10,200
Samoa	3	–	–	3
San Marino, Republic of	32	–	–	32
Saudi Arabia	978	–	–	978
Singapore	249	–	–	249
Slovak Republic	2,669	–	–	2,669

Schedule 4 *(concluded)*

PRGF-HIPC Trust Account
Cumulative Contributions and Transfers as at April 30, 2004

(In thousands of SDRs)

Member	Subaccount PRGF-HIPC	PRGF	HIPC	Combined
Slovenia, Republic of	311	–	–	311
South Africa	16,895	–	–	16,895
Spain	16,550	–	–	16,550
Sri Lanka	12	–	–	12
St. Vincent and the Grenadines	44	–	–	44
Swaziland	20	–	–	20
Sweden	5,322	–	–	5,322
Switzerland	12,828	–	–	12,828
Thailand	350	–	–	350
Tonga	3	–	–	3
Tunisia	136	–	–	136
United Arab Emirates	353	–	–	353
United Kingdom	23,551	–	33,837	57,388
United States	–	–	221,932	221,932
Vietnam	10	–	–	10
	474,824	20,019	299,116	793,959
Transfers from SDA	409,697	–	–	409,697
Transfers from GRA	72,456	–	–	72,456
	482,153	–	–	482,153
	956,977	20,019	299,116	1,276,112

[1]Includes an additional grant contribution by the Netherlands to Zambia in the context of the HIPC Initiative.

Other Administered Accounts
Balance Sheets
as at April 30, 2004 and 2003

	Administered Account Japan		Administered Account for Selected Fund Activities—Japan		Framework Administered Account for Technical Assistance Activities		Administered Account—Spain		Supplementary Financing Facility Subsidy Account		The Post-Conflict Emergency Assistance Subsidy Account	
	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003
	(In thousands of U.S. dollars)								*(In thousands of SDRs)*			
Assets												
Cash and cash equivalents	120,235	119,037	22,699	25,031	18,912	14,659	–	–	2,240	2,341	7,850	5,441
Interest receivable	–	–	–	–	–	–	–	–	9	10	–	–
Total Assets	120,235	119,037	22,699	25,031	18,912	14,659	–	–	2,249	2,351	7,850	5,441
Resources												
Total Resources	120,235	119,037	22,699	25,031	18,912	14,659	–	–	2,249	2,351	7,850	5,441

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

/s/ Eduard Brau
Director, Finance Department

/s/ Rodrigo de Rato
Managing Director

Other Administered Accounts

Statements of Income and Changes in Resources for the Years Ended April 30, 2004 and 2003

	Administered Account Japan		Administered Account for Selected Fund Activities—Japan		Framework Administered Account for Technical Assistance Activities		Administered Account—Spain		Supplementary Financing Facility Subsidy Account		The Post-Conflict Emergency Assistance Subsidy Account	
	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003
	(In thousands of U.S. dollars)								(In thousands of SDRs)			
Balance, beginning of the year	119,036	117,277	25,031	20,459	14,660	8,484	–	–	2,351	2,303	5,441	587
Interest income	1,199	1,760	290	227	148	142	–	–	37	48	101	103
Contributions received	–	–	20,374	25,508	16,156	14,834	40	40	–	–	2,801	5,409
Payments to and on behalf of beneficiaries	–	–	(22,996)	(21,163)	(12,052)	(8,801)	(40)	(40)	–	–	(493)	(658)
Net income	1,199	1,760	(2,332)	4,572	4,252	6,175	–	–	37	48	2,409	4,854
Transfers to the Special Disbursement Account (Note 4)	–	–	–	–	–	–	–	–	(139)	–	–	–
Net changes in resources	1,199	1,760	(2,332)	4,572	4,252	6,175	–	–	(102)	48	2,409	4,854
Balance, end of the year	120,235	119,037	22,699	25,031	18,912	14,659	–	–	2,249	2,351	7,850	5,441

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

Other Administered Accounts
Notes to the Financial Statements as at April 30, 2004 and 2003

1. Nature of Operations

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

Administered Account Japan

At the request of Japan, the IMF established an account on March 3, 1989 to administer resources, made available by Japan or other countries with Japan's concurrence, that are to be used to assist certain members with overdue obligations to the IMF. The resources of the account are to be disbursed in amounts specified by Japan and to members designated by Japan.

Administered Account for Selected Fund Activities—Japan

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

Framework Administered Account for Technical Assistance Activities

The Framework Administered Account for Technical Assistance Activities ("the Framework Account") was established by the IMF on April 3, 1995 to receive and administer contributed resources that are to be used to finance technical assistance consistent with the purposes of the IMF. The financing of technical assistance activities is implemented through the establishment and operation of subaccounts within the Framework Account. Resources are to be used in accordance with the written understandings between the contributor and the Managing Director. Disbursements can also be made from the Framework Account to the General Resources Account to reimburse the IMF for its costs incurred on behalf of technical assistance activities financed by resources from the Framework Account.

Subaccount for Japan Advanced Scholarship Program

At the request of Japan, this subaccount was established on June 6, 1995 to finance the cost of studies and training of nationals of member countries in macroeconomics and related subjects at selected universities and institutions. The scholarship program focuses primarily on the training of nationals of Asian member countries, including Japan.

Rwanda—Macroeconomic Management Capacity Subaccount

At the request of Rwanda, this subaccount was established on December 20, 1995 to finance technical assistance to rehabilitate and strengthen Rwanda's macroeconomic management capacity.

Australia—IMF Scholarship Program for Asia Subaccount

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

Switzerland Technical Assistance Subaccount

At the request of Switzerland, this subaccount was established on August 27, 1996 to finance the costs of technical assistance activities of the IMF that consist of policy advice and training in macroeconomic management.

French Technical Assistance Subaccount

At the request of France, this subaccount was established on September 30, 1996 to cofinance the costs of training in economic fields for nationals of certain member countries.

Denmark Technical Assistance Subaccount

At the request of Denmark, this subaccount was established on August 25, 1998 to finance the costs of technical assistance activities of the IMF that consist of advising on policy and administrative reforms in the fiscal, monetary, and related statistical fields.

Australia Technical Assistance Subaccount

At the request of Australia, this subaccount was established on March 7, 2000 to finance the costs of technical assistance activities of the IMF that consist of advising on the design of policy and administrative reforms in the fiscal, monetary and related statistical fields, as well as to provide training in the formulation and implementation of macroeconomic and financial policies.

The Netherlands Technical Assistance Subaccount

At the request of the Netherlands, this subaccount was established on July 27, 2000 to finance projects that seek to enhance the capacity of the members to formulate and implement policies in the macroeconomic, fiscal, monetary, financial, and related statistical fields, including training programs and projects that strengthen the legal and administrative framework in these core areas.

The United Kingdom Department for International Development (DFID) Technical Assistance Subaccount

At the request of the United Kingdom, this subaccount was established on June 22, 2001 to finance projects that seek to enhance the capacity of the members to formulate and implement policies in the macroeconomic, fiscal, monetary, financial, and related statistical fields, including training programs and projects that strengthen the legal and administrative framework in these core areas.

Italy Technical Assistance Subaccount

At the request of Italy, this subaccount was established on November 16, 2001 to finance projects that seek to enhance the capacity of certain members to formulate and implement policies related to fiscal, financial, and statistical standards and codes, including training programs and projects that strengthen the legal and administrative framework in these core areas.

Pacific Financial Technical Assistance Centre Subaccount

At the request of Australia and New Zealand, this subaccount was established on May 22, 2002 to finance activities of the Pacific Financial Technical Assistance Centre that seek to enhance the capacity of Pacific island countries and territories to formulate and implement policies related to macroeconomic, fiscal, monetary, financial, and statistical fields, including training and activities that strengthen the legal and administrative framework in these core areas.

Africa Regional Technical Assistance Centers Subaccount

At the request of France, the Federal Republic of Germany, Italy, the Netherlands, Norway, Sweden, and the United Kingdom, this subaccount was established on August 9, 2002 to finance activities of the Africa Regional Technical Assistance Centers that seek to support the Poverty Reduction Strategy Paper process in sub-Saharan African countries through fostering the capacity for sound macroeconomic management, strong fiscal institutions and financial systems, and timely and accurate collection and dissemination of economic data, including training and activities that strengthen the legal and administrative framework in these core areas. The resources of this subaccount are contributed by the above governments and other governments or official agencies, including the Russian Federation, Luxembourg, and China, that reached an understanding with the IMF subsequent to the establishment.

Sweden Technical Assistance Subaccount

At the request of Sweden, this subaccount was established on November 25, 2002 to finance projects that seek to enhance the capacity of members to formulate and implement policies in the macroeconomic, fiscal, monetary, financial, and related statistical fields, including training programs and projects that strengthen the legal and administrative framework in these core areas.

China Technical Assistance Subaccount

At the request of the People's Republic of China, this subaccount was established on May 23, 2003 to finance projects that seek to enhance the capacity of members to formulate and implement policies in the macroeconomic, fiscal, monetary, financial, and related statistical fields, including training programs and projects that strengthen the legal and administrative framework in these core areas.

Technical Assistance Subaccount for Iraq

At the request of Australia, Canada, Italy and the United Kingdom, this subaccount was established on July 22, 2003 to finance technical assistance activities that seek to enhance the capacity of Iraq to formulate and implement policies in the macroeconomic, fiscal, monetary, financial, and related statistical fields, including training programs and activities that strengthen the legal and administrative framework in these core areas.

Canada Technical Assistance Subaccount

At the request of Canada, this subaccount was established on January 28, 2004 to finance projects that seek to enhance the capacity of members to formulate and implement policies in the macroeconomic, fiscal, monetary, financial, and related statistical fields, including training programs and projects that strengthen the legal and administrative framework in these core areas.

Administered Account—Spain

At the request of Spain, the IMF established an account on March 20, 2001 to receive and disburse resources up to $1 billion contributed by Spain for Argentina. The resources of this account are to be used to assist Argentina in the implementation of the adjustment program supported by the IMF under the Stand-By Arrangement for Argentina approved on March 10, 2000 and augmented on January 12, 2001.

Supplementary Financing Facility Subsidy Account

The Supplementary Financing Facility Subsidy Account administered by the IMF was established in December 1980 to assist low-income developing country members to meet the costs of using resources made available through the IMF's Supplementary Financing Facility and under the policy on exceptional use. All repurchases due under these policies were scheduled for completion by January 31, 1991, and the final subsidy payments were approved in July 1991. However, two members (Liberia and Sudan), overdue in the payment of charges, remain eligible to receive previously approved subsidy payments of SDR 2.2 million when their overdue charges are settled. Accordingly, the Account remains in operation and has retained amounts for payment to these members after the overdue charges are paid.

The Post-Conflict Emergency Assistance Subsidy Account

The Post-Conflict Emergency Assistance Subsidy Account for PRGF-Eligible Members was established in May 2001 to administer contributed resources for the purpose of providing assistance to PRGF-eligible members in support of their adjustment efforts. Contributions to the account will be used to provide grants to PRGF-eligible members that have made post-conflict emergency assistance purchases under the IMF General Resources Account, effectively subsidizing the basic rate of charge on these purchases to 0.5 percent per annum. The subsidy to each eligible member would be prorated if resources are insufficient to reduce the basic rate of charge to 0.5 percent.

Trust Fund

In addition to the aforementioned accounts, the IMF is also the trustee of the Trust Fund, which is in liquidation. The Trust Fund was established in 1976 to provide balance of payments assistance on concessional terms to eligible members that qualify for assistance.

In 1980, the IMF, as trustee, decided that, upon the completion of the final loan disbursements, the Trust Fund would be terminated as of April 30, 1981, and after that date, the activities of the Trust Fund have been confined to the conclusion of its affairs. As of April 30, 2004 and 2003, the Trust Fund had no assets other than loans receivable of SDR 88.6 million. Resources exist in the Trust Fund to the full amount of the loans and are available to absorb any losses should this occur. All interest is deferred. Cash receipts on these loans are to be transferred to the Special Disbursement Account.

Overdue loans, interest and charges at April 30, 2004 were as follows:

Member	Loans	Interest and Special Charges	Longest Overdue Obligation
		In millions of SDRs	
Liberia	22.9	7.4	June 1985
Somalia	6.5	1.5	July 1987
Sudan	59.2	19.7	June 1985
Total	88.6	28.6	

2. Summary of Significant Accounting Policies

Basis of Presentation

The financial statements of the Other Administered Accounts are prepared in accordance with International Financial Reporting Standards (IFRS). Specific accounting principles and disclosure practices are explained further below. The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. The financial statements do not include a cash flow statement because the statement of income and changes in resources includes the Other Administered Accounts' main cash flows.

Unit of Account

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

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

The Post-Conflict Emergency Assistance Subsidy Account, Trust Fund, and the Supplementary Financing Facility Subsidy Account

These accounts are expressed in terms of SDRs. The value of the SDR is determined by the IMF each day by summing the values in U.S. dollars, based on market exchange rates, of the currencies in the basket. The IMF reviews the SDR valuation basket every five years. The latest review was completed in October 2000 and the composition of the SDR valuation basket became effective from January 1, 2001. The currencies in the basket as of April 30, 2004 and 2003 and their amounts were as follows:

Currency	Amount
Euro	0.4260
Japanese yen	21.0000
Pound sterling	0.0984
U.S. dollar	0.5770

As of April 30, 2004, one SDR was equal to 1.45183 U.S. dollars (one SDR was equal to 1.38391 U.S. dollars as of April 30, 2003).

Transactions and operations of the accounts are denominated in SDRs. Contributions denominated in other currencies are converted into SDRs upon receipt of the funds.

Revenue and Expense Recognition

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

Cash and Cash Equivalents

Cash and cash equivalents include short-term deposits with a maturity of less than ninety days. These deposits are carried at cost which approximates fair value. Interest on these instruments varies and is based on prevailing market rates.

Contributions

Bilateral contributions are reflected as increases in resources after the achievement of specified conditions and are subject to bilateral agreements stipulating how the resources are to be used.

Payments to and on Behalf of Beneficiaries

Payments to and on behalf of beneficiaries are recognized when the specified conditions in the respective agreements are achieved.

Transfers

Internal transfers of resources within the IMF are accounted for under the accrual method of accounting.

Foreign Currency Translation

Foreign currency transactions are recorded at the rate of exchange on the date of the transaction. At the balance sheet date, monetary assets and liabilities denominated in foreign currencies are reported using the closing exchange rates. Exchange differences arising from the settlement of transaction at rates different from those at the date of the transaction and unrealized foreign exchange differences on unsettled foreign currency monetary assets and liabilities are included in the determination of net income.

Administrative Expenses

The expenses of conducting the activities of the Other Administered Accounts and the Trust Fund are incurred and borne by the General Department of the IMF. To help defray the expenses incurred by the IMF in the administration of the Administered Account for Selected Fund Activities—Japan and the Framework Administered Account for Technical Assistance Activities, reimbursement equal to 13 percent of the expenses financed from the accounts is paid to the General Department from these accounts. The Administered Account—Spain pays the General Department an annual fee of $40,000 for administrative costs incurred. As at April 30, 2004 the administrative costs for the Administered Account for Selected Fund Activities—Japan amounted to $2.8 million ($2.1 million at April 30, 2003), and for the Framework Administered Account for Technical Assistance Activities $1.6 million ($1.0 million at April 30, 2003). These amounts are included in payments to and on behalf of beneficiaries on the income statements and changes in resources.

Comparatives

When necessary, comparative figures have been reclassified to conform with changes in the presentation of the current year.

3. Cumulative Contributions and Disbursements

The cumulative contributions to and disbursements from these administered accounts are as follows:

Account	April 30, 2004		April 30, 2003	
	Cumulative Contributions	Cumulative Disbursements[1]	Cumulative Contributions	Cumulative Disbursements[1]
	(In millions of U.S. dollars)			
Administered Account Japan	135.2	72.5	135.2	72.5
Administered Account for Selected Fund Activities—Japan	224.4	209.3	204.1	186.3
Technical Assistance	200.6	188.3	184.4	169.8
Scholarships	15.7	13.4	13.0	11.2
Office of Asia and Pacific	8.1	7.6	6.7	5.3
Framework Administered Account for Technical Assistance Activities	58.3	40.8	42.1	28.7
Subaccount for Japan Advanced Scholarship Program	11.7	10.5	10.2	8.8
Rwanda—Macroeconomic Management Capacity Subaccount	1.5	1.6	1.5	1.6
Australia—IMF Scholarship Program for Asia Subaccount	2.6	2.6	2.2	2.2
Switzerland Technical Assistance Subaccount	11.4	10.0	9.5	8.1
French Technical Assistance Subaccount	0.8	0.5	0.8	0.5
Denmark Technical Assistance Subaccount	3.8	1.6	2.7	1.1
Australia Technical Assistance Subaccount	0.3	–	0.3	–
The Netherlands Technical Assistance Subaccount	3.2	2.6	2.6	2.0
The United Kingdom DFID Technical Assistance Subaccount	4.4	4.2	3.4	2.9
Italy Technical Assistance Subaccount	2.8	0.5	1.8	0.1
Pacific Financial Technical Assistance Centre Subaccount	2.3	1.5	1.1	0.8
Africa Regional Technical Assistance Centers Subaccount	8.7	4.8	4.9	0.6
Sweden Technical Assistance Subaccount	1.1	0.1	1.1	–
China Technical Assistance Subaccount	0.2	–	–	–
Canada Technical Assistance Subaccount	1.5	–	–	–
Technical Assistance Subaccount for Iraq	2.0	0.3	–	–
Administered Account—Spain	835.5	835.6	835.5	835.6
	(In millions of SDRs)			
The Post-Conflict Emergency Assistance Subsidy Account	9.6	1.9	6.8	1.4

[1]Disbursements had been made from resources contributed to these accounts as well as from interest earned on these resources.

4. Transfer of Resources

Resources of the Supplementary Financing Facility Subsidy Account in excess of the remaining subsidy payments are to be transferred to the Special Disbursement Account. At April 30, 2004 and 2003, subsidy payments totaling SDR 2.2 million had not been made to Liberia and Sudan and were being held pending the payment of overdue charges by these members.

5. Accounts Termination

Administered Account Japan

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

Administered Account for Selected Fund Activities—Japan

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

Framework Administered Account for Technical Assistance Activities

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

Administered Account—Spain

The account will be terminated when Argentina repays all the resources that were disbursed from the account to Argentina, or at an earlier time as agreed between Spain and the IMF, following consultations between Spain and Argentina. Any remaining resources in the account at termination are to be returned to Spain.

The Post-Conflict Emergency Assistance Subsidy Account

The account can be terminated by the IMF at any time. Any remaining balances after discharge of all obligations of the account upon the account's termination are to be returned to the contributors in proportion to their contributions.

Akronyme und Abkürzungen

AFRITAC	Regionales Zentrum für technische Hilfe in Afrika
AFSSR	Beurteilung der Finanzsektoraufsicht und -regulierung
AKV	Allgemeine Kreditvereinbarungen
AML/CFT	Bekämpfung der Geldwäsche und der Terrorismusfinanzierung
APEC	Asiatisch-Pazifische Wirtschaftliche Zusammenarbeit
ASEAN	Verband Südostasiatischer Nationen
AWF	Arabischer Währungsfonds
BCEAO	Zentralbank der westafrikanischen Staaten
BEAC	Bank der zentralafrikanischen Staaten
BIP	Bruttoinlandsprodukt
BIZ	Bank für Internationalen Zahlungsausgleich
CAC	Umschuldungsklausel
CAEMC	Zentralafrikanische Wirtschafts- und Währungsgemeinschaft
CARTAC	Regionales Zentrum für technische Hilfe im karibischen Raum
CCL	Vorbeugende Kreditlinie
CFF	Fazilität zur kompensierenden Finanzierung
COBAC	Zentralafrikanische Bankenkommission
DQAF	Regelwerk für die Beurteilung der Datenqualität
DSBB	Informationstafel zu Datenveröffentlichungs-Standards
ECU	Europäische Währungseinheit
EFF	Erweiterte Fondsfazilität
ESAF	Erweiterte Strukturanpassungsfazilität
EU	Europäische Union
EWS	Europäisches Währungssystem
EWWU	Europäische Wirtschafts- und Währungsunion
EZB	Europäische Zentralbank
FATF	Aktionsgruppe zur Bekämpfung der Geldwäsche
FCC	Künftige Kreditzusagekapazität
FDI	Ausländische Direktinvestitionen
FSAP	Programm zur Bewertung des Finanzsektors
FSF	Forum für Finanzstabilität
FSI	Indikator für die Stabilität des Finanzsystems
FSSA	Beurteilung der Stabilität des Finanzsystems
GDDS	Allgemeines Datenveröffentlichungs-System
GFSR	Bericht zur Stabilität des globalen Finanzsystems
GJ	Geschäftsjahr
GRA	Allgemeines Konto
GUS	Gemeinschaft Unabhängiger Staaten
HIPC	Hochverschuldetes armes Land
IAO	Internationale Arbeitsorganisation
IAS	International Accounting Standard
IDA	Internationale Entwicklungsorganisation
IEO	Unabhängiges Evaluierungsbüro
IFC	Internationale Finanz-Corporation
IFI	Internationale Finanzinstitution
IFRS	International Financial Reporting Standards
IMFC	Internationaler Währungs- und Finanzausschuss
I-PRSP	Vorläufiges Strategiedokument zur Armutsbekämpfung
LOI	Absichtserklärung
MDG	Millennium-Entwicklungsziel
MEFP	Memorandum über die Wirtschafts- und Finanzpolitik
MIGA	Multilaterale Investitionsgarantie-Agentur
NEPAD	Neue Partnerschaft für die Entwicklung Afrikas
NGW	Nettogegenwartswert
NKV	Neue Kreditvereinbarungen
OECD	Organisation für wirtschaftliche Zusammenarbeit und Entwicklung
OFC	Offshore-Finanzplatz
OPEC	Organisation der erdölausführenden Länder
PFTAC	Pazifisches Zentrum für technische Hilfe im Finanzbereich
PIN	Öffentliche Informationsmitteilung
PRGF	Armutsbekämpfungs- und Wachstumsfazilität
PRSP	Strategiedokument zur Armutsbekämpfung
PSIA	Analyse der Armutseffekte und sozialen Auswirkungen
ROSC	Bericht über die Einhaltung von Standards und Kodizes
SAARC	Südasiatische Vereinigung für regionale Zusammenarbeit
SAF	Strukturanpassungsfazilität
SARS	Schweres Akutes Atemwegssyndrom
SCA-1	Sonderkonto für Eventualfälle
SDA	Konto für Sonderverwendungen
SDDS	Spezieller Datenveröffentlichungs-Standard
SFF	Fazilität zur zusätzlichen Finanzierung
SMP	Stabsüberwachtes Programm
S&P	Standard and Poor's
SRF	Fazilität zur Stärkung von Währungsreserven
SWP	Stabilitäts- und Wachstumspakt
SZR	Sonderziehungsrecht
TH	Technische Hilfe
TIM	Handelsintegrations-Mechanismus
UN	Vereinte Nationen
UNCTAD	Handels- und Entwicklungskonferenz der Vereinten Nationen
UNDP	Entwicklungsprogramm der Vereinten Nationen
WAEMU	Westafrikanische Wirtschafts- und Währungsunion
WHO	Weltgesundheitsorganisation
WKM	Wechselkursmechanismus
WTO	Welthandelsorganisation

Inhalt

Eine globale Institution

Der Internationale Währungsfonds ist eine Sonderorganisation des Systems der Vereinten Nationen. Er wurde 1945 durch einen Vertrag gegründet, um einen Beitrag zur Förderung der Gesundheit der Weltwirtschaft zu leisten. Der IWF, mit Hauptsitz in Washington, D.C., wird geleitet durch seine 184 Mitglieder, die fast die gesamte Welt abdecken.

Der IWF ist die zentrale Institution des internationalen Währungssystems – das System des internationalen Zahlungsverkehrs und der Wechselkurse zwischen den nationalen Währungen, das Geschäftsvorgänge zwischen den einzelnen Ländern ermöglicht.

Die im IWF-Übereinkommen festgelegten Ziele umfassen die Erleichterung eines ausgewogenen Wachstums des Welthandels, die Förderung der Stabilität der Wechselkurse, die Vermeidung von Währungsabwertungen aus Wettbewerbsgründen und Unterstützung für die geordnete Lösung von Zahlungsbilanzproblemen der Länder.

Zur Erreichung dieser Ziele setzt der IWF folgende Mittel ein:

- Überwachung der Wirtschafts- und Finanzentwicklung und der Politikmaßnahmen sowohl in den Mitgliedsländern als auch auf globaler Ebene sowie Beratung der Mitglieder auf der Grundlage seiner 60-jährigen Erfahrung.
- Vergabe von Krediten an Mitgliedsländer mit Zahlungsbilanzproblemen, um zeitweilige Finanzhilfen zu gewähren zur Unterstützung von Anpassungs- und Reformmaßnahmen, die darauf abzielen, die zu Grunde liegenden Probleme zu lösen.
- Bereitstellung von technischer Hilfe und Ausbildung an Regierungen und Zentralbanken der Mitgliedsländer in seinem Expertisebereich.

Durch seinen Einsatz für eine Stärkung des internationalen Finanzsystems und für eine Beschleunigung der Fortschritte in der Armutsbekämpfung sowie durch die Förderung einer soliden Wirtschaftspolitik in all seinen Mitgliedsländern trägt der IWF dazu bei, die Vorteile der Weltwirtschaft für alle zu sichern.

Dieser *Jahresbericht des Exekutivdirektoriums des IWF* informiert über die Tätigkeiten des Direktoriums während des Geschäftsjahres vom 1. Mai 2003 bis zum 30. April 2004. Der größte Teil des Berichts besteht aus Zusammenfassungen von Direktoriumsaussprachen über die gesamte Bandbreite der Geschäftspolitik und -tätigkeit des IWF. Weitere Informationen finden sich auf der Webseite des IWF unter: *www.imf.org*.