

# I

## **Overview of the IMF as a Financial Institution**

### **Role and Purposes of the IMF**

The International Monetary Fund is a cooperative international monetary organization whose members currently include 183 countries of the world. It was established together with the World Bank in 1945 as part of the Bretton Woods conference convened in the aftermath of World War II.

The responsibilities of the IMF derive from the basic purposes for which the institution was established, as set out in Article I of the IMF Articles of Agreement — the charter that governs all policies and activities of the IMF:

- To promote international cooperation through a permanent institution which provides the machinery for consultation and collaboration on international monetary problems.
- To facilitate the expansion and balanced growth of international trade, and to contribute thereby to the promotion and maintenance of high levels of employment and real income and to the development of the productive resources of all members as primary objectives of economic policy.
- To promote exchange stability, to maintain orderly exchange arrangements among members, and to avoid competitive exchange depreciation.
- To assist in the establishment of a multilateral system of payments in respect of current transactions between members and in the elimination of foreign exchange restrictions which hamper the growth of world trade.
- To give confidence to members by making the general resources of the Fund temporarily available to them under adequate safeguards, thus providing them with opportunity to correct maladjustments in their balance of payments without resorting to measures destructive of national or international prosperity.
- In accordance with the above, to shorten the duration and lessen the degree of disequilibrium in the international balances of payments of members.

## FINANCIAL ORGANIZATION AND OPERATIONS OF THE IMF

The IMF is best known as a financial institution that provides resources to member countries experiencing temporary balance of payments problems on the condition that the borrower undertake economic adjustment policies to address these difficulties. In recent years, IMF lending increased dramatically as the institution played a central role in resolving a series of economic and financial crises in emerging market countries in Asia, Latin America, and Europe. The IMF is also actively engaged in promoting economic growth and poverty reduction in its poorer members by providing financing on concessional terms in support of efforts to stabilize economies, implement structural reforms, and achieve sustainable external debt positions. Often missing from the public perception of the IMF, however, is the broader context in which this financing takes place.

The IMF is unique among intergovernmental organizations in its combination of regulatory, consultative, and financial functions, which derive from the purposes for which the institution was established.<sup>1</sup> Supporting the IMF's legal mandate are a variety of voluntary service and informational functions that facilitate the implementation of its official tasks:

- *Regulatory functions* of the IMF include formal jurisdiction over measures that have the effect of restricting payments and transfers for current international transactions. Member countries are required to provide the IMF with such information and statistical data as it deems necessary for its activities, including the minimum necessary for the effective discharge of its duties, as outlined in the Articles of Agreement (Article VIII).
- *Consultative functions* stem primarily from the IMF's responsibility for overseeing the international monetary system and exercising firm surveillance over the policies of its members, a task entrusted to the IMF following the collapse of the Bretton Woods fixed exchange rate system in the early 1970s.<sup>2</sup> These activities include regular monitoring and peer review by other members of economic and financial developments and policies in each of its members under Article IV of the Articles of Agreement, ongoing reviews of world economic and financial market

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<sup>1</sup>See Manuel Guitián, *The Unique Nature of the Responsibilities of the International Monetary Fund*, IMF Pamphlet Series No. 46 (Washington: International Monetary Fund, 1992).

<sup>2</sup>See the discussion in Chapter III for an explanation of how the fixed exchange rate system worked.

developments, and semiannual consideration of the world economic outlook (Article IV).

- *Financial functions* of the IMF are the subject of this pamphlet. They range from the provision of temporary balance of payments financing and administration of the SDR system to the extension of longer-term concessional lending and debt relief to the poorest members (Articles V and VI).
- *Service and supplementary informational functions* are voluntary, in contrast to the obligatory nature of members' participation in the above three areas of the IMF operations. These supportive functions include a wide-ranging program of technical assistance and encompass an array of statistical and nonstatistical activities, most notably the collection and dissemination of economic and financial data on its member countries, reporting on its country and global surveillance assessments, and disseminating its policy and research findings. In many cases, the IMF is the chief source of reliable, up-to-date economic information on individual countries. Increasingly, the institution is also called on by its members to develop and monitor adherence to standards and best practices in several areas, including timely country economic and financial statistics, monetary and fiscal transparency, the assessment of financial sector soundness, and the promotion of good governance.

The IMF is therefore concerned not only with the problems of individual countries but also with the working of the international monetary system as a whole. Its activities are aimed at promoting policies and strategies through which its members can work together to ensure a stable world financial system and sustainable economic growth. The IMF provides a forum for international monetary cooperation, and thus for an orderly evolution of the system, and it subjects a wide area of international monetary affairs to the covenants of law, moral suasion, and understandings. The IMF must also stand ready to deal with crisis situations, not only those affecting individual members but also those representing threats to the international monetary system.

All operations of the IMF are conducted under a decision-making structure that has evolved over the years (Box I.1). The governance structure attempts to strike a balance between universal representation and the operational necessities of managing an effective financial institution. While every member country is represented separately on the Board of Governors, most

### **BOX I.1. DECISION-MAKING STRUCTURE OF THE IMF**

The IMF has a Board of Governors, an Executive Board, a Managing Director, and a staff of nearly 3,000 that roughly reflects the diversity of its membership. The Board of Governors is the highest policymaking body of the IMF; it consists of one Governor and one Alternate appointed by each member. The Board of Governors, whose members are usually ministers of finance, heads of central banks, or officials of comparable rank, normally meets once a year.

An International Monetary and Financial Committee (IMFC), currently composed of 24 IMF Governors, ministers, or others of comparable rank (reflecting the composition of the Executive Board and representing all IMF members), usually meets twice a year. This committee advises and reports to the Board of Governors on the management and functioning of the international monetary system, proposals by the Executive Board to amend the Articles of Agreement, and any sudden disturbances that might threaten the system. A committee with a similar composition, the Development Committee, maintains an overview of the development process and reports to the Board of Governors of the World Bank and the IMF and makes suggestions on all aspects of the broad question of the transfer of resources to developing countries.

The IMF Executive Board is responsible for conducting the business of the IMF and exercises the powers delegated to it by the Board of Governors. It functions in continuous session at IMF headquarters and currently consists of 24 Executive Directors, with the Managing Director (or one of the three Deputy Managing Directors acting for the Managing Director) as the Chairman. The Managing Director is selected by the Executive Board and is the chief of the operating staff of the IMF. The three Deputy Managing Directors are appointed by the Managing Director with the approval of the Executive Board.

The number of votes that a member can cast is related to the size of its quota at the IMF. The five members with the largest quotas each appoint their Executive Directors, as can the two members with the largest creditor positions in the IMF over the two years preceding an election if these members are not part of the group of the five largest members. The remaining Directors are elected from among the other member countries that may form themselves into groups or constituencies. A number of important decisions specified in the Articles of Agreement require either 70 percent or 85 percent of the total voting power; other decisions are made by a majority of the votes cast.

members form combined constituencies on the much smaller Executive Board that conducts the day-to-day business of the IMF. While voting power is based on the size of capital subscriptions, giving the greatest voice to the institution's largest contributors, smaller members are protected with a fixed

number of basic votes. Moreover, the Executive Board takes most decisions based on consensus, without a formal vote.

This pamphlet aims to explain the IMF's financial organization and operations — that is, how the IMF works as a financial institution, focusing on its financial structure as of the spring of 2001, but including enough background information to make that structure understandable.

## **Evolution of the IMF's Financial Structure**

The single most important feature of the financial structure of the IMF is that it is continuously developing. This is necessary for the IMF to meet the needs of an ever-changing global economic and financial system.

The IMF has introduced and refined a variety of lending facilities and policy changes over the years to address changing conditions in the global economy or the specific circumstances of members.<sup>3</sup> It discontinued or modified such adaptations when the need for them was reduced or eliminated.

- During 1945–60, the IMF facilitated the move to convertibility among countries for current payments and the removal of restrictions on trade and payments that had been put in place before and during the war. This was also a period of relatively low financing by the IMF, as the Marshall Plan of the United States largely assumed that role.
- During 1961–70, to meet the pressures on the Bretton Woods fixed exchange rate system, the IMF developed a new supplementary reserve asset (the special drawing right, or SDR) and a standing borrowing arrangement with the largest creditor members to supplement its resources during times of systemic crisis.
- During 1971–80, the two world oil crises led to an expansion of IMF financing and the development of new lending facilities funded from borrowed resources. The decade also marked the IMF's expansion into concessional lending to its poorest members.

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<sup>3</sup>The provision of financial assistance by the IMF is not technically or legally “lending” as such. Rather, financial assistance is provided via an exchange of monetary assets, similar to a swap. Nevertheless, the purchase and repurchase of currencies from the IMF, with interest charged on outstanding purchases, is functionally equivalent to a loan and its subsequent repayment, as explained in Chapter II (see Box II.1). Accordingly, for ease of reference, the terms “lending,” “loans,” and “borrowing” are used in this pamphlet to refer to the provision of financial resources by the IMF to its members.

## FINANCIAL ORGANIZATION AND OPERATIONS OF THE IMF

- During 1981–90, the developing country debt crisis triggered a further sharp increase in IMF financing, with higher levels of assistance to individual countries, again financed in part by borrowed resources.
- During 1991–2000, the IMF established a temporary lending facility to facilitate the integration of the formerly centrally planned economies into the world market system. The globalization of financial markets also required adaptation of the financing facilities designed for an earlier era when current account imbalances predominated to a world in which large and sudden shifts in international capital flows resulted in payments imbalances originating in the capital account.

Following a major review of its lending policies and facilities in 2000, the IMF introduced a number of important changes to encourage early adoption of sound economic policies as a means of preventing crises and to reduce excessively long or large-scale use of its resources. Looking ahead, the challenge is to design and implement tools to assist members in the early detection of financial crises.

Most of the developments described above were accommodated through policy changes in the IMF's regular lending operations, within the original financial structure that was created at the Bretton Woods conference. This structure reflected the IMF's basic purpose of financing short-term payments imbalances between member countries under the fixed exchange rate system created after World War II. Since capital markets were not integrated at that time, these payments imbalances arose from trade and other current transactions among countries. The financial mechanism designed to fulfill this purpose is in the General Department of IMF, specifically the General Resources Account, or GRA.

The financing mechanism of the GRA continues to function much as it was originally designed. But the number of members that provide resources for the IMF's financial operations has expanded from early reliance on the United States and the major European countries to an ever wider array of members whose balance of payments positions became strong enough to support IMF lending. In mid-2001, there were 38 countries financing IMF assistance through the GRA. As the group of IMF creditor countries continued to widen, the countries borrowing from the IMF also shifted from largely the industrial countries in the IMF's first 25 years to the developing and emerging market countries in the last 25 years.

Although most developments in the world economic system could be accommodated through changes in the IMF's lending policies implemented through the GRA, two major transformations resulted in lasting changes in the financial structure of the IMF:

- First, the creation of special drawing rights (SDRs) in 1969 and establishment in the IMF of a separate SDR Department to conduct all operations in SDRs. The Bretton Woods fixed exchange rate system came under pressure during the 1960s because it contained no mechanism for regulating reserve growth to finance the expansion of world trade and financial development. Gold production was an inadequate and unreliable source of reserve supply and the continuing growth in U.S. dollar reserves required a persistent deficit in the U.S. balance of payments, which itself posed a threat to the value of the U.S. dollar. The solution to the reserve problem lay in creating an international reserve asset to supplement dollars and gold in official reserve holdings. The creation of the SDR was intended to make the regulation of international liquidity, for the first time, subject to international consultation and decision. Only a few years after the creation of the SDR, however, the Bretton Woods system collapsed and the major currencies shifted to a floating exchange rate regime. This, along with the growth in international capital markets and the expanded capacity of creditworthy governments to borrow, lessened the need for SDRs.
- Second, the involvement of the IMF in providing financial assistance on concessional terms to the IMF's poorest members beginning in the late 1970s.<sup>4</sup> This fundamental shift recognized that the IMF's poorest members required different terms of financing and had different policy requirements than did the rest of the membership in adjusting to external imbalances. Since the IMF's legal structure does not permit lending on concessional terms, the concessional operations are conducted under administered accounts, with the IMF acting in the capacity of Trustee of the resources. During 1976–86, concessional lending was financed by selling a portion of the IMF's gold holdings. The level of lending was initially relatively low, with few policy conditions attached

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<sup>4</sup>Concessional terms are those that are below the IMF's marginal cost of funds, which, as explained later, is linked to short-term interest rates prevailing in the world's four largest money markets.

to the loans. Beginning in 1987, the volume of concessional finance expanded sharply, subject to higher levels of conditionality, with financing provided through borrowed resources, grants for subsidized interest rates and debt relief, and repayments of past concessional loans.

## **Current Financial Structure and Lending Mechanisms of the IMF**

The IMF provides financing to its members through three channels, all of which have the common purpose of transferring reserve currencies to member countries. In both its regular and concessional lending operations, financing is provided primarily under “arrangements” with the IMF, which are similar to lines of credit. For the large majority of IMF lending, use of these lines of credit is conditional upon the achievement of economic stabilization and structural reform objectives agreed between the borrowing member and the IMF. The IMF can also create international reserve assets by allocating SDRs to members, which can be used to obtain foreign exchange from other members. Use of SDRs is unconditional, although a market-based interest rate is charged.

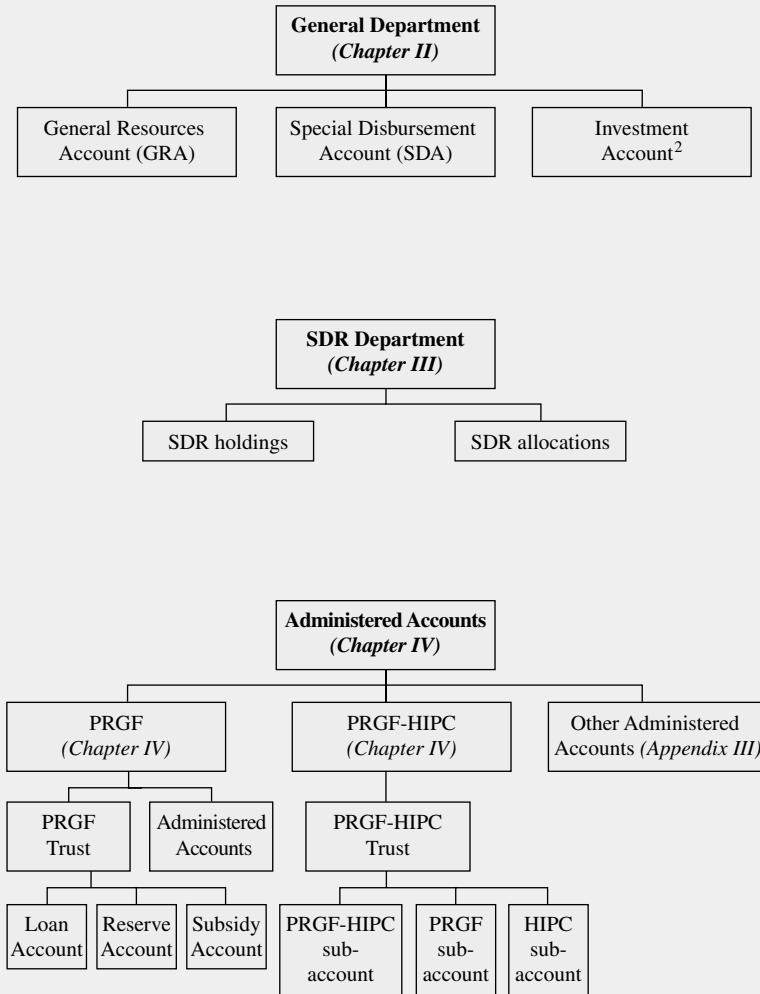
The basic financial structure of the IMF is summarized in Box I.2, which includes references to the relevant chapters of this pamphlet where each of the three financing channels is discussed in detail, and a final chapter that describes the safeguards for IMF resources. The pamphlet is organized on both an institutional and a chronological basis. Summary descriptions of Chapters II–V follow.

### **Regular Lending Operations (Chapter II)**

Unlike other international financial institutions (such as the World Bank or the regional development banks), the IMF is, in effect, a repository for its members’ currencies and a portion of their foreign exchange reserves. The IMF uses this pool of currencies and reserve assets to extend credits to member countries when they face economic difficulties as reflected in their external balance of payments.

The IMF’s regular lending is financed from the fully paid-in capital subscribed by member countries. It is conducted through the GRA of the General Department, which holds the capital subscribed by members. A country’s capital subscription is equal to its IMF quota. Upon joining, each



BOX I.2. FINANCIAL STRUCTURE OF THE IMF<sup>1</sup><sup>1</sup>Chapter V covers "Safeguards for IMF Assets."<sup>2</sup>Account inactive.

## FINANCIAL ORGANIZATION AND OPERATIONS OF THE IMF

country is assigned a quota that is broadly based on its relative position in the world economy and represents its maximum financial commitment to the IMF.<sup>5</sup> The member country provides a portion of its quota subscription in the form of reserve assets (foreign currencies acceptable to the IMF or SDRs) and the remainder in its own currency. This “reserve position” is made instantly available to a member if the member has a balance of payments need. For its lending the IMF utilizes the reserve assets it already holds and calls on countries that are considered financially strong to exchange the IMF’s holdings of their currency for reserve assets that are then made available to borrowing countries.

The bulk of IMF lending is provided under short-term “Stand-By” Arrangements that address balance of payments difficulties of a temporary or cyclical nature. This financing can be supplemented with additional short-term resources to assist members experiencing a sudden and disruptive loss of capital market access. The IMF also lends under medium-term Extended Arrangements that focus on external payments difficulties arising from longer-term structural problems. All credit outstanding incurs interest at the IMF’s basic rate of charge, which is based on market interest rates, and can be subject to surcharges depending on the type and duration of the loan and the amount of IMF credit outstanding.

IMF lending is normally conditional on a country adopting and implementing a program of economic reforms affecting major macroeconomic variables such as the exchange rate, money and credit, and the fiscal deficit. Moreover, the financing provided by the IMF is temporary, to be repaid when macroeconomic imbalances have been rectified, and economic performance has improved, so that it may be available for others to use subsequently, thus evoking the analogy of the IMF as an “international credit union.”<sup>6</sup>

The IMF’s quota-based funds can be supplemented by borrowing under two standing borrowing arrangements, the New Arrangements to Borrow (NAB) and the General Arrangements to Borrow (GAB). If necessary, the IMF can also undertake further borrowing from official sources or private markets to supplement available resources, but to date it has never borrowed from private sources.

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<sup>5</sup>Quotas also determine a country’s voting power in the IMF, generally provide the basis for access to IMF financing, and determine shares in SDR allocations.

<sup>6</sup>Repayment schedules vary according to the specific lending program or “facility,” which is designed to address the particular type of balance of payments problems facing the country.

### **SDR Mechanism (Chapter III)**

The SDR is a reserve asset created by the IMF and allocated to participating members in proportion to their IMF quotas to meet a long-term global need to supplement existing reserve assets. A member may use SDRs to obtain foreign exchange reserves from other members and to make international payments, including to the IMF. The SDR is not a currency, nor is it a liability of the IMF, rather it is primarily a potential claim on freely usable currencies. Freely usable currencies, as determined by the IMF, are the U.S. dollar, euro, Japanese yen, and pound sterling. Members are allocated SDRs unconditionally and may use them to obtain freely usable currencies in order to meet a balance of payments financing need without undertaking economic policy measures or repayment obligations. A member that makes net use of its allocated SDRs pays the SDR interest rate on the amount used, while a member that acquires SDRs in excess of its allocation receives the SDR interest rate on its excess holdings. Thus far, the IMF has allocated a total of SDR 21.4 billion, most recently in 1981.

A special, one-time equity allocation of SDRs that would double the amount of SDRs outstanding is now pending final approval by the membership. The purpose of this allocation is to address a perceived inequity that more than one-fifth of IMF members have never received an SDR allocation because they joined after the last allocation. Provisions have been made for future new members to receive equal treatment.

The SDR serves as the unit of account for the IMF and the SDR interest rate provides the basis for calculating the interest charges on regular IMF financing and the interest rate paid to members that are creditors to the IMF.

- The value of the SDR is based on a basket of currencies, comprising the U.S. dollar, euro, Japanese yen, and pound sterling, and is determined daily based on exchange rates quoted on the major international currency markets.
- The SDR interest rate is determined weekly based on the same currency amounts as in the SDR valuation basket, prevailing exchange rates, and representative interest rates on short-term financial instruments in the markets of the currencies included in the valuation basket.

All SDR transactions are conducted through the SDR Department of the IMF. The SDR is solely an official asset. SDRs are held largely by member countries with the balance held in the IMF's GRA and by official entities prescribed by the IMF to hold SDRs. Neither prescribed holders nor the

IMF receive SDR allocations but can acquire and use SDRs in transactions with IMF members and with other prescribed holders under the same terms and conditions as IMF members.

### **Concessional Financing (Chapter IV)**

The IMF lends to poor countries at an interest rate of  $\frac{1}{2}$  of 1 percent and over a longer repayment period than nonconcessional IMF lending while these countries restructure their economies to promote growth and reduce poverty. The IMF also provides assistance on a grant (no-cost) basis to heavily indebted poor countries to help them achieve sustainable external debt positions. These activities are undertaken separately from the IMF's regular lending operations, with resources provided voluntarily by members independently of their IMF capital subscriptions, and in part from the IMF's own resources. The IMF's concessional assistance is extended through the Poverty Reduction and Growth Facility (PRGF) Trust and in the context of the Heavily Indebted Poor Country (HIPC) Initiative through the PRGF-HIPC Trust, both of which the IMF operates as Trustee.

The financing for the IMF's concessional lending and debt relief is mobilized through a cooperative effort currently involving 94 countries. The principal for PRGF loans has in most cases been provided through bilateral lenders at market-based interest rates. This loan principal is passed through to PRGF-eligible borrowers on concessional terms. The financing needed to make up the difference between the concessional interest rate paid by PRGF borrowers and the market-based rate received by PRGF lenders is provided through bilateral contributions and by the IMF from its own resources. The debt relief provided under the HIPC Initiative is also financed from contributions from IMF members and the institution itself.

The framework for the PRGF envisages commitments under the current PRGF Trust through late 2001 or early 2002, to be followed by a four-year interim PRGF with a commitment capacity of about SDR 1 billion a year. The continuation of concessional lending for the period after 2005 will be financed through resources accumulating in the PRGF Reserve Account from repayment of earlier concessional loans and the investment return on these funds. Since the resources in the Reserve Account belong to the IMF, there would be no need for further bilateral loan resources or subsidy contributions. The self-sustained PRGF will have the resources to lend in perpetuity, thus making concessional lending a permanent feature of the IMF's financial structure.

Until needed, PRGF and HIPC resources are invested and the investment income is used to help meet the financial requirements of the PRGF and HIPC initiatives. In March 2000, the IMF put in place a new investment strategy for the resources supporting these initiatives with the objective of supplementing returns over time while maintaining prudent limits on risk.

### **Safeguards for IMF Resources (Chapter V)**

The Articles of Agreement require the IMF to adopt policies that will establish adequate safeguards for the temporary use of the organization's resources. These safeguards can be divided into those aimed at protecting currently available or outstanding credit and those focused on limiting the duration of, and clearing, overdue obligations.

Safeguards to protect committed and outstanding credit include:

- Limits on access to appropriate amounts of financing, with incentives to contain excessively long and heavy use;
- Conditionality and program design;
- Safeguards assessments of central banks;
- Post-program monitoring;
- Measures to deal with misreporting; and
- Voluntary services and supplementary information provided by the IMF, including technical assistance; the transparency initiative, comprising the establishment and monitoring of codes and standards, including statistical standards and codes for monetary and fiscal transparency and the assessment of financial sector soundness; and the improved governance initiative.

Given the monetary character of the IMF and the need for its resources to revolve, members with financial obligations to the institution must repay them as they fall due so that these resources can be made available to other members. Since the early 1980s, the overdue obligations that have emerged have been a matter of concern because they weaken the IMF's liquidity position and impose a cost on other members.

Safeguards put in place to deal with overdue obligations to the IMF include the following two broad areas:

- Policies to assist members in clearing arrears to the IMF, including:
  - the cooperative strategy, consisting of three components: prevention of arrears, collaboration in clearing arrears, and remedial measures,

## FINANCIAL ORGANIZATION AND OPERATIONS OF THE IMF

which are intended to have a deterrent effect, for countries that do not cooperate actively; and

— the rights approach, which allows a member in arrears to accumulate “rights” to future disbursements from the IMF.

- Measures to protect the IMF’s financial position.

### **Financial Reporting and Audit Requirements**

The IMF’s By-Laws mandate that its accounts and statements provide a “true and fair view” of its financial position. The IMF prepares its financial statements in accordance with International Accounting Standards (IAS) but is not bound by specific legal provisions or accounting pronouncements in effect in individual member countries. The IMF is required to publish an *Annual Report* containing audited statements of its accounts and to issue summary statements of its holdings of SDRs, gold, and members’ currencies at intervals of three months or less. As part of its financial reporting, the IMF makes extensive information on financial and other activities available to the public on its website (<http://www.imf.org>) in order to provide a timely and comprehensive view of the IMF’s financial position. The IMF’s financial year covers the period from May 1 through April 30.

The IMF’s finances are analogous to those of other financial institutions, and comparison between the IMF and such institutions has been made easier by recent changes in the presentation of the IMF’s financial statements. A typical financial institution holds liquid assets and loan claims and securities among its assets, financed by its deposit (monetary) liabilities and capital resources. Similarly, in the GRA the IMF holds assets (currencies, SDRs, and gold) and credit outstanding to its members, and issues monetary liabilities (referred to as reserve tranche positions), while its capital includes members’ quota subscriptions. Similar practices are followed in the financial statements of the SDR Department and of the PRGF and PRGF-HIPC Trusts in order to make their financial operations transparent.

The audit procedures in place call for an external audit of the IMF’s accounts and activities. The external audit of the financial statements of the IMF’s General Department, SDR Department, Administered Accounts, and Staff Retirement Plans is conducted annually by an external audit firm selected by the Executive Board. The external audit is conducted in accordance with International Standards on Auditing (ISA) under the general oversight of an External Audit Committee (EAC). The EAC consists of

three persons, each representing a different member country, who are selected by the Executive Board for an initial term of three years (EAC members may be reappointed for an additional three-year period). The Executive Board approves the terms of reference of the EAC, but the EAC may recommend changes to the terms of reference for the approval of the Executive Board. At least one person on the EAC must be selected from one of the six largest quota holders of the IMF. The nominees must possess the qualifications required to carry out the oversight of the IMF's annual audit and the nominees are therefore typically experienced independent auditors or auditors in public service. The EAC elects one of its members as chairman, determines its own procedures, and is otherwise independent of the management of the IMF in overseeing the annual audit. The audit committee is responsible for transmitting the audit reports issued by the external audit firm to the Board of Governors through the IMF's Managing Director and the Executive Board. The chairman of the EAC is also required to brief the Executive Board on the work of the EAC at the conclusion of the annual audit.

## **Sources of Information on IMF Finances**

### **IMF's Website**

Comprehensive and timely data on IMF finances are available on the IMF website. Through a specially designed portal entitled "IMF Finances" (see <http://www.imf.org/external/fin.htm>) (Box I.3), which is prominently referenced on the homepage of the IMF website (<http://www.imf.org>), anyone with access to the Internet can obtain current and historical data on all aspects of IMF lending and borrowing operations. Financial data are updated on a daily, weekly, monthly, or quarterly basis, as appropriate. In addition, the "IMF Finances" portal provides a gateway to a wealth of general information on the financial structure, terms, and operations of the institution, including this pamphlet. The financial data are presented in aggregate form for the institution as a whole, and in country-specific form for each member of the IMF on:

- exchange rates (twice daily)
- IMF interest rates (weekly)
- financial activities and status of lending arrangements (weekly)
- financial resources and liquidity (monthly)

**BOX I.3. IMF FINANCES WEBSITE**  
**(HTTP://WWW.IMF.ORG/EXTERNAL/FIN.HTM)**



[IMF Home](#) | [Search](#) | [Site Map](#) | [Site Index](#) | [Help](#) | [What's New](#)

**International Monetary Fund**

[About the IMF](#) | [News](#) | [Publications](#) | [Country Info](#) | [IMF Finances](#) | [Standards & Codes](#)

## IMF Finances

**Tuesday,  
Jul. 31 2001**

SDR1 = USD 1.25874  
USD1 = SDR 0.794447

Exchange Rates in  
Terms of SDRs

[Current Rates](#)  
[Current Month](#)

Exchange Rates for  
[Selected Currencies](#)

Updated at approximately  
1:00 PM and 4:00 PM  
U.S. EST, Monday to  
Friday

**Data Archive**  
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[1995](#)

[SDR Valuation](#)

The IMF posts SDR rates  
Monday to Friday except  
for these [holidays](#)

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[Financial Organization & Operations](#)  
[Quotas, Governors, & Voting Power](#)  
[Glossary of Financial Terms](#)  
[Special Drawing Rights \(SDRs\)](#)  
[User's Guide to the SDR](#)

### Financial Data

Financial Activities: [Week-at-a-Glance](#)  
[Financial Resources & Liquidity](#)  
Monthly  
[Financial Transactions](#) Quarterly  
[Member Financial Data](#)  
[By Country](#)  
By Topic  
• [Disbursements & Repayments](#)  
• [Projected Obligations to the IMF](#)  
• [IMF Credit Outstanding](#)  
• [Lending Arrangements](#)  
• [SDR Allocations & Holdings](#)  
• [Arrears](#)

[IMF Financial Statements](#) Quarterly  
[Annual Report](#)

### Where does the IMF get its Resources?

[Financing the Fund's Operations](#)  
[Quotas & Quota Reviews](#)  
[Gold in the IMF](#)  
[Borrowing Arrangements](#)

### IMF Lending

[How We Lend](#)  
[Terms of IMF Lending](#)  
[Review of the IMF Loan Facilities](#)  
[Financial Assistance for the Poorest  
Members](#)  
[Poverty Reduction & Growth Facility  
\(PRGF\)](#)  
[Debt Initiative for Heavily Indebted  
Poor Countries \(HIPC\)](#)  
[Emergency Assistance](#)

### IMF Interest Rates

[SDR Interest Rate, Rate of Remuneration  
and Rate of Charge](#)  
[Rate of Remuneration, Rate of Charge  
and Burden Sharing Adjustments](#)  
updated every Monday



- financial statements (monthly)
- financing of IMF transactions (quarterly)
- financial position of members in the IMF (monthly)
- disbursements and repayments (monthly)
- projected obligations to the IMF (monthly)
- IMF credit outstanding (monthly)
- lending arrangements (monthly)
- SDR allocations and holdings (monthly)
- arrears to the IMF (monthly)

### **Contacts in the Treasurer's Department**

Questions concerning any aspect of the financial structure and operations of the IMF may be directed to the Treasurer's Department staff directly involved in this work by sending an e-mail inquiry to [IMFfinances@imf.org](mailto:IMFfinances@imf.org). In the Treasurer's Department of the IMF, financial policy and operational work is organized in units along functional lines. Inquiries may be directed to the Treasurer of the IMF or to the appropriate Division Chief at the address below:

International Monetary Fund  
700 19th Street, N.W.  
Washington, D.C. 20431  
United States

#### **Chief, Accounts and Financial Reports Division**

- Financial statements and related reports
- Policies to safeguard the IMF's financial position
- Accounting treatment of financial transactions

#### **Chief, Financial Planning and Operations Division**

- Planning and execution of financial transactions
- Calculation of SDR value and SDR interest rate

#### **Chief, General Resources and SDR Policy Division**

- Terms and general conditions of IMF lending
- Financial resources and liquidity
- Determination of quotas
- Functioning of the SDR system

## **FINANCIAL ORGANIZATION AND OPERATIONS OF THE IMF**

### Chief, PRGF and HIPC Financing Division

- Financing for Poverty Reduction and Growth Facility
- Participation in the Heavily Indebted Poor Countries Initiative
- Arrears to the IMF
- Investment of resources for concessional assistance

### Chief, Safeguards Assessment Unit

- Safeguards assessments of central banks of borrowing members