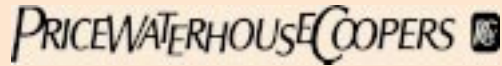


Financial Statements

April 30, 2000



PricewaterhouseCoopers LLP
 Suite 900
 1900 K Street
 Washington DC 20006
 Telephone (202) 822 4000
 Facsimile (202) 822 5800

Auditor's Report

To the Board of Governors of the International Monetary Fund

In our opinion, the accompanying balance sheets and related statements of income, changes in resources and cash flows give a true and fair view of the financial condition of the General Department and the SDR Department of the International Monetary Fund (the "IMF") as of April 30, 2000 and 1999, and their respective results of operations and cash flows for the years then ended in conformity with International Accounting Standards, as described in Note 2. 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 audits 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 the opinion expressed above.

As discussed in Note 2 to the financial statements, effective May 1, 1999, the IMF adopted International Accounting Standard 19, "Retirement Benefit Costs" prospectively impacting the accounting for pension and other retirement benefits.

The supplementary information on pages 194 to 199, 204 and 205 is presented for purposes of additional analysis and is not a required part of the 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.

May 31, 2000

General Department
Balance Sheets
as at April 30, 2000 and 1999
(In thousands of SDRs)

	2000	1999	2000	1999
Assets				
Credit outstanding	43,912,822	60,594,648		
Usable currencies	105,500,280	80,137,081	464,152	474,270
Other currencies	55,875,571	64,234,530	177,288	153,320
Total currencies (Notes 3 and 4)	<u>205,288,673</u>	<u>204,966,259</u>	<u>1,119,019</u>	<u>1,990,563</u>
SDR holdings	2,723,892	3,571,967	1,760,459	2,618,153
Gold holdings (Note 5)	5,851,771	3,624,797		
Receivables (Note 6)	688,119	723,222	48,871,519	63,609,749
Other assets (Notes 7 and 14)	564,438	283,918	105,500,280	80,137,081
			55,879,601	64,236,070
			<u>210,251,400</u>	<u>207,982,900</u>
Assets of the Special Disbursement Account				
Investments of the Special Disbursement Account (Note 8)	2,256,089	—	3,105,034	2,569,110
Structural Adjustment Facility loans (Note 3)	<u>511,638</u>	<u>677,606</u>	<u>2,767,727</u>	<u>677,606</u>
Total Assets	<u>217,884,620</u>	<u>213,847,769</u>	<u>217,884,620</u>	<u>213,847,769</u>
Liabilities and Resources				
Liabilities:				
Remuneration payable			464,152	474,270
Other liabilities			177,288	153,320
Special Contingent Accounts (Note 10)			1,119,019	1,990,563
Total liabilities			<u>1,760,459</u>	<u>2,618,153</u>
Members' Resources:				
Quotas, represented by:				
Reserve tranche positions (Notes 2 and 4)			48,871,519	63,609,749
Subscription payments: Usable			105,500,280	80,137,081
Other			55,879,601	64,236,070
Total quotas			<u>210,251,400</u>	<u>207,982,900</u>
Reserves of the General Resources Account			3,105,034	2,569,110
Accumulated resources of the Special Disbursement Account			<u>2,767,727</u>	<u>677,606</u>
Total Liabilities and Resources			<u>217,884,620</u>	<u>213,847,769</u>

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

/s/ Eduard Brau
Treasurer

/s/ Horst Köhler
Managing Director

General Department
Income Statements
for the Years Ended April 30, 2000 and 1999

(In thousands of SDRs)

	2000	1999
Operational Income		
Interest and charges (Note 6)	2,498,904	2,656,872
Interest on SDR holdings	123,288	69,524
Other charges and income	49,119	130,648
	<u>2,671,311</u>	<u>2,857,044</u>
Operational Expenses		
Remuneration and financing costs (Note 9)	1,826,817	1,922,703
Allocation to the first Special Contingent Account	128,456	106,676
	<u>1,955,273</u>	<u>2,029,379</u>
Administrative Expenses (Note 13)	448,376	392,070
Net Income of the General Resources Account before Cumulative Effect of Change in Accounting Method	267,662	435,595
Cumulative effect of change in accounting method (Notes 2 and 14)	268,262	—
Net Income of the General Resources Account	<u>535,924</u>	<u>435,595</u>
Income of the Special Disbursement Account		
Income earned on investments	30,088	—
Interest on loans	2,164	3,186
Placement of profits from gold sales (Note 5)	2,226,000	—
Net Income of the Special Disbursement Account	<u>2,258,252</u>	<u>3,186</u>

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

General Department
Statements of Changes in Resources
for the Years Ended April 30, 2000 and 1999

(In thousands of SDRs)

	Quotas	Reserves		Total Reserves	Special Disbursement Account Accumulated Resources
		Special Reserve	General Reserve		
Balance at April 30, 1998	145,321,050	1,702,570	430,945	2,133,515	923,107
Increase in quotas	62,661,850	—	—	—	—
Net income of the General Resources Account transferred to reserves	—	106,676	328,919	435,595	—
Net income of the Special Disbursement Account	—	—	—	—	3,186
Transfers from the Trust Fund	—	—	—	—	439
Transfers from the Supplementary Financing Facility Subsidy Account	—	—	—	—	239
Transfers to the PRGF Trust	—	—	—	—	(208,224)
Transfers to the PRGF-HIPC Trust	—	—	—	—	(41,141)
Balance at April 30, 1999	<u>207,982,900</u>	<u>1,809,246</u>	<u>759,864</u>	<u>2,569,110</u>	<u>677,606</u>
Increase in quotas	2,268,500	—	—	—	—
Net income of General Resources Account transferred to reserves	—	369,136	166,788	535,924	—
Net income of the Special Disbursement Account	—	—	—	—	2,258,252
Transfers from the Trust Fund	—	—	—	—	441
Transfers to the PRGF Trust	—	—	—	—	(99,305)
Transfers to the PRGF-HIPC Trust	—	—	—	—	(69,267)
Balance at April 30, 2000	<u>210,251,400</u>	<u>2,178,382</u>	<u>926,652</u>	<u>3,105,034</u>	<u>2,767,727</u>

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

General Department
Statements of Cash Flows
for the Years Ended April 30, 2000 and 1999

(In thousands of SDRs)

	2000	1999
Usable currencies and SDRs from operating activities		
Net income of the General Resources Account	535,924	435,595
Net income of the Special Disbursement Account	2,258,252	3,186
Adjustments to reconcile net income to usable resources generated by operations		
Placement of profits from gold sales	(2,226,000)	—
Changes in receivables and other assets	(245,417)	(74,534)
Changes in remuneration payable and other liabilities	13,850	5,844
Allocation to the first Special Contingent Account	128,456	106,676
Net usable currencies and SDRs provided by operating activities	<u>465,065</u>	<u>476,767</u>
Usable currencies and SDRs from investment activities		
Acquisitions of investments by the Special Disbursement Account	(2,256,089)	—
Sales of gold	2,679,049	—
Net usable currencies and SDRs provided by investment activities	<u>422,960</u>	<u>—</u>
Usable currencies and SDRs generated/(absorbed) in providing credit to members		
Purchases in currencies and SDRs including reserve tranche purchases	(6,377,039)	(24,071,126)
Repurchases in currencies and SDRs	20,312,905	10,464,601
Repayments of Structural Adjustment Facility loans	165,968	245,501
Net usable currencies and SDRs generated/(absorbed) in providing credit to members	<u>14,101,834</u>	<u>(13,361,024)</u>
Usable currencies and SDRs from financing activities		
Subscription payments in SDRs and usable currencies	1,966,700	48,281,050
Changes in composition of usable currencies	8,726,696	1,282,620
Borrowings (Note 11)	—	4,319,760
Repayment of borrowings (Note 11)	—	(4,319,760)
Net transfers to the PRGF Trust, PRGF-HIPC Trust, and other accounts	(168,131)	(248,687)
Refunds of the second Special Contingent Account balances	(1,000,000)	—
Net usable currencies and SDRs provided by financing activities	<u>9,525,265</u>	<u>49,314,983</u>
Net increase in usable currencies and SDRs	24,515,124	36,430,726
Usable currencies and SDRs, beginning of period	83,709,048	47,278,322
Usable currencies and SDRs, end of period	<u>108,224,172</u>	<u>83,709,048</u>

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

General Department

Notes to the Financial Statements as at April 30, 2000 and 1999

1. Purpose and Organization

The IMF is an international organization of 182 member countries. It was established to promote international monetary cooperation, exchange stability, and orderly exchange arrangements; to foster economic growth and high levels of employment; and to provide temporary financial assistance to 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 had not been activated as of April 30, 2000. 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 and the IMF. 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 of IMF credit, collection of charges on use of credit, payment of remuneration on creditor positions, borrowings, and payment of interest on borrowings.

Special Disbursement Account

The assets of the SDA are held separately from other accounts of the General Department. Resources of the SDA include transfers received from the Trust Fund and profits from the sales of the IMF's gold. Income from the investment of gold profits is to be transferred to the Poverty Reduction and Growth Facility-Heavily Indebted Poor Countries Trust (PRGF-HIPC Trust, formerly Enhanced Structural Adjustment Facility-Heavily Indebted Poor Countries or ESAF-HIPC Trust), in accordance with decisions of the IMF. The account also holds loans under the Structural Adjustment Facility (SAF). The SAF 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 account, excluding investments arising from the sales of gold, are transferred to the Reserve Account of the Poverty Reduction and Growth Facility Trust (PRGF Trust, formerly Enhanced Structural Adjustment Facility, or ESAF Trust), which is administered separately by the IMF as trustee.

2. Summary of Significant Accounting Practices

Basis of Presentation

The financial statements of the IMF are prepared in accordance with International Accounting Standards (IAS), which are issued by the International Accounting Standards Committee.

Certain specific accounting principles and disclosure practices are explained further below in line with IAS requirements.

Revenue 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 based on the proportional amounts of the currencies of the five members having the largest exports of goods and services during the five-year period ending one year before the date of the review of these proportional amounts. 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 basket of these currencies. The IMF reviews the SDR valuation basket every five years. The currencies in the basket as of April 30, 2000 and 1999 and their amounts were as follows:

Currency	Amount
Euro (Germany)	0.228
Euro (France)	0.1239
Japanese yen	27.2
Pound sterling	0.105
U.S. dollar	0.5821

As of April 30, 2000, one SDR was equal to 1.31921 U.S. dollars (1.35123 U.S. dollars as of April 30, 1999).

Credit Outstanding

Financial resources are made available to members under a number of policies and facilities that differ in the type of balance of payments need they seek to address, the length of the repurchase period, the charges levied on the use of credit, and the degree of conditionality attached to them.

The IMF makes its resources available 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 within specified periods by payments in SDRs or other currencies, as determined by the IMF. The IMF's policies on the use of its general resources are intended to ensure that their use is temporary and will be reversed within the agreed upon repurchase periods.

A member is entitled to repurchase, at any time, the IMF's holdings of its currency on which charges are levied and is expected to make repurchases as and when its balance of payments and reserve position improve.

Overdue Obligations and Special Contingent Accounts

Debtor and creditor members share equally the financial consequences of overdue obligations under a mechanism referred to as burden sharing. An amount equal to unpaid and

deferred charges, excluding special charges, is generated by adjustments to the rates of charge and remuneration. In view of the protracted overdue repurchase obligations, the IMF also accumulates precautionary balances in the first Special Contingent Account (SCA-1). The rates of charge and remuneration are adjusted further to finance accumulation of balances in the SCA-1 (see Note 10). Members that have borne the financial consequences of overdue charges will receive refunds only to the extent that overdue charges are settled, and these amounts are therefore not recorded as liabilities.

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 amount of its currency that exceeds $\frac{1}{4}$ 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 and SDRs. One exception was the quota increase of 1978, which was paid entirely in the members' own currencies.

Usable Currencies

Usable currencies consist of currencies of members considered by the IMF to have strong balance of payment and reserve positions. Such 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.

Valuation of Currencies

Currencies and securities are valued in terms of the SDR on the basis of the SDR/currency 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 reflect these receivables and payables.

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. The SDR interest rate 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 France, Germany, 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 supported by an 85 percent

majority of the total voting power of the Executive Board. 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, 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 that were members on August 31, 1975 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 on the specific identification method (see Note 5).

Deferred Income

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, unless these members are current in the payment of charges. The IMF generates compensating income for the amount of charges being deferred through the burden-sharing mechanism.

SAF Loans in the Special Disbursement Account

SAF Loans in the SDA are valued at historical cost. Allowances for loan losses would be established if and when the IMF expects to incur a loss; no losses have been incurred in the past, and it is the current expectation that no losses will be incurred in the future.

Investments in the Special Disbursement Account

The resources of the SDA are invested pending their use. Investments are made in debt securities, medium-term investments, and fixed-term deposits, either directly or by participation in an investment pool. Investments are marked to market value on the last business day of the accounting period. The valuations of purchases and sales are made on the trade date basis. Investment income comprises interest earned on investments, realized and unrealized gains and losses on investments, and 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 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 basket.

Fixed Assets

Land, buildings, and equipment with a cost in excess of \$100,000 are capitalized at cost and 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.

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 it may draw on the reserve tranche at any time when it represents that it has a need. Reserve tranche purchases are not considered a use of IMF credit and are not subject to repurchase obligations or charges.

Reserves

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 expenses of conducting the PRGF Trust, net operational income generated from the use of resources under the Supplemental Reserve Facility (SRF) has been transferred to the General Reserve.

Charges

The IMF levies periodic charges on the use of IMF credit. The rate of charge is set as a proportion of the SDR interest rate. For financial year 2000 the proportion translated into an average rate of charge of 4.18 percent (for financial year 1999, the average rate was 4.09 percent). This rate is further increased to offset the effect on the IMF's income of the deferral of unpaid charges and to finance the additions to the SCA-1; in financial years 2000 and 1999, such adjustments amounted to 16 and 13 basis points, respectively. A surcharge progressing from 300 to 500 basis points above the rate of charge applies to use of credit under the SRF and Contingent Credit Lines (CCL). Special charges are levied on holdings that are not repurchased when due and on overdue charges. Special charges do not apply to charges 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 stand-by fee is charged on Stand-By and Extended Arrangements.

Remuneration

The IMF pays remuneration on a member's remunerated reserve tranche position. A remunerated reserve tranche position is the amount by which the member's norm exceeds the IMF's holdings of its currency, excluding holdings derived from the use of IMF credit. The norm, which varies for each member, was on average 96.2 percent of quota at April 30, 2000 (96.1 percent of quota at April 30, 1999). The rate of remuneration is equal to the SDR interest rate and is adjusted, subject to a specific floor, to offset the effect of the deferral of charges and to finance additions to the SCA-1.

Pension and Other Post-Retirement Obligations

The IMF operates two defined-benefit pension plans and provides post-retirement medical and life insurance benefits to retired staff. In financial year 2000, the IMF adopted International Accounting Standard 19 on employee benefits. The cumulative effect of the accounting change resulted in a transitional gain of SDR 268 million that has been recognized as part of net income for the year ended April 30, 2000 and included in other assets. It is impractical to present comparable pro-forma information for the preceding year.

The pension plans are funded by payments from 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 of post-retirement medical and life insurance benefit plans 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.

Comparatives

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

3. Credit Outstanding

Changes in the outstanding use of IMF credit under the various facilities of the GRA during the years ended April 30, 2000 and 1999, were as follows:

	April 30, 1998	Purchases	Repur- chases	April 30, 1999	Purchases	Repur- chases	April 30, 2000
	<i>In millions of SDRs</i>						
Regular facilities	24,427	3,505	3,431	24,501	4,480	8,046	20,935
Extended Fund Facility	11,339	5,272	811	15,800	1,594	1,033	16,361
Supplemental Reserve Facility	7,100	10,037	4,482	12,655	—	12,655	—
Systemic Transformation Facility	3,869	—	505	3,364	—	646	2,718
Enlarged Access Compensatory and Contingency Financing Facility	2,066	—	782	1,284	—	554	730
Supplementary Financing Facility	685	2,600	440	2,845	237	50	3,032
	159	—	13	146	—	9	137
Total credit outstanding	<u>49,645</u>	<u>21,414</u>	<u>10,464</u>	<u>60,595</u>	<u>6,311</u>	<u>22,993</u>	<u>43,913</u>

On December 14, 1992, the Federal Republic of Yugoslavia (Serbia/Montenegro) agreed, as a successor state, to share in the assets and liabilities of the former Socialist Federal Republic of Yugoslavia, but it has yet to succeed to IMF membership. IMF credit outstanding with respect to the Federal Republic of Yugoslavia (Serbia/Montenegro) amounted to SDR 56 million at April 30, 2000 and 1999. This amount is included in receivables in the balance sheet.

As of April 30, 2000 and 1999, SDA loans and interest receivable computed at 0.5 percent per annum, consisted of the following:

	2000	1999
	<i>In millions of SDRs</i>	
Structural Adjustment Facility loans	511	677
Interest accrued	8	7
Less: Interest deferred	(7)	(6)
	<u>512</u>	<u>678</u>

Scheduled repurchase obligations 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
	<i>In millions of SDRs</i>	
2001	6,754	80
2002	8,985	91
2003	9,857	61
2004	6,623	51
2005 and beyond	10,788	77
Overdue	<u>906</u>	<u>152</u>
Total	<u>43,913</u>	<u>512</u>

As of April 30, 2000 and 1999, use of credit in the GRA by the largest users was as follows:

	2000		1999	
	<i>In millions of SDRs and percent of total GRA credit</i>			
Largest user of credit	10,159	23.1%	12,923	21.3%
Three largest users of credit	22,348	50.8%	29,727	49.0%
Five largest users of credit	28,127	64.0%	41,857	69.0%

Overdue Obligations

At April 30, 2000 and 1999, six members and the Federal Republic of Yugoslavia (Serbia/Montenegro) were six months or more overdue in settling their financial obligations to the IMF. Four of these members were overdue to the General Department.

GRA repurchases, SAF loan repayments, GRA charges, 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	
	2000	1999	2000	1999
	<i>In millions of SDRs</i>			
Total overdue	1,114	1,135	988	956
Overdue for six months or more	1,114	1,126	967	934
Overdue for three years or more	1,063	1,061	852	814

The type and duration of these arrears as of April 30, 2000 were as follows:

	Repurchases and SAF Loans	Charges and SAF Interest	Total Obligation	Longest Overdue Obligation
	<i>In millions of SDRs</i>			
Congo, Democratic Republic of	300.0	67.0	367.0	May 1991
Liberia	201.5	221.6	423.1	April 1985
Somalia	105.5	82.4	187.9	July 1987
Sudan	450.9	597.9	1,048.8	July 1985
Yugoslavia, Federal Republic of (Serbia/Montenegro)	55.6	19.5	75.1	September 1992
Total	<u>1,113.5</u>	<u>988.4</u>	<u>2,101.9</u>	

4. Currencies

Changes in the IMF's holdings of members' currencies for the years ended April 30, 2000 and 1999 were as follows:

	April 30, 1998	Net Change	April 30, 1999	Net Change	April 30, 2000
	<i>In millions of SDRs</i>				
Members' quotas	145,321	62,662	207,983	2,268	210,251
Quota subscription receivable	(2)	2	—	—	—
Members' outstanding use of IMF credit in the GRA	49,645	10,950	60,595	(16,682)	43,913
Members' reserve tranche positions in the GRA	(50,324)	(13,286)	(63,610)	14,738	(48,872)
Administrative currency balances	(2)	—	(2)	(1)	(3)
Currencies	<u>144,638</u>	<u>60,328</u>	<u>204,966</u>	<u>323</u>	<u>205,289</u>

Receivables and payables arising from valuation adjustments at April 30, 2000, when all holdings of currencies of members were last revalued, amounted to SDR 13,617 million and SDR 3,757 million, respectively (SDR 29,185 million and SDR 2,308 million, respectively, at April 30, 1999). Settlements of these receivables or payables are required to be made promptly after the end of the financial year.

5. Gold Holdings

On December 8, 1999, the Executive Board approved off-market transactions in gold entailing sales and repurchases of up to 14 million fine ounces of gold, at market prices, to co-operating members with repurchase obligations to the IMF.

During the financial year, the IMF sold 12,944,253 fine ounces of gold to members with repurchase obligations falling due to the IMF. The same amount of gold, valued at market price, was accepted in settlement of repurchase obligations. Proceeds in excess of the carrying value of gold, equivalent to SDR 2,226 million, were placed in the SDA and subsequently invested. Nine-fourteenths of the income from investments will be transferred on an "as needed" basis to a separate subaccount of the PRGF-HIPC Trust to finance the HIPC initiative. The remaining five-fourteenths of the investment income will remain in the SDA until a further decision on its use is adopted.

At April 30, 2000 and 1999, 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, 2000, the value of the IMF's holdings of gold calculated at the market price was SDR 21.6 billion (SDR 21.9 billion at April 30, 1999).

6. Periodic Charges

As of April 30, 2000, the total holdings on which the IMF levies charges amounted to SDR 43,968 million (SDR 60,651 million as of April 30, 1999). Charges and other receivables due to the IMF as of April 30, 2000 were as follows:

	2000	1999
	<i>In millions of SDRs</i>	
Periodic charges due	1,599	1,585
Less: deferred income	(994)	(960)
	605	625
Other receivables	83	98
Receivables	<u>688</u>	<u>723</u>

Periodic charges for the years ended April 30, 2000 and 1999 consisted of the following:

	2000	1999
	<i>In millions of SDRs</i>	
Periodic charges	2,451	2,625
Add: adjustments for deferred charges and SCA-1, net of refunds	82	74
Less: income deferred, net of settlements	(34)	(42)
Total periodic charges	<u>2,499</u>	<u>2,657</u>

7. Fixed Assets

Other assets include capital assets, which at April 30, 2000 and 1999 amounted to SDR 224 million and SDR 223 million, respectively, and consisted of:

	2000	1999
	<i>In millions of SDRs</i>	
Land and buildings	301.9	293.2
Equipment	39.7	32.3
Total fixed assets	341.6	325.5
Less: accumulated depreciation	(117.8)	(102.4)
Net fixed assets	<u>223.8</u>	<u>223.1</u>

8. Investments of the Special Disbursement Account

The maturity profile of the investments is summarized below:

Maturity as at April 30, 2000

	<i>In millions of SDRs</i>
Less than 1 year	166
1-3 years	1,910
3-5 years	171
Over 5 years	9
Total	<u>2,256</u>

The investments consisted of the following:

	<i>In millions of SDRs</i>
Medium-term instruments	1,508
Debt securities	592
Fixed deposits	156
Total	<u>2,256</u>

9. Remuneration and Financing Costs

At April 30, 2000, total creditor positions on which the IMF paid remuneration amounted to SDR 42,339 million (SDR 57,076 million at April 30, 1999). Remuneration and financing costs consisted of the following:

	2000	1999
	<i>In millions of SDRs</i>	
Remuneration	1,848	1,919
Less: adjustments for deferred charges and SCA-1, net of refunds	(80)	(75)
Financing costs related to borrowing under the New Arrangements to Borrow (see Note 11)	1,768	1,844
	59	79
	<u>1,827</u>	<u>1,923</u>

10. Deferred Income and Special Contingent Accounts

Deferred income at April 30, 2000 amounted to SDR 994 million (SDR 960 million at April 30, 1999).

The SCA-1 is financed by quarterly 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 charges and repurchases or at such earlier time as the IMF may decide. At April 30, 2000, the balances held in the SCA-1 amounted to SDR 1,119 million (SDR 991 million at April 30, 1999).

The second Special Contingent Account (SCA-2) was established on July 1, 1990 to accumulate SDR 1.0 billion through further adjustments to the rate of charge and the rate of remuneration. The SCA-2 was terminated during the year, and the balances distributed in accordance with instructions received from members who contributed to its financing.

The cumulative charges, net of settlements, which have been deferred since May 1, 1986 and have resulted in adjustments to charges and remuneration, amounted to SDR 805 million at April 30, 2000 (SDR 771 million at April 30, 1999). The cumulative refunds for the same period, resulting from the settlements of deferred charges for which burden-sharing adjustments have been made, amounted to SDR 971 million (SDR 963 million at April 30, 1999).

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 extended through December 25, 2003. Interest on borrowings under the GAB is calculated 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 was activated on December 2, 1998. 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 par-

participants representing 80 percent of the total credit arrangements. Interest in connection with the December 2, 1998 activation was set at the SDR interest rate plus 100 basis points for the first year, increased by 16.7 basis points for each six-month period thereafter up to a maximum increase of 66.7 basis points. As a condition for that activation of the NAB, the IMF was required to transfer to the PRGF-HIPC Trust an amount equal to 100 basis points on outstanding SRF purchases under the arrangement that was originally financed by the NAB for the first year, augmented by 16.7 basis points for each six-month period thereafter up to a maximum increase of 66.7 basis points.

12. Arrangements and Commitments in the General Department

An arrangement is a decision of the IMF that gives a member the assurance that the institution stands ready to provide SDRs or other usable currencies during a specified period and up to a specified amount, in accordance with the terms of the decision. At April 30, 2000, the undrawn balances under the 27 arrangements that were in effect in the GRA amounted to SDR 25,567 million (SDR 15,929 million under 21 arrangements at April 30, 1999).

The IMF has committed to lease commercial office space through 2005. Expenditures totaling SDR 80 million will be incurred over this five-year period.

13. Administrative Expenses

The administrative expenses for the years ended April 30, 2000 and 1999 were as follows:

	2000	1999
<i>In millions of SDRs</i>		
Personnel	300.0	259.4
Travel	62.3	54.6
Other	89.4	81.6
Less: reimbursements for the administration of the SDR Department	<u>(3.3)</u>	<u>(3.5)</u>
Total administrative expenses, net of reimbursements	<u>448.4</u>	<u>392.1</u>

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.

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 income, the Executive Board decided to forgo reimbursement of the expenses incurred in administering the PRGF Trust for financial years 1999 and 2000 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 46.1 million for financial year 2000 (SDR 41.1 million for financial year 1999) and have been included under transfers to the PRGF-HIPC Trust in the statement of changes in resources.

14. Pension and Other Post-Retirement Benefits

The IMF has established a defined-benefit Staff Retirement Plan (SRP) that covers substantially all eligible staff and a Supplemental Retirement Benefit Plan (SRBP) for selected participants of the SRP. Participants contribute a fixed percentage of their pensionable remuneration. 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 and life insurance benefits. The IMF established a separate account, the Retired Staff Benefits Investment Account (RSBIA) where resources are held and invested to fund part of the cost of these other post-retirement benefits. The assets and liabilities of the SRP, SRBP, and RSBIA are valued by independent actuaries every year using the Projected Unit Credit Method. The latest actuarial valuations were carried out as at April 30, 2000.

Transitional gain was calculated in accordance with IAS 19, as of May 1, 1999, and included in net income as required under IAS 8.

The amounts recognized in the income statement are as follows:

	SRP	SRBP	RSBIA	Other	Total
<i>In millions of SDRs</i>					
Service cost	52	15	5	0	72
Interest cost	114	27	12	16	169
Expected return on plan assets	<u>(208)</u>	<u>—</u>	<u>(12)</u>	<u>—</u>	<u>(220)</u>
Net periodic (income)/cost	(42)	42	5	16	21
Effect of adopting IAS 19 (gain)/loss	<u>(806)</u>	<u>373</u>	<u>22</u>	<u>143</u>	<u>(268)</u>
Total (benefit)/cost	<u>(848)</u>	<u>415</u>	<u>27</u>	<u>159</u>	<u>(247)</u>

The amounts recognized in the balance sheet are as follows:

	SRP	SRBP	RSBIA	Other	Total
<i>In millions of SDRs</i>					
Reconciliation of benefit obligation					
Defined benefit obligation at May 1, 1999	1,631	373	173	224	2,401
Total cost	166	42	18	16	242
Actuarial (gain)/loss	<u>(348)</u>	<u>49</u>	<u>(1)</u>	<u>1</u>	<u>(299)</u>
Benefits paid	<u>(55)</u>	<u>—</u>	<u>(5)</u>	<u>—</u>	<u>(60)</u>
Defined benefit obligation at April 30, 2000	<u>1,394</u>	<u>464</u>	<u>185</u>	<u>241</u>	<u>2,284</u>
	<u>SRP</u>	<u>SRBP</u>	<u>RSBIA</u>	<u>Other</u>	<u>Total</u>

Reconciliation of the fair value of assets

	SRP	SRBP	RSBIA	Other	Total
<i>In millions of SDRs</i>					
Fair value of assets at May 1, 1999	2,461	—	148	—	2,609
Actual return on assets	681	—	24	—	705
Contributions	38	—	7	—	45
Benefits paid	<u>(55)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(55)</u>
Fair value of assets at April 30, 2000	<u>3,125</u>	<u>—</u>	<u>179</u>	<u>—</u>	<u>3,304</u>

	SRP	SRBP	RSBIA	Other	Total
<i>In millions of SDRs</i>					
Funded status of these benefits					
Assets in excess/(below) of projected benefit obligation	1,731	(464)	(6)	(241)	1,020
Unrecognized actuarial gains/(losses)	<u>(818)</u>	<u>38</u>	<u>(13)</u>	<u>(4)</u>	<u>(797)</u>
Excess/(deficiency) of assets over liabilities	<u>913</u>	<u>(426)</u>	<u>(19)</u>	<u>(245)</u>	<u>223</u>

Net actuarial gains in excess of 10 percent of the fair value of plan assets is amortized over the average remaining service period of participants. The weighted-average actuarial assumptions used in determining pension cost and benefit obligations for accounting purposes are as follows:

	SRP	SRBP	RSBIA	Other
<i>In percent</i>				
April 30, 2000				
Discount rate	8.0	8.0	8.0	8.0
Expected return on plan assets	9.25	9.25	9.25	—
Rate of compensation increase	6.6–11.0	6.6–11.0	6.6–11.0	6.6–11.0
Health care growth rates at end of financial year	—	—	8.00	—
to year 2008 and thereafter	—	—	5.50	—
May 1, 1999				
Discount rate	7.25	7.25	7.25	7.25
Expected return on plan assets	8.50	8.50	8.50	—
Rate of compensation increase	6.6–11.0	6.6–11.0	6.6–11.0	6.6–11.0
Health care growth rates at end of financial year	—	—	7.00	—
to year 2008 and thereafter	—	—	6.00	—

General Department
Quotas, IMF's Holdings of Currencies, Reserve Tranche Positions,
and Members' Use of Resources
as at April 30, 2000

(In thousands of SDRs)

Member	General Resources Account				Use of Resources					
	Quota	IMF's holdings of currencies ¹		Reserve tranche position	GRA ²		PRGF			Total ⁵
		Total	Percent of quota		Amount	Percent	SDA ³	Trust ⁴	Total ⁵	
Afghanistan, Islamic State of	120,400	115,488	95.9	4,928	—	—	—	—	—	—
Albania	48,700	54,175	111.2	3,355	8,825	0.02	—	57,045	65,870	65,870
Algeria	1,254,700	2,542,336	202.6	85,082	1,372,713	3.12	—	—	1,372,713	1,372,713
Angola	286,300	286,445	100.1	—	—	—	—	—	—	—
Antigua and Barbuda	13,500	13,499	100.0	1	—	—	—	—	—	—
Argentina	2,117,100	5,008,293	236.6	—	2,891,164	6.58	—	—	2,891,164	2,891,164
Armenia, Republic of	92,000	124,489	135.3	—	32,484	0.07	—	109,350	141,834	141,834
Australia	3,236,400	2,239,435	69.2	997,033	—	—	—	—	—	—
Austria	1,872,300	1,203,373	64.3	668,906	—	—	—	—	—	—
Azerbaijan	160,900	361,374	224.6	10	200,474	0.46	—	81,900	282,374	282,374
Bahamas, The	130,300	124,065	95.2	6,239	—	—	—	—	—	—
Bahrain	135,000	72,095	53.4	62,914	—	—	—	—	—	—
Bangladesh	533,300	631,244	118.4	186	98,125	0.22	—	116,250	214,375	214,375
Barbados	67,500	62,827	93.1	4,675	—	—	—	—	—	—
Belarus, Republic of	386,400	498,208	128.9	20	111,808	0.25	—	—	111,808	111,808
Belgium	4,605,200	3,133,849	68.1	1,471,360	—	—	—	—	—	—
Belize	18,800	14,562	77.5	4,239	—	—	—	—	—	—
Benin	61,900	59,721	96.5	2,188	—	—	7,367	56,358	63,725	63,725
Bhutan	6,300	5,280	83.8	1,020	—	—	—	—	—	—
Bolivia	171,500	162,638	94.8	8,875	—	—	907	184,371	185,278	185,278
Bosnia and Herzegovina	169,100	244,737	144.7	—	75,633	0.17	—	—	75,633	75,633
Botswana	63,000	43,893	69.7	19,109	—	—	—	—	—	—
Brazil	3,036,100	4,393,591	144.7	—	1,356,750	3.09	—	—	1,356,750	1,356,750
Brunei Darussalam	150,000	114,727	76.5	35,285	—	—	—	—	—	—
Bulgaria	640,200	1,536,994	240.1	32,700	929,483	2.11	—	—	929,483	929,483
Burkina Faso	60,200	52,991	88.0	7,221	—	—	13,904	70,742	84,646	84,646
Burundi	77,000	71,142	92.4	5,860	—	—	—	8,818	8,818	8,818
Cambodia	87,500	91,146	104.2	—	3,646	0.01	—	48,957	52,603	52,603
Cameroon	185,700	197,170	106.2	511	11,975	0.03	—	126,090	138,065	138,065
Canada	6,369,200	4,386,244	68.9	1,982,972	—	—	—	—	—	—
Cape Verde	9,600	9,598	100.0	2	—	—	—	—	—	—
Central African Republic	55,700	55,606	99.8	96	—	—	608	16,480	17,088	17,088
Chad	56,000	55,719	99.5	282	—	—	612	54,760	55,372	55,372
Chile	856,100	570,232	66.6	285,868	—	—	—	—	—	—
China	4,687,200	3,231,021	68.9	1,456,189	—	—	—	—	—	—
Colombia	774,000	488,204	63.1	285,803	—	—	—	—	—	—
Comoros	8,900	8,362	94.0	540	—	—	1,350	—	1,350	1,350
Congo, Democratic Republic of	291,000	448,109	154.0	—	157,109	0.36	142,909	—	300,018	300,018
Congo, Republic of	84,600	91,322	107.9	536	7,240	0.02	—	13,896	21,136	21,136
Costa Rica	164,100	144,113	87.8	20,000	—	—	—	—	—	—
Côte d'Ivoire	325,200	324,957	99.9	245	—	—	—	445,434	445,434	445,434
Croatia, Republic of	365,100	497,273	136.2	159	132,330	0.30	—	—	132,330	132,330
Cyprus	139,600	104,247	74.7	35,355	—	—	—	—	—	—
Czech Republic	819,300	819,298	100.0	3	—	—	—	—	—	—
Denmark	1,642,800	1,123,802	68.4	518,999	—	—	—	—	—	—

Schedule 1 (continued)

Member	General Resources Account				Use of Resources					
	Quota	IMF's holdings of currencies ¹		Reserve tranche position	GRA ²		PRGF			Total ⁵
		Total	Percent of quota		Amount	Percent	SDA ³	Trust ⁴		
								+	(B)	
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)		
Djibouti	15,900	20,635	129.8	1,100	5,835	0.01	—	2,726	8,561	
Dominica	8,200	8,192	99.9	9	—	—	—	—	—	
Dominican Republic	218,900	258,599	118.1	3	39,700	0.09	—	—	39,700	
Ecuador	302,300	370,150	122.4	17,153	85,000	0.19	—	—	85,000	
Egypt	943,700	823,645	87.3	120,075	—	—	—	—	—	
El Salvador	171,300	171,303	100.0	—	—	—	—	—	—	
Equatorial Guinea	32,600	32,609	100.0	—	—	—	4,363	1,099	5,462	
Eritrea	15,900	15,900	100.0	5	—	—	—	—	—	
Estonia, Republic of	65,200	81,664	125.3	6	16,469	0.04	—	—	16,469	
Ethiopia	133,700	126,611	94.7	7,099	—	—	36,726	29,490	66,216	
Fiji	70,300	55,362	78.8	14,940	—	—	—	—	—	
Finland	1,263,800	823,791	65.2	440,034	—	—	—	—	—	
France	10,738,500	7,343,574	68.4	3,395,066	—	—	—	—	—	
Gabon	154,300	214,859	139.2	117	60,670	0.14	—	—	60,670	
Gambia, The	31,100	29,618	95.2	1,485	—	—	—	8,172	8,172	
Georgia	150,300	203,719	135.5	10	53,419	0.12	—	172,050	225,469	
Germany	13,008,200	8,895,615	68.4	4,112,591	—	—	—	—	—	
Ghana	369,000	327,874	88.9	41,130	—	—	2,045	216,945	218,990	
Greece	823,000	532,519	64.7	290,482	—	—	—	—	—	
Grenada	11,700	11,701	100.0	—	—	—	—	—	—	
Guatemala	210,200	210,206	100.0	—	—	—	—	—	—	
Guinea	107,100	107,026	99.9	75	—	—	—	91,837	91,837	
Guinea-Bissau	14,200	17,750	125.0	— ⁶	3,550	0.01	—	10,500	14,050	
Guyana	90,900	90,902	100.0	—	—	—	14,514	81,249	95,763	
Haiti	60,700	75,976	125.2	49	15,325	0.03	—	15,175	30,500	
Honduras	129,500	168,374	130.0	8,627	47,500	0.11	—	104,476	151,976	
Hungary	1,038,400	861,617	83.0	176,784	—	—	—	—	—	
Iceland	117,600	99,025	84.2	18,580	—	—	—	—	—	
India	4,158,200	3,688,899	88.7	488,572	19,250	0.04	—	—	19,250	
Indonesia	2,079,300	9,660,647	464.6	145,474	7,726,820	17.57	—	—	7,726,820	
Iran, Islamic Republic of	1,497,200	1,497,204	100.0	—	—	—	—	—	—	
Iraq	504,000	504,013	100.0	—	—	—	—	—	—	
Ireland	838,400	574,506	68.5	263,914	—	—	—	—	—	
Israel	928,200	862,695	92.9	65,511	—	—	—	—	—	
Italy	7,055,500	4,883,564	69.2	2,171,939	—	—	—	—	—	
Jamaica	273,500	331,467	121.2	—	57,917	0.13	—	—	57,917	
Japan	13,312,800	9,233,194	69.4	4,079,838	—	—	—	—	—	
Jordan	170,500	527,786	309.6	52	357,335	0.81	—	—	357,335	
Kazakhstan, Republic of	365,700	661,533	180.9	5	295,833	0.67	—	—	295,833	
Kenya	271,400	258,963	95.4	12,438	—	—	4,260	88,012	92,272	
Kiribati	5,600	5,601	100.0	—	—	—	—	—	—	
Korea	1,633,600	5,887,492	360.4	208,611	4,462,500	10.15	—	—	4,462,500	
Kuwait	1,381,100	1,003,804	72.7	377,297	—	—	—	—	—	
Kyrgyz Republic	88,800	107,613	121.2	5	18,813	0.04	—	122,354	141,167	
Lao People's Democratic Republic	39,100	39,100	100.0	—	—	—	4,688	32,257	36,945	
Latvia, Republic of	126,800	159,206	125.6	5	32,406	0.07	—	—	32,406	
Lebanon	203,000	184,168	90.7	18,833	—	—	—	—	—	
Lesotho	34,900	31,372	89.9	3,533	—	—	302	10,570	10,872	
Liberia	71,300	272,738	382.5	28	201,457	0.46	—	—	224,670	
Libya	1,123,700	728,206	64.8	395,505	—	—	—	—	—	

Member	General Resources Account				Use of Resources				
	Quota	IMF's holdings of currencies ¹		Reserve tranche position	GRA ²		PRGF		
		Total	Percent of quota		Amount	Percent	SDA ³	Trust ⁴	Total ⁵
Lithuania, Republic of	144,200	303,318	210.3	16	159,131	0.36	—	—	159,131
Luxembourg	279,100	223,646	80.1	55,468	—	—	—	—	—
Macedonia, former Yugoslav Republic of	68,900	111,278	161.5	—	42,376	0.10	—	27,281	69,657
Madagascar	122,200	122,174	100.0	27	—	—	1,992	42,533	44,525
Malawi	69,400	67,166	96.8	2,236	—	—	1,116	58,772	59,888
Malaysia	1,486,600	878,450	59.1	608,156	—	—	—	—	—
Maldives	8,200	6,646	81.0	1,554	—	—	—	—	—
Mali	93,300	84,521	90.6	8,782	—	—	6,096	129,352	135,448
Malta	102,000	61,749	60.5	40,260	—	—	—	—	—
Marshall Islands	2,500	2,500	100.0	1	—	—	—	—	—
Mauritania	64,400	64,406	100.0	—	—	—	2,046	72,199	74,245
Mauritius	101,600	87,138	85.8	14,474	—	—	—	—	—
Mexico	2,585,800	5,473,443	211.7	272	2,887,913	6.57	—	—	2,887,913
Micronesia, Federated States of	5,100	5,100	100.0	1	—	—	—	—	—
Moldova, Republic of	123,200	243,719	197.8	5	120,519	0.27	—	—	120,519
Mongolia	51,100	51,087	100.0	20	—	—	—	42,480	42,480
Morocco	588,200	517,761	88.0	70,441	—	—	—	—	—
Mozambique	113,600	113,600	100.0	7	—	—	—	177,645	177,645
Myanmar	258,400	258,402	100.0	—	—	—	—	—	—
Namibia	136,500	136,466	100.0	37	—	—	—	—	—
Nepal	71,300	65,566	92.0	5,735	—	—	—	11,190	11,190
Netherlands	5,162,400	3,553,687	68.8	1,608,716	—	—	—	—	—
New Zealand	894,600	586,045	65.5	308,569	—	—	—	—	—
Nicaragua	130,000	130,010	100.0	—	—	—	—	113,153	113,153
Niger	65,800	57,240	87.0	8,561	—	—	—	48,974	48,974
Nigeria	1,753,200	1,753,114	100.0	143	—	—	—	—	—
Norway	1,671,700	1,061,001	63.5	610,727	—	—	—	—	—
Oman	194,000	144,277	74.4	49,796	—	—	—	—	—
Pakistan	1,033,700	1,763,628	170.6	97	730,022	1.66	43,704	410,240	1,183,966
Palau	3,100	3,100	100.0	1	—	—	—	—	—
Panama	206,600	292,902	141.8	11,860	98,150	0.22	—	—	98,150
Papua New Guinea	131,600	149,826	113.8	53	18,273	0.04	—	—	18,273
Paraguay	99,900	78,428	78.5	21,475	—	—	—	—	—
Peru	638,400	1,120,276	175.5	—	481,843	1.10	—	—	481,843
Philippines	879,900	2,120,545	241.0	87,104	1,327,735	3.02	—	—	1,327,735
Poland, Republic of	1,369,000	1,196,744	87.4	172,256	—	—	—	—	—
Portugal	867,400	584,447	67.4	282,961	—	—	—	—	—
Qatar	263,800	219,073	83.0	44,727	—	—	—	—	—
Romania	1,030,200	1,359,338	131.9	—	329,133	0.75	—	—	329,133
Russian Federation	5,945,400	16,103,335	270.9	926	10,158,792	23.10	—	—	10,158,792
Rwanda	80,100	97,225	121.4	—	17,106	0.04	1,752	33,320	52,178
St. Kitts and Nevis	8,900	10,457	117.5	72	1,625	—	—	—	1,625
St. Lucia	15,300	15,300	100.0	1	—	—	—	—	—
St. Vincent and the Grenadines	8,300	7,800	94.0	500	—	—	—	—	—
Samoa	11,600	10,924	94.2	683	—	—	—	—	—
San Marino, Republic of	17,000	12,900	75.9	4,101	—	—	—	—	—
São Tomé and Príncipe	7,400	7,403	100.0	—	—	—	—	—	—
Saudi Arabia	6,985,500	5,998,021	85.9	987,483	—	—	—	—	—
Senegal	161,800	160,420	99.1	1,380	—	—	1,936	192,445	194,381
Seychelles	8,800	8,800	100.0	—	—	—	—	—	—

Schedule 1 (concluded)

Member	General Resources Account				Use of Resources				
	Quota	IMF's holdings of currencies ¹		Reserve tranche position	GRA ²		PRGF		
		Total	Percent of quota		Amount	Percent	SDA ³ + (B)	Trust ⁴ + (C)	Total ⁵ = (D)
Sierra Leone	103,700	130,820	126.2	24	27,135	0.06	21,616	84,148	132,899
Singapore	862,500	583,353	67.6	279,153	—	—	—	—	—
Slovak Republic	357,500	443,305	124.0	—	85,800	0.20	—	—	85,800
Slovenia, Republic of	231,700	154,767	66.8	76,934	—	—	—	—	—
Solomon Islands	10,400	9,867	94.9	543	—	—	—	—	—
Somalia	44,200	140,907	318.8	—	96,701	0.22	8,840	—	112,004
South Africa	1,868,500	1,868,400	100.0	107	—	—	—	—	—
Spain	3,048,900	2,022,198	66.3	1,026,721	—	—	—	—	—
Sri Lanka	413,400	365,690	88.5	47,710	—	—	4,462	156,800	161,262
Sudan	169,700	620,595	365.7	11	450,875	1.04	—	—	510,103
Suriname	92,100	85,976	93.4	6,125	—	—	—	—	—
Swaziland	50,700	44,154	87.1	6,552	—	—	—	—	—
Sweden	2,395,500	1,615,755	67.4	779,748	—	—	—	—	—
Switzerland	3,458,500	2,395,764	69.3	1,062,772	—	—	—	—	—
Syrian Arab Republic	293,600	293,603	100.0	5	—	—	—	—	—
Tajikistan, Republic of	87,000	111,375	128.0	2	24,375	0.06	—	60,280	84,655
Tanzania	198,900	188,932	95.0	9,975	—	—	—	243,320	243,320
Thailand	1,081,900	3,581,897	331.1	20	2,500,000	5.69	—	—	2,500,000
Togo	73,400	73,146	99.7	254	—	—	1,152	58,206	59,358
Tonga	6,900	5,202	75.4	1,700	—	—	—	—	—
Trinidad and Tobago	335,600	335,586	100.0	16	—	—	—	—	—
Tunisia	286,500	319,244	111.4	20,167	52,906	0.12	—	—	52,906
Turkey	964,000	1,462,573	151.7	112,775	611,345	1.39	—	—	611,345
Turkmenistan, Republic of	75,200	75,200	100.0	5	—	—	—	—	—
Uganda	180,500	180,507	100.0	—	—	—	—	257,433	257,433
Ukraine	1,372,000	3,193,689	232.8	4	1,821,689	4.14	—	—	1,821,689
United Arab Emirates	611,700	424,417	69.4	187,284	—	—	—	—	—
United Kingdom	10,738,500	7,417,045	69.1	3,321,437	—	—	—	—	—
United States	37,149,300	25,467,050	68.6	11,675,649	—	—	—	—	—
Uruguay	306,500	385,032	125.6	35,675	114,200	0.26	—	—	114,200
Uzbekistan, Republic of	275,600	410,097	148.8	5	134,497	0.31	—	—	134,497
Vanuatu	17,000	14,506	85.3	2,496	—	—	—	—	—
Venezuela, República Bolivariana de	2,659,100	2,775,581	104.4	321,900	438,379	1.00	—	—	438,379
Vietnam	329,100	345,207	104.9	5	16,107	0.04	—	241,600	257,707
Yemen, Republic of	243,500	380,615	156.3	13	137,125	0.31	—	150,000	287,125
Yugoslavia, Federal Republic of (Serbia/Montenegro)	—	—	—	—	55,639 ²	0.13	—	—	55,639
Zambia	489,100	489,101	100.0	18	—	—	181,750	671,682	853,432
Zimbabwe	353,400	492,633	139.4	283	139,515	0.31	—	108,750	248,265
Total	<u>210,251,400</u>	<u>205,288,673</u>		<u>48,871,519</u>	<u>43,968,461</u> ²	<u>100.00</u>	<u>511,017</u>	<u>5,769,166</u>	<u>50,337,551</u>

¹Includes nonnegotiable, non-interest-bearing notes that members are entitled to issue in substitution for currencies, and outstanding currency valuation adjustments.

²Includes the share of the Federal Republic of Yugoslavia (Serbia/Montenegro) in the liabilities of the former Socialist Federal Republic of Yugoslavia, although this state has not succeeded to Fund membership. Total credits due from members excluding the amount due from the Federal Republic of Yugoslavia (Serbia/Montenegro) amounted to SDR 43,913 million.

³The Special Disbursement Account (SDA) of the General Department provides financing under Structural Adjustment Facility (SAF) and Poverty Reduction and Growth Facility (PRGF) arrangements.

⁴For information purposes only. The PRGF Trust provides financing under PRGF arrangements and is not a part of the General Department.

⁵Includes outstanding Trust Fund loans to Liberia (SDR 23.2 million), Somalia (SDR 6.5 million), and Sudan (SDR 59.2 million).

⁶Less than SDR 500.

General Department
Financial Resources and Liquidity Position
in the General Resources Account
as at April 30, 2000 and 1999

(In thousands of SDRs)

	2000	1999
Resources		
Currencies	205,288,673	204,966,259
SDR holdings	2,723,892	3,571,967
Gold holdings	5,851,771	3,624,797
Sundry assets, net of sundry liabilities ¹	611,117	379,550
Total resources	<u>214,475,453</u>	<u>212,542,573</u>
Less: Nonusable Resources²	<u>106,251,281</u>	<u>128,833,525</u>
Equals: Usable Resources³	<u>108,224,172</u>	<u>83,709,048</u>
Resources Committed and Working Balances		
Undrawn balances under arrangements ⁴	18,387,266	13,059,802
Minimum working balances ⁴	15,075,130	13,922,160
Resources committed and working balances	<u>33,462,396</u>	<u>26,981,962</u>
Net Uncommitted Usable Resources⁵	<u>74,761,776</u>	<u>56,727,086</u>
Liquid Liabilities		
Reserve tranche positions ⁶	<u>48,871,519</u>	<u>63,609,749</u>
Liquidity Ratio⁷	153.0%	89.2%
Memorandum Item		
Resources available under borrowing arrangements	34,000,000	34,000,000

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

²Resources regarded as nonusable 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) sundry assets, net of sundry liabilities.

³Usable resources consist of (1) holdings of currencies of members considered by the Executive Board 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.

⁴Amounts committed under arrangements, which reflect undrawn balances committed under operative Stand-By and Extended Arrangements, other than precautionary arrangements, are deducted from the total of usable resources, as are one-half of the amounts committed under precautionary arrangements. The Executive Board has decided that minimum working balances be set at 10 percent of the quotas of members deemed sufficiently strong for their currencies to be used in operations and transactions.

⁵Net uncommitted usable resources are defined as usable resources less resources committed under arrangements and minimum working balances, as described above. The amount represents the resources available to meet requests for use of IMF credit under new credit arrangements and for members' use of their reserve positions in the IMF.

⁶Liquid 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. The IMF cannot challenge a request by a member to draw on its reserve position when developments in its balance of payments or reserve position make this necessary, and the IMF must therefore at all times be in a position to meet such requests.

⁷The 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. While this ratio is neither a fixed nor a minimum ratio, historically it has not fallen below 25–30 percent of liquid liabilities for any length of time, thereby ensuring the IMF's capacity to meet members' requests.

General Department
Status of Arrangements
as at April 30, 2000

(In thousands of SDRs)

Member	Date of Arrangement	Expiration	Total Amount Agreed	Undrawn Balance
General Resources Account				
Stand-By Arrangements				
Argentina	March 10, 2000	March 9, 2003	5,398,610	5,398,610
Bosnia and Herzegovina	May 29, 1998	March 31, 2001	94,420	30,150
Brazil	December 2, 1998	December 1, 2001	10,419,840	2,550,690
Ecuador	April 19, 2000	April 18, 2001	226,730	141,730
Estonia, Republic of	March 1, 2000	August 31, 2001	29,340	29,340
Korea	December 4, 1997	December 3, 2000	15,500,000	1,087,500
Latvia, Republic of	December 10, 1999	April 9, 2001	33,000	33,000
Lithuania, Republic of	March 8, 2000	June 7, 2001	61,800	61,800
Mexico	July 7, 1999	November 30, 2000	3,103,000	1,163,500
Papua New Guinea	March 29, 2000	May 28, 2001	85,540	75,540
Philippines	April 1, 1998	June 30, 2000	1,020,790	475,130
Romania	August 5, 1999	May 31, 2000	400,000	347,000
Russian Federation	July 28, 1999	December 27, 2000	3,300,000	2,828,571
Thailand	August 20, 1997	June 19, 2000	2,900,000	400,000
Turkey	December 22, 1999	December 21, 2002	2,892,000	2,670,280
Zimbabwe	August 2, 1999	October 1, 2000	141,360	116,620
Total Stand-By Arrangements			45,606,430	17,409,461
Extended Arrangements				
Bulgaria	September 25, 1998	September 24, 2001	627,620	261,520
Colombia	December 20, 1999	December 19, 2002	1,957,000	1,957,000
Indonesia	February 4, 2000	December 31, 2002	3,638,000	3,378,000
Jordan	April 15, 1999	April 14, 2002	127,880	106,560
Kazakhstan, Republic of	December 13, 1999	December 12, 2002	329,100	329,100
Moldova, Republic of	May 20, 1996	May 19, 2000	135,000	47,500
Pakistan	October 20, 1997	October 19, 2000	454,920	341,180
Panama	December 10, 1997	December 9, 2000	120,000	80,000
Peru	June 24, 1999	May 31, 2002	383,000	383,000
Ukraine	September 4, 1998	September 3, 2001	1,919,950	1,207,800
Yemen, Republic of	October 29, 1997	March 1, 2001	105,900	65,900
Total Extended Arrangements			9,798,370	8,157,560
Total General Resources Account			55,404,800	25,567,021

SDR Department
Balance Sheets
as at April 30, 2000 and 1999
(In thousands of SDRs)

	2000	1999	2000	1999
Assets				
Charges receivable	221,228	179,057		
Overdue assessments and charges (Note 3)	105,602	92,596	221,752	179,531
Participants with holdings below allocations (Note 2)				
Allocations	12,626,280	11,800,706		
<i>Less:</i> SDR holdings	3,282,008	2,185,544	14,859,327	15,205,647
Allocations in excess of holdings	<u>9,344,272</u>	<u>9,615,162</u>	<u>6,052,277</u>	<u>5,573,023</u>
Total Assets	<u>9,671,102</u>	<u>9,886,815</u>	<u>2,723,892</u>	<u>3,571,967</u>
			<u>673,181</u>	<u>562,294</u>
			<u>9,671,102</u>	<u>9,886,815</u>
Liabilities				
Interest payable				
Participants with holdings above allocations (Note 2)				
SDR holdings				
<i>Less:</i> allocations				
Holdings in excess of allocations				
Holdings by the General Resources Account				
Holdings of SDRs by prescribed holders				
Total Liabilities				

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

/s/ Eduard Brau
Treasurer

/s/ Horst Köhler
Managing Director

SDR Department
Income Statements
for the Years Ended April 30, 2000 and 1999

(In thousands of SDRs)

	2000	1999
Revenue		
Net charges from participants with holdings below allocations	362,278	298,720
Assessment on SDR allocations	<u>3,301</u>	<u>3,500</u>
	<u>365,579</u>	<u>302,220</u>
Expenses		
Interest on SDR holdings		
Net interest to participants with holdings above allocations	217,743	211,475
General Resources Account	123,288	69,524
Prescribed holders	<u>21,247</u>	<u>17,721</u>
	<u>362,278</u>	<u>298,720</u>
Administrative expenses	<u>3,301</u>	<u>3,500</u>
	<u>365,579</u>	<u>302,220</u>
Net Income	<u>—</u>	<u>—</u>

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

SDR Department
Statements of Cash Flows
for the Years Ended April 30, 2000 and 1999

(In thousands of SDRs)

	2000	1999
Cash flows from operating activities		
Receipts of SDRs		
Transfers among Participants and Prescribed holders	7,830,549	19,439,490
Transfers from Participants to the General Resources Account	7,094,151	16,249,094
Transfers from the General Resources Account to		
Participants and Prescribed holders	<u>7,942,226</u>	<u>13,441,551</u>
Total Receipts of SDRs	<u>22,866,926</u>	<u>49,130,135</u>
Uses of SDRs		
Transfers among Participants and Prescribed holders	7,616,081	19,150,248
Transfers from Participants to the General Resources Account	6,956,385	16,214,097
Transfers from the General Resources Account to		
Participants and Prescribed holders	<u>7,942,226</u>	<u>13,441,551</u>
Charges paid in the SDR Department	339,278	310,783
Other	<u>12,956</u>	<u>13,456</u>
Total Uses of SDRs	<u>22,866,926</u>	<u>49,130,135</u>

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

SDR Department

Notes to the Financial Statements as at April 30, 2000 and 1999

1. Nature of Operations

The 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 was created as a supplement to existing reserve assets and is allocated by the IMF 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.

At April 30, 2000, 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 has been approved to allow for a special onetime 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, 2000 and 1999, 15 institutions were prescribed as holders. 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 or its reserve position or developments in its reserves.

General Allocations and Cancellations of SDRs

The IMF has the authority to create 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 will avoid economic stagnation and deflation, as well as excess demand and inflation.

2. Summary of Significant Accounting Practices

Basis of Presentation

The financial statements are prepared in accordance with International Accounting Standards (IAS), which are issued by the International Accounting Standards Committee. Certain specific accounting principles and disclosure practices are explained further below in line with IAS requirements.

Unit of Account

The financial statements are expressed in terms of SDRs. The value of the SDR is based on the proportional amounts of the currencies of the five members having the largest exports of goods and services during the five-year period ending one year before the date of the review of these proportional amounts. 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 basket of these currencies. The IMF reviews the SDR valuation basket every five years. The currencies in the basket as of April 30, 2000 and 1999 and their amounts were as follows:

Currency	Amount
Euro (Germany)	0.228
Euro (France)	0.1239
Japanese yen	27.2
Pound sterling	0.105
U.S. dollar	0.5821

As of April 30, 2000, one SDR was equal to 1.31921 U.S. dollars (1.35123 U.S. dollars as of April 30, 1999).

Allocations and Holdings

At April 30, 2000 and 1999, IMF net cumulative allocations to participants totaled SDR 21.4 billion. Members 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. Members 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 a net asset of the SDR Department. Participants' net SDR positions as of April 30, 2000 and 1999 were as follows:

	2000		1999			
	Total	Below Allocations	Above Allocations	Total		Below Allocations
<i>In millions of SDRs</i>						
Cumulative allocations	21,433.3	12,626.3	8,807.0	21,433.3	11,800.7	9,632.6
Holdings of SDRs by participants	18,141.3	3,282.0	14,859.3	17,391.1	2,185.5	15,205.6
Net SDR positions	3,292.0	9,344.3	(6,052.3)	4,042.2	9,615.2	(5,573.0)

A summary of SDR holdings is provided below:

	2000	1999
	<i>In millions of SDRs</i>	
Participants	18,141.3	17,391.2
General Resources Account	2,723.9	3,572.0
Prescribed holders	673.2	562.3
	<u>21,538.4</u>	<u>21,525.5</u>
Less: Overdue charges receivable	105.1	92.2
Total holdings	<u>21,433.3</u>	<u>21,433.3</u>

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 allocation.

Interest and Charges

Interest is paid on holdings of SDRs. Charges are levied on each participant's net cumulative allocation plus any negative balance of the participant or 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 France, Germany, 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.

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 in the past, and it is the current expectation that no losses will be incurred in the future, and consequently no allowance account has been established.

3. Overdue Assessments and Charges

At April 30, 2000, assessments and charges amounting to SDR 105.6 million were overdue to the SDR Department (SDR 92.6 million at April 30, 1999). At April 30, 2000 and 1999, six members were six months or more overdue in meeting their financial obligations to the SDR Department. In addition, the Federal Republic of Yugoslavia (Serbia/Montenegro) was also six months or more overdue in meeting its financial obligations. While the Federal Republic of Yugoslavia (Serbia/Montenegro) agreed to its share in the assets and liabilities of the former Socialist Federal Republic of Yugoslavia in the IMF, it had not succeeded to membership in the IMF as of April 30, 2000, and, consequently, it is not a participant in the SDR Department.

Assessments and charges due from members and the Federal Republic of Yugoslavia (Serbia/Montenegro) that are six months or more overdue to the SDR Department were as follows:

	2000	1999
	<i>In millions of SDRs</i>	
Total	105.6	92.6
Overdue for six months or more	98.7	85.6
Overdue for three years or more	65.0	53.7

The amount and duration of arrears as of April 30, 2000 were as follows:

	Total	Longest Overdue Obligation
	<i>In millions of SDRs</i>	
Afghanistan, Islamic State of	4.8	February 1996
Congo, Democratic Republic of	11.6	April 1992
Iraq	41.0	November 1990
Liberia	19.3	April 1986
Somalia	7.7	February 1991
Sudan	0.1	April 1991
Yugoslavia, Federal Republic of (Serbia/Montenegro)	21.1	November 1992
Total	<u>105.6</u>	

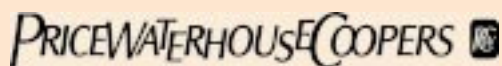
SDR Department
Statements of Changes in SDR Holdings
for the Years Ended April 30, 2000 and 1999

(In thousands of SDRs)

	Participants	General Resources Account	Prescribed Holders	Total	
				2000	1999
Total holdings, beginning of the year	17,391,191	3,571,967	562,294	21,525,452	21,511,996
Receipts of SDRs					
Transfers among Participants and Prescribed holders					
Transactions by agreement	6,610,141	—	29,300	6,639,441	13,816,957
Operations					
Grants	5,918	—	38,696	44,614	—
Loans	45,975	—	—	45,975	2,237,866
Settlement of financial obligations	138,044	—	64,323	202,367	2,339,190
IMF-related operations					
SAF and PRGF loans	135,811	—	—	135,811	187,829
SAF repayments and interest	—	—	29,069	29,069	47,146
Special charges on SAF, PRGF, Trust Fund	—	—	49	49	1
PRGF contributions and payments	57,137	—	65,984	123,121	162,476
PRGF repayments and interest	—	—	338,877	338,877	357,778
PRGF-HIPC contributions and payments	210	—	56,547	56,757	1,005
Net interest on SDRs	196,147	—	18,321	214,468	289,242
Transfers from Participants to the General Resources Account					
Repurchases	—	3,825,681	—	3,825,681	4,761,290
Charges	—	2,599,820	—	2,599,820	2,805,808
Quota payments	—	527,633	—	527,633	8,643,552
Interest on SDRs	—	137,766	—	137,766	34,997
Assessment on SDR allocation	—	3,251	—	3,251	3,447
Transfers from the General Resources Account to Participants and Prescribed holders					
Purchases	3,591,759	—	—	3,591,759	9,521,899
Repayments of IMF borrowings	—	—	—	—	1,429,472
Interest on IMF borrowings	18,284	—	—	18,284	46,100
In exchange for currencies of other members					
Acquisitions to pay charges	1,577,214	—	—	1,577,214	545,022
Remuneration	1,747,437	—	—	1,747,437	1,825,513
SCA-2 transfers					
PRGF-HIPC	—	—	70,556	70,556	—
HIPC	—	—	227,211	227,211	—
Post SCA-2	—	—	287,158	287,158	—
Refunds	394,350	—	—	394,350	—
Other					
Refunds and adjustments	28,257	—	—	28,257	73,545
Total receipts	14,546,684	7,094,151	1,226,091	22,866,926	49,130,135

Schedule 1 (concluded)

	Participants	General Resources Account	Prescribed Holders	Total	
				2000	1999
Uses of SDRs					
Transfers among Participants and Prescribed holders					
Transactions by agreement	5,853,471	—	785,970	6,639,441	13,816,957
Operations					
Grants	44,614	—	—	44,614	—
Loans	45,975	—	—	45,975	2,237,866
Settlement of financial obligations	110,298	—	92,069	202,367	2,339,190
IMF-related operations					
SAF and PRGF loans	—	—	135,811	135,811	187,829
SAF repayments and interest	29,069	—	—	29,069	47,146
Special charges on SAF, PRGF, Trust Fund	49	—	—	49	1
PRGF contributions and payments	65,984	—	57,137	123,121	162,476
PRGF repayments and interest	338,877	—	—	338,877	357,778
PRGF-HIPC contributions and payments	12,540	—	44,217	56,757	1,005
Transfers from Participants to the General Resources Account					
Repurchases	3,825,681	—	—	3,825,681	4,761,290
Charges	2,599,820	—	—	2,599,820	2,805,808
Quota payments	527,633	—	—	527,633	8,643,552
Assessment on SDR allocation	3,251	—	—	3,251	3,447
Transfers from the General Resources Account to Participants and Prescribed holders					
Purchases	—	3,591,759	—	3,591,759	9,521,899
Repayments of IMF borrowings	—	—	—	—	1,429,472
Interest on IMF borrowings	—	18,284	—	18,284	46,100
In exchange for currencies of other members					
Acquisitions to pay charges	—	1,577,214	—	1,577,214	545,022
Remuneration	—	1,747,437	—	1,747,437	1,825,513
SCA-2 transfers					
PRGF-HIPC	—	70,556	—	70,556	—
HIPC	—	227,211	—	227,211	—
Post-SCA-2	—	287,158	—	287,158	—
Refunds	—	394,350	—	394,350	—
Other					
Refunds and adjustments	—	28,257	—	28,257	73,545
Charges paid in the SDR department					
Net charges due	352,234	—	—	352,234	324,239
Charges not paid when due	(15,296)	—	—	(15,296)	(16,736)
Settlement of unpaid charges	2,340	—	—	2,340	3,280
Total uses	<u>13,796,540</u>	<u>7,942,226</u>	<u>1,115,204</u>	<u>22,853,970</u>	<u>49,116,679</u>
Total holdings, end of the year	<u>18,141,335</u>	<u>2,723,892</u>	<u>673,181</u>	<u>21,538,408</u>	<u>21,525,452</u>



Auditor's Report

PricewaterhouseCoopers LLP
 Suite 900
 1900 K Street
 Washington DC 20006
 Telephone (202) 822 4000
 Facsimile (202) 822 5800

To the Board of Governors of the International Monetary Fund

We have audited the accompanying balance sheets as at April 30, 2000 and 1999, and the related statements of income and changes in resources for the years then ended of the following entities:

Poverty Reduction and Growth Facility Trust

Poverty Reduction and Growth Facility Administered Accounts

- Austria,
- Belgium,
- Botswana,
- Chile,
- Greece,
- Indonesia,
- Islamic Republic of Iran,
- Portugal

PRGF-HIPC Trust and Related Accounts

Other Administered Accounts

- Administered Account Japan,
- Administered Account for Selected Fund Activities—Japan,
- Framework Administered Account for Technical Assistance Activities,
- Administered Account for Rwanda,
- Trust Fund,
- Supplementary Financing Facility Subsidy Account.

These financial statements are the responsibility of the management of the International Monetary Fund (the “IMF”), as trustee of the entities listed above. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with International Standards on Auditing. Those standards require that we plan and perform the audits 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. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as 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 entities listed above as of April 30, 2000 and 1999, and the results of their operations for the years then ended in conformity with International Accounting Standards, as described in Note 2.

The supplementary information on pages 211 to 214 and 224 to 227 is presented for purposes of additional analysis and is not a required part of the 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.

May 31, 2000

Poverty Reduction and Growth Facility Trust

(formerly Enhanced Structural Adjustment Facility Trust)

Combined Balance Sheets as at April 30, 2000 and 1999

(In thousands of SDRs)

	2000	1999
Assets		
Cash and cash equivalents	346,144	574,854
Investments (Note 3)	4,463,020	3,888,552
Loans receivable (Note 4)	5,769,166	5,717,886
Interest receivable	17,774	73,317
Total Assets	<u>10,596,104</u>	<u>10,254,609</u>
Liabilities and Resources		
Borrowings (Note 5)	6,223,794	6,089,339
Interest payable	66,391	59,126
Other liabilities	193	7,156
Total Liabilities	<u>6,290,378</u>	<u>6,155,621</u>
Resources	4,305,726	4,098,988
Total Liabilities and Resources	<u>10,596,104</u>	<u>10,254,609</u>

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

/s/ Eduard Brau
Treasurer

/s/ Horst Köhler
Managing Director

Poverty Reduction and Growth Facility Trust

(formerly Enhanced Structural Adjustment Facility Trust)

Combined Income Statements and Changes in Resources for the Years Ended April 30, 2000 and 1999

(In thousands of SDRs)

	2000	1999
Balance, beginning of the year	4,098,988	3,713,696
Investment income	162,189	168,894
Interest on loans	29,080	27,052
Interest expense	(199,452)	(201,678)
Other expense	(193)	(65)
Operational loss	(8,376)	(5,797)
Contributions (Note 6)	115,809	182,865
	<u>107,433</u>	<u>177,068</u>
Transfers from the Special Disbursement Account	168,572	249,365
Transfers through the Special Disbursement Account to the PRGF-HIPC Trust (Note 8)	(69,267)	(41,141)
Net changes in resources	<u>206,738</u>	<u>385,292</u>
Balance, end of the year	<u>4,305,726</u>	<u>4,098,988</u>

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

Poverty Reduction and Growth Facility Trust

(formerly Enhanced Structural Adjustment Facility Trust)

Notes to the Financial Statements as at April 30, 2000 and 1999

1. Nature of Operations

The name of the Enhanced Structural Adjustment Facility (ESAF) Trust was changed to the Poverty Reduction and Growth Facility Trust (“the Trust” or “PRGF Trust”) on November 22, 1999. The PRGF 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. Separate balance sheets, income statements, and statements of 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, 2000, loans totaling SDR 5,769.2 million were outstanding (SDR 5,717.9 million at April 30, 1999).

Reserve Account

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

The resources held in the Reserve Account are to be used by the Trustee, in the event that amounts payable from borrowers’ principal repayments and interest, 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 donations to the Trust, including transfers of net earnings from PRGF Administered Accounts (formerly ESAF 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 Practices

Basis of Presentation

The financial statements are prepared in accordance with International Accounting Standards (IAS), which are issued by the International Accounting Standards Committee. Cer-

tain specific accounting principles and disclosure practices are explained further below in line with IAS requirements.

Unit of Account

The financial statements are expressed in terms of SDRs. The value of the SDR is based on the proportional amounts of the currencies of the five members having the largest exports of goods and services during the five-year period ending one year before the date of the review of these proportional amounts. 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 basket of these currencies. The IMF reviews the SDR valuation basket every five years. The currencies in the basket as of April 30, 2000 and 1999 and their amounts were as follows:

Currency	Amount
Euro (Germany)	0.228
Euro (France)	0.1239
Japanese yen	27.2
Pound sterling	0.105
U.S. dollar	0.5821

As of April 30, 2000, one SDR was equal to 1.31921 U.S. dollars (1.35123 U.S. dollars as of April 30, 1999).

Revenue 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.

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 not exceeding net realizable value. Interest on these instruments varies and is market-related.

Investments

The resources of the Trust are invested pending their use. The Trust invests in debt securities and fixed-term deposits, either directly or by participation in an investment pool. Investments are marked to their market value on the last business day of the accounting period. The valuation of purchases and sales are made on the trade date basis. Investment income comprises interest earned on investments, realized and unrealized gains and losses on investments, and 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 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 basket.

Loans

Loans in the Trust are valued at historical cost. Allowances for loan losses would be established if and when the Trust expects to incur a loss; no losses have been incurred in the past, and it is the current expectation that no losses will be incurred in the future.

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 on 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 of April 30	2000	1999
	<i>In thousands of SDRs</i>	
Less than 1 year	678,879	3,888,552
1–3 years	3,622,498	—
3–5 years	129,360	—
Over 5 years	32,283	—
Total	<u>4,463,020</u>	<u>3,888,552</u>

The investments consisted of the following:

	2000	1999
	<i>In thousands of SDRs</i>	
Debt securities	3,961,249	—
Fixed Deposits	501,771	3,888,552
Total	<u>4,463,020</u>	<u>3,888,552</u>

4. Loans Receivable

Resources of the Loan Account are committed to qualifying members for a three-year period, upon approval by the Trustee of a three-year arrangement in support of the member's macroeconomic and structural adjustment programs. Interest on the outstanding loan balances is currently set at the rate of 2 of 1 percent a year. Scheduled repayments of loans by borrowers are summarized below:

Periods of Repayment, Financial Year Ending April 30	2000	1999
	<i>In thousands of SDRs</i>	
2000	—	461,799
2001	511,684	511,686
2002	680,726	680,726
2003	722,241	722,241
2004	834,998	834,998
2005 and beyond	<u>3,019,517</u>	<u>2,506,436</u>
Total	<u>5,769,166</u>	<u>5,717,886</u>

5. Borrowings

The following summarizes the borrowing agreements concluded as of April 30, 2000:

Amount Undrawn

	2000	1999
	<i>In thousands of SDRs</i>	
Loan Account	3,599,974	2,763,671
Subsidy Account	5,331	5,998

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 Trust and the lenders. Interest rates on borrowings at April 30, 2000 and 1999, varied between 3.3 percent and 4.45 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:

Periods of Repayment, Financial Year Ending April 30	2000	1999
	<i>In thousands of SDRs</i>	
2000	—	413,077
2001	483,803	476,532
2002	504,968	504,968
2003	525,455	525,455
2004	704,176	704,176
2005 and beyond	<u>4,005,392</u>	<u>3,465,131</u>
Total	<u>6,223,794</u>	<u>6,089,339</u>

As of April 30, 2000 and 1999, use of credit in the Trust by the largest users was as follows:

	2000		1999	
	<i>In millions of SDRs and percent of total PRGF credit</i>			
Largest user of credit	671.7	11.6%	671.7	11.8%
Three largest users of credit	1,527.3	26.5%	1,566.6	27.4%
Five largest users of credit	2,028.1	35.1%	2,075.0	36.3%

6. Contributions

The Trustee accepts contributions for the Subsidy Account on such terms and conditions as agreed between the Trust and the contributor. At April 30, 2000, cumulative contributions received, including transfers from the Special Disbursement Account, amounted to SDR 2,165.4 million (SDR 2,049.6 million at April 30, 1999).

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, 2000, undrawn balances under 31 loan arrangements amounted to SDR 2,017.9 million (SDR 2,156.1 million under 35 arrangements at April 30, 1999).

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 2000 and 1999, the Executive Board decided to forgo such reimbursement and to transfer an equivalent amount from the Reserve Account, through the Special Disbursement Account, to the PRGF-HIPC Trust (formerly ESAF-HIPC Trust). The amounts transferred for financial years 2000 and 1999 were SDR 46.1 million and SDR 41.1 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 grant or loans to eligible members under the HIPC initiative. SDR 23.2 million has been transferred during the year ended April 30, 2000 for this purpose (SDR 20.3 million at April 30, 1999).

9. Separate Balance Sheets, Income Statements, and Statements of Resources

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

Combining Balance Sheets as at April 30, 2000 and 1999

(In thousands of SDRs)

	Loan Account		Reserve Account		Subsidy Account		Combined	
	2000	1999	2000	1999	2000	1999	2000	1999
Assets								
Cash and cash equivalents	—	—	258,291	413,670	87,853	161,184	346,144	574,854
Investments (Note 3)	357,049	303,001	2,280,543	1,852,148	1,825,428	1,733,403	4,463,020	3,888,552
Loans receivable (Note 4)	5,769,166	5,717,886	—	—	—	—	5,769,166	5,717,886
Accrued account transfers	31,258	(23,971)	16,579	69,074	(47,837)	(45,103)	—	—
Interest receivable	12,805	12,197	3,075	42,805	1,894	18,315	17,774	73,317
Total Assets	<u>6,170,278</u>	<u>6,009,113</u>	<u>2,558,488</u>	<u>2,377,697</u>	<u>1,867,338</u>	<u>1,867,799</u>	<u>10,596,104</u>	<u>10,254,609</u>
Liabilities and Resources								
Borrowings (Note 5)	6,105,644	5,951,856	—	—	118,150	137,483	6,223,794	6,089,339
Interest payable	64,612	57,192	—	—	1,779	1,934	66,391	59,126
Other liabilities	22	65	134	7,091	37	—	193	7,156
Total Liabilities	<u>6,170,278</u>	<u>6,009,113</u>	<u>134</u>	<u>7,091</u>	<u>119,966</u>	<u>139,417</u>	<u>6,290,378</u>	<u>6,155,621</u>
Resources	—	—	2,558,354	2,370,606	1,747,372	1,728,382	4,305,726	4,098,988
Total Liabilities and Resources	<u>6,170,278</u>	<u>6,009,113</u>	<u>2,558,488</u>	<u>2,377,697</u>	<u>1,867,338</u>	<u>1,867,799</u>	<u>10,596,104</u>	<u>10,254,609</u>

Combining Income Statements and Changes in Resources for the years ended April 30, 2000 and 1999

(In thousands of SDRs)

	Loan Account		Reserve Account		Subsidy Account		Combined	
	2000	1999	2000	1999	2000	1999	2000	1999
Balance, beginning of the year	—	—	2,370,606	2,089,814	1,728,382	1,623,882	4,098,988	3,713,696
Investment income	267	182	93,369	90,472	68,553	78,240	162,189	168,894
Interest on loans	29,080	27,052	—	—	—	—	29,080	27,052
Interest expense	(197,202)	(199,120)	—	—	(2,250)	(2,558)	(199,452)	(201,678)
Other expense	(22)	(65)	(134)	—	(37)	—	(193)	(65)
Operational (loss) income	(167,877)	(171,951)	93,235	90,472	66,266	75,682	(8,376)	(5,797)
Contributions (Note 6)	—	—	—	—	115,809	182,865	115,809	182,865
	<u>(167,877)</u>	<u>(171,951)</u>	<u>93,235</u>	<u>90,472</u>	<u>182,075</u>	<u>258,547</u>	<u>107,433</u>	<u>177,068</u>
Transfers from the Special Disbursement Account	—	—	168,572	249,365	—	—	168,572	249,365
Transfers through the Special Disbursement Account to the PRGF-HIPC Trust (Note 8)	—	—	(69,267)	(41,141)	—	—	(69,267)	(41,141)
Transfers between:								
Loan and Reserve Accounts	4,792	17,904	(4,792)	(17,904)	—	—	—	—
Loan and Subsidy Accounts	163,085	154,047	—	—	(163,085)	(154,047)	—	—
Net changes in resources	<u>—</u>	<u>—</u>	<u>187,748</u>	<u>280,792</u>	<u>18,990</u>	<u>104,500</u>	<u>206,738</u>	<u>385,292</u>
Balance, end of the year	<u>—</u>	<u>—</u>	<u>2,558,354</u>	<u>2,370,606</u>	<u>1,747,372</u>	<u>1,728,382</u>	<u>4,305,726</u>	<u>4,098,988</u>

Poverty Reduction and Growth Facility Trust

(formerly Enhanced Structural Adjustment Facility Trust)

Schedule of Outstanding Loans as at April 30, 2000

(In thousands of SDRs)

Member	PRGF Loan Account		Structural Adjustment Facility ¹	
	Balance	Percent	Balance	Percent
Albania	57,045	0.99	—	—
Armenia, Republic of	109,350	1.90	—	—
Azerbaijan	81,900	1.42	—	—
Bangladesh	116,250	2.02	—	—
Benin	56,358	0.97	7,367	1.44
Bolivia	184,371	3.20	907	0.18
Burkina Faso	70,742	1.23	13,904	2.72
Burundi	8,818	0.15	—	—
Cambodia	48,957	0.85	—	—
Cameroon	126,090	2.19	—	—
Central African Republic	16,480	0.29	608	0.12
Chad	54,760	0.95	612	0.12
Comoros	—	—	1,350	0.26
Congo, Democratic Republic of	—	—	142,909	27.97
Congo, Republic of	13,896	0.24	—	—
Côte d'Ivoire	445,434	7.72	—	—
Djibouti	2,726	0.05	—	—
Equatorial Guinea	1,099	0.02	4,363	0.85
Ethiopia	29,490	0.51	36,726	7.19
Gambia, The	8,172	0.14	—	—
Georgia	172,050	2.98	—	—
Ghana	216,945	3.76	2,045	0.40
Guinea	91,837	1.59	—	—
Guinea-Bissau	10,500	0.18	—	—
Guyana	81,249	1.41	14,514	2.84
Haiti	15,175	0.26	—	—
Honduras	104,476	1.81	—	—
Kenya	88,012	1.53	4,260	0.83
Kyrgyz Republic	122,354	2.12	—	—
Lao People's Democratic Republic	32,257	0.55	4,688	0.92
Lesotho	10,570	0.18	302	0.06
Macedonia, former Yugoslav Republic of	27,281	0.47	—	—
Madagascar	42,533	0.74	1,992	0.39
Malawi	58,772	1.02	1,116	0.22
Mali	129,352	2.24	6,096	1.19
Mauritania	72,199	1.25	2,046	0.40
Mongolia	42,480	0.74	—	—
Mozambique	177,645	3.08	—	—
Nepal	11,190	0.19	—	—
Nicaragua	113,153	1.96	—	—
Niger	48,974	0.85	—	—
Pakistan	410,240	7.11	43,704	8.55
Rwanda	33,320	0.58	1,752	0.34
Senegal	192,445	3.34	1,936	0.38
Sierra Leone	84,148	1.46	21,616	4.23
Somalia	—	—	8,840	1.73
Sri Lanka	156,800	2.72	4,462	0.87
Tajikistan, Republic of	60,280	1.04	—	—
Tanzania	243,320	4.21	—	—
Togo	58,206	1.01	1,152	0.23
Uganda	257,433	4.46	—	—
Vietnam	241,600	4.19	—	—
Yemen, Republic of	150,000	2.60	—	—
Zambia	671,682	11.64	181,750	35.57
Zimbabwe	108,750	1.89	—	—
Total loans outstanding	<u>5,769,166</u>	<u>100.00</u>	<u>511,017</u>	<u>100.00</u>

¹Since 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 repayments of all SAF loans are transferred to the PRGF Reserve Account when received.

Poverty Reduction and Growth Facility Trust

(formerly Enhanced Structural Adjustment Facility Trust)

Contributions to and Resources of the Subsidy Account as at April 30, 2000

(In thousands of SDRs)

Contributor ¹	Amount
Direct Contributions to the Subsidy Account	
Argentina	13,600
Australia	2,343
Bangladesh	284
Canada	128,597
China	5,700
Czech Republic	6,000
Denmark	38,299
Egypt	6,000
Finland	22,684
Germany	120,256
Iceland	2,600
India	4,190
Ireland	2,440
Italy	135,230
Japan	468,365
Korea	29,866
Luxembourg	5,200
Morocco	4,252
Netherlands	77,769
Norway	28,073
Sweden	110,887
Switzerland	20,600
Turkey	2,000
United Kingdom	285,182
United States	106,096
Total direct contributions to the Subsidy Account	<u>1,626,513</u>
Net income transferred from Administered Accounts	
Austria	34,743
Belgium	73,291
Botswana	875
Chile	2,910
Greece	22,316
Indonesia	2,447
Iran, Islamic Republic of	646
Portugal	1,641
Total net income transferred from Administered Accounts	<u>138,869</u>
Total contributions received	1,765,382
Transfers from Special Disbursement Account	<u>400,000</u>
Total contributions received and transfers from Special Disbursement Account	2,165,382
Cumulative net income of the Subsidy Account	590,527
Resources disbursed to subsidize Trust lending	(1,008,537)
Total resources of the Subsidy Account	<u><u>1,747,372</u></u>

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

Poverty Reduction and Growth Facility Trust

(formerly Enhanced Structural Adjustment Facility Trust)

Schedule of Borrowing Agreements as at April 30, 2000

(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	232,409
France	0.50 ²	800,000	800,000	485,792
Germany	Variable ³	700,000	700,000	500,566
Italy	Variable ³	370,000	370,000	297,571
Japan	Variable ³	2,200,000	2,200,000	1,688,348
Korea	Variable ³	65,000	65,000	44,457
Norway	Variable ³	90,000	90,000	65,449
Spain	Variable ³	220,000	216,429 ⁴	104,675
Switzerland	—	200,000	200,000	—
Total prior to enlargement of PRGF		<u>4,945,000</u>	<u>4,941,429</u>	<u>3,419,267</u>
For enlargement of PRGF				
Belgium	Variable ³	200,000	11,083	11,083
Canada	Variable ³	400,000	160,046	160,046
China	Variable ³	100,000	89,505	89,505
Egypt	Variable ³	100,000	67,943	67,942
France	Variable ^{2,3}	1,100,000	457,699	457,699
Germany	Variable ³	700,000	294,684	294,684
Italy	Variable ³	460,000	103,264	103,264
Japan	Variable ³	2,150,000	907,338	907,338
Korea	Variable ³	27,700	12,718	12,718
Netherlands	Variable ³	250,000	—	—
Norway	Variable ³	60,000	53,433	53,433
OPEC Fund for International Development	Variable ³	37,902 ⁵	25,385	25,385
Spain	0.50	192,000	36,973	36,973
Switzerland	Variable ³	151,700	109,258	109,258
Total for enlargement of PRGF		<u>5,929,302</u>	<u>2,329,329</u>	<u>2,329,328</u>
Resources held pending repayment		—	—	<u>357,049 ⁶</u>
Total—Loan Account		<u>10,874,302</u>	<u>7,270,758</u>	<u>6,105,644</u>
Subsidy Account				
Malaysia (1994 loans)	2.00	40,000	40,000	40,000
Malaysia (1988 and 1989 loans)	0.50	40,000	40,000	—
Malta	0.50	2,730	2,730	2,730
Pakistan	0.50	10,000	4,669	4,669
Singapore	2.00	80,000	80,000	60,000
Thailand	2.00 ⁷	60,000	60,000	—
Tunisia	0.50	3,551	3,551	3,551
Uruguay	Variable ⁸	7,200	7,200	7,200
Total—Subsidy Account		<u>243,481</u>	<u>238,150</u>	<u>118,150</u>

¹The loans under this agreement are made at market-related rates of interest fixed at the time the loan was disbursed.

²The 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 for variable, market-related rates of interest thereafter. The agreement with France made for the enlargement of the PRGF (SDR 750 million) 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.

³The loans under these agreements are made at variable, market-related rates of interest.

⁴The agreement expired with an undrawn balance of SDR 3.6 million.

⁵The agreement with the OPEC Fund for International Development is for an amount of \$50 million.

⁶This amount represents principal repayments held and invested on behalf of a lender.

⁷In accordance with the agreement with Thailand, outstanding borrowings were repaid at the request of Thailand on January 30, 1998.

⁸The interest rate payable on the borrowing from Uruguay is equal to the rate on SDR-denominated deposits less 2.6 percent a year.

Poverty Reduction and Growth Facility Trust
(formerly Enhanced Structural Adjustment Facility Trust)

Status of Loan Arrangements¹
as at April 30, 2000

(In thousands of SDRs)

Member	Date of Arrangement	Expiration	Amount Agreed	Undrawn Balance
Albania	May. 13, 1998	May. 12, 2001	45,040	14,114
Benin	Aug. 28, 1996	Aug. 26, 2000	27,180	10,872
Bolivia	Sep. 18, 1998	Sep. 17, 2001	100,960	56,097
Burkina Faso	Sep. 10, 1999	Sep. 9, 2002	39,120	33,530
Cambodia	Oct. 22, 1999	Oct. 21, 2002	58,500	50,143
Cameroon	Aug. 20, 1997	Aug. 19, 2000	162,120	36,030
Central African Republic	Jul. 20, 1998	Jul. 19, 2001	49,440	32,960
Chad	Jan. 7, 2000	Jan. 6, 2003	36,400	31,200
Côte d'Ivoire	Mar. 17, 1998	Mar. 16, 2001	285,840	161,976
Djibouti	Oct. 18, 1999	Oct. 17, 2002	19,082	16,356
Gambia, The	Jun. 29, 1998	Jun. 28, 2001	20,610	13,740
Ghana	May. 3, 1999	May. 2, 2002	155,000	110,700
Guinea	Jan. 13, 1997	Jan. 12, 2001	70,800	15,730
Guyana	Jul. 15, 1998	Jul. 14, 2001	53,760	35,840
Honduras	Mar. 26, 1999	Mar. 25, 2002	156,750	80,750
Kyrgyz Republic	Jun. 26, 1998	Jun. 25, 2001	73,380	38,230
Madagascar	Nov. 27, 1996	Jul. 27, 2000	81,360	40,680
Mali	Aug. 6, 1999	Aug. 5, 2002	46,650	39,900
Mauritania	Jul. 21, 1999	Jul. 20, 2002	42,490	36,420
Mongolia	Jul. 30, 1997	Jul. 29, 2000	33,390	15,953
Mozambique	Jun. 28, 1999	Jun. 27, 2002	87,200	42,000
Nicaragua	Mar. 18, 1998	Mar. 17, 2001	148,955	53,820
Pakistan	Oct. 20, 1997	Oct. 19, 2000	682,380	417,010
Rwanda	Jun. 24, 1998	Jun. 23, 2001	71,400	38,080
São Tomé and Príncipe	Apr. 28, 2000	Apr. 27, 2003	6,657	6,657
Senegal	Apr. 20, 1998	Apr. 19, 2001	107,010	57,072
Tajikistan, Republic of	Jun. 24, 1998	Jun. 23, 2001	100,300	40,020
Tanzania	Mar. 31, 2000	Mar. 30, 2003	135,000	115,000
Uganda	Nov. 10, 1997	Nov. 9, 2000	100,425	17,853
Yemen, Republic of	Oct. 29, 1997	Oct. 28, 2000	264,750	114,750
Zambia	Mar. 25, 1999	Mar. 24, 2002	254,450	244,450
			<u>3,516,399</u>	<u>2,017,933</u>

¹The 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, 2000, SDR 49.5 million of such associated loans had been disbursed.

Poverty Reduction and Growth Facility Administered Accounts
(formerly Enhanced Structural Adjustment Facility Administered Accounts)

Balance Sheets
as at April 30, 2000 and 1999

(In thousands of SDRs)

	Austria		Belgium		Botswana		Chile	
	2000	1999	2000	1999	2000	1999	2000	1999
Assets								
Cash and cash equivalents	—	—	180,413	—	—	—	—	—
Investments (Note 3)	50,159	50,000	—	180,000	6,916	6,894	—	15,000
Advance payments to the PRGF Subsidy Account	47	85	—	—	48	58	—	—
Interest receivable	—	117	2,273	3,443	45	57	—	601
Total Assets	<u>50,206</u>	<u>50,202</u>	<u>182,686</u>	<u>183,443</u>	<u>7,009</u>	<u>7,009</u>	<u>—</u>	<u>15,601</u>
Liabilities and Resources								
Deposits (Note 4)	50,000	50,000	180,000	180,000	6,894	6,894	—	15,000
Interest payable	203	202	355	156	115	115	—	44
Other liabilities	3	—	—	—	—	—	—	—
Total Liabilities	<u>50,206</u>	<u>50,202</u>	<u>180,355</u>	<u>180,156</u>	<u>7,009</u>	<u>7,009</u>	<u>—</u>	<u>15,044</u>
Resources	—	—	2,331	3,287	—	—	—	557
Total Liabilities and Resources	<u>50,206</u>	<u>50,202</u>	<u>182,686</u>	<u>183,443</u>	<u>7,009</u>	<u>7,009</u>	<u>—</u>	<u>15,601</u>
<hr/>								
	Greece		Indonesia		Iran, I. R. of		Portugal	
	2000	1999	2000	1999	2000	1999	2000	1999
Assets								
Cash and cash equivalents	—	—	—	—	—	—	—	—
Investments (Note 3)	31,600	35,000	25,080	25,000	5,016	5,000	13,188	10,955
Advance payments to the PRGF Subsidy Account	—	—	—	—	—	—	33	—
Interest receivable	444	1,127	352	770	33	41	—	100
Total Assets	<u>32,044</u>	<u>36,127</u>	<u>25,432</u>	<u>25,770</u>	<u>5,049</u>	<u>5,041</u>	<u>13,221</u>	<u>11,055</u>
Liabilities and Resources								
Deposits (Note 4)	31,500	35,000	25,000	25,000	5,000	5,000	13,146	10,955
Interest payable	181	15	314	498	23	23	63	53
Other liabilities	2	—	1	—	—	—	1	—
Total Liabilities	<u>31,683</u>	<u>35,015</u>	<u>25,315</u>	<u>25,498</u>	<u>5,023</u>	<u>5,023</u>	<u>13,210</u>	<u>11,008</u>
Resources	361	1,112	117	272	26	18	11	47
Total Liabilities and Resources	<u>32,044</u>	<u>36,127</u>	<u>25,432</u>	<u>25,770</u>	<u>5,049</u>	<u>5,041</u>	<u>13,221</u>	<u>11,055</u>

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

/s/ Eduard Brau
Treasurer

/s/ Horst Köhler
Managing Director

Poverty Reduction and Growth Facility Administered Accounts

(formerly Enhanced Structural Adjustment Facility Administered Accounts)

Income Statements and Changes in Resources for the Years Ended April 30, 2000 and 1999

(In thousands of SDRs)

	Austria		Belgium		Botswana		Chile	
	2000	1999	2000	1999	2000	1999	2000	1999
Balance, beginning of the year	—	1,496	3,287	1,365	—	—	557	514
Investment income	1,893	2,378	7,932	8,039	253	265	228	685
Other expenses	(2)	—	—	—	—	—	—	—
Interest expense on deposits	(251)	(256)	(902)	(900)	(138)	(138)	(32)	(75)
Net income	1,640	2,122	7,030	7,139	115	127	196	610
Transfers to the PRGF Trust								
Subsidy Account	(1,640)	(3,618)	(7,986)	(5,217)	(115)	(127)	(753)	(567)
Net changes in resources	—	(1,496)	(956)	1,922	—	—	(557)	43
Balance, end of the year	—	—	2,331	3,287	—	—	—	557
	Greece		Indonesia		Iran, I. R. of		Portugal	
	2000	1999	2000	1999	2000	1999	2000	1999
Balance, beginning of the year	1,112	1,295	272	286	18	23	47	—
Investment income	660	1,647	518	1,095	184	188	496	433
Other expenses	(1)	—	(1)	—	—	—	—	—
Interest expense on deposits	(167)	(177)	(386)	(595)	(25)	(25)	(66)	(54)
Net Income	492	1,470	131	500	159	163	430	379
Transfers to the PRGF Trust								
Subsidy Account	(1,243)	(1,653)	(286)	(514)	(151)	(168)	(466)	(332)
Net changes in resources	(751)	(183)	(155)	(14)	8	(5)	(36)	47
Balance, end of the year	361	1,112	117	272	26	18	11	47

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

Poverty Reduction and Growth Facility Administered Accounts

(formerly Enhanced Structural Adjustment Facility Administered Accounts)

Notes to the Financial Statements as at April 30, 2000 and 1999

1. Nature of Operations

The name of the Enhanced Structural Adjustment Facility Administered Accounts was changed to the Poverty Reduction and Growth Facility Administered Accounts (“the Administered Accounts” or “PRGF Administered Accounts”) on November 22, 1999. At the request of certain member countries, the IMF established administered accounts for the benefit of the Subsidy Account of the Poverty Reduction and Growth Facility Trust (the PRGF Trust, formerly the Enhanced Structural Adjustment Facility 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). The IMF acts as 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 Practices

Basis of Presentation

The financial statements are prepared in accordance with International Accounting Standards (IAS), which are issued by the International Accounting Standards Committee. Certain specific accounting principles and disclosure practices are explained further below in line with IAS requirements.

Unit of Account

The financial statements are expressed in terms of SDRs. The value of the SDR is based on the proportional amounts of the currencies of the five members having the largest exports of goods and services during the five-year period ending one year before the date of the review of these proportional amounts. 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 basket of these currencies. The IMF reviews the SDR valuation basket every five years. The currencies in the basket as of April 30, 2000 and 1999 and their amounts were as follows:

Currency	Amount
Euro (Germany)	0.228
Euro (France)	0.1239
Japanese yen	27.2
Pound sterling	0.105
U.S. dollar	0.5821

As of April 30, 2000, one SDR was equal to 1.31921 U.S. dollars (1.35123 U.S. dollars as of April 30, 1999).

Revenue 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.

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 not exceeding net realizable value. Interest on these instruments varies and is market-related.

Investments

The resources of the Administered Accounts are invested pending their use. Investments are made in debt securities, either directly or by participation in an investment pool. Investments are marked to market value on the last business day of the accounting period. The valuations of purchases and sales are made on the trade date basis. Investment income comprises interest earned on investments, realized and unrealized gains and losses on investments and 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 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 basket.

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 on 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 Subsidy Account

The difference between the interest earned by the IMF on the amount invested and the interest payable on the deposits of the administered account, 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.

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 administered accounts investments, in debt securities, are as follows:

Maturity as at April 30	2000	1999
	<i>In thousands of SDRs</i>	
Less than 1 year	1,024	327,849
1-3 years	129,619	—
3-5 years	1,066	—
Over 5 years	250	—
Total	<u>131,959</u>	<u>327,849</u>

4. Deposits

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 2 of 1 percent a year. The first deposit from Austria has been repaid in full.

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 2 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 and the IMF pays the National Bank of Belgium interest on each deposit at an annual rate of 2 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) is retained in the account and invested, pending further disposition by the National Bank of Belgium.

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 Administered Account Chile was established on October 4, 1994 for the administration of resources deposited in the account by the Banco Central de Chile. The deposit, totaling SDR 15.0 million, was repaid on October 4, 1999.

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 2 of 1 percent a year. The first deposit from Greece has been repaid in full.

The Administered Account Indonesia was established on June 30, 1994 for the administration of resources deposited in the account by the 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.

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 2 of 1 percent a year.

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 agreed to make 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 2 of 1 percent a year.

5. Associated Loans

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 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 balances is currently set at a rate of 2 of 1 percent a year.

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

	2000	1999
	<i>In thousands of SDRs</i>	
Receipts of Resources		
Cumulative transfers from the		
Saudi Fund for Development	49,500	49,500
Cumulative repayments of associated loans	16,250	9,350
Cumulative receipts of interest on associated loans	1,502	1,302
Accrued interest on associated loans	61	68
	<u>67,313</u>	<u>60,220</u>
Uses of Resources		
Associated loans	49,500	49,500
Cumulative repayments to the		
Saudi Fund for Development	16,250	9,350
Cumulative payments of interest on transfers	1,502	1,302
Accrued interest on transfers	61	68
	<u>67,313</u>	<u>60,220</u>

PRGF-HIPC Trust and Related Accounts

Combined Balance Sheets
as at April 30, 2000 and 1999

(In thousands of SDRs)

	2000	1999
Assets		
Cash and cash equivalents	1,012,081	70,084
Investments (Note 3)	221,135	107,035
Transfers receivable (Note 4)	10,757	20,377
Interest receivable	8,768	2,872
Total Assets	<u>1,252,741</u>	<u>200,368</u>
Liabilities and Resources		
Borrowings (Note 5)	323,175	41,607
Other liabilities	13	—
Interest payable	626	349
Total Liabilities	<u>323,814</u>	<u>41,956</u>
Resources	<u>928,927</u>	<u>158,412</u>
Total Liabilities and Resources	<u>1,252,741</u>	<u>200,368</u>

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

/s/ Eduard Brau
Treasurer/s/ Horst Köhler
Managing Director

PRGF-HIPC Trust and Related Accounts

Combined Income Statements and Changes in Resources
for the Years Ended April 30, 2000 and 1999

(In thousands of SDRs)

	2000	1999
Balance, beginning of the year	<u>158,412</u>	<u>95,987</u>
Investment income	21,492	6,101
Interest expense	(1,078)	(642)
Other expenses	(40)	—
Operational income	20,374	5,459
Contributions received	552,319	40,357
Grants	(139,986)	(21,249)
Disbursements	<u>(43,308)</u>	<u>(16,570)</u>
	389,399	7,997
Transfers	<u>381,116</u>	<u>54,428</u>
Net changes in resources	<u>770,515</u>	<u>62,425</u>
Balance, end of the year	<u>928,927</u>	<u>158,412</u>

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, 2000 and 1999

1. Nature of Operations

The PRGF-HIPC 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 sub-accounts: the PRGF-HIPC, PRGF and HIPC sub-accounts. Separate 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 (formerly the ESAF-HIPC Trust)

The name of the Trust for Special ESAF Operations for the Heavily Indebted Poor Countries and for Interim ESAF Subsidy Operations was changed to the Trust for Special PRGF Operations for the Heavily Indebted Poor Countries and for Interim PRGF Subsidy Operations (the PRGF-HIPC Trust) on November 22, 1999. 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 and 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 (formerly the ESAF-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 could 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 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), 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 separate 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 Practices

Basis of Presentation

The financial statements are prepared in accordance with International Accounting Standards (IAS), which are issued by the International Accounting Standards Committee. Certain specific accounting principles and disclosure practices are explained further below in line with IAS requirements.

Unit of Account

The financial statements are expressed in terms of SDRs. The value of the SDR is based on the proportional amounts of the currencies of the five members having the largest exports of goods and services during the five-year period ending one year before the date of the review of these proportional amounts. 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 basket of these currencies. The IMF reviews the SDR valuation basket every five years. The currencies in the basket as of April 30, 2000 and 1999 and their amounts were as follows:

Currency	Amounts
Euro (Germany)	0.228
Euro (France)	0.1239
Japanese yen	27.2
Pound sterling	0.105
U.S. dollar	0.5821

As of April 30, 2000, one SDR was equal to 1.31921 U.S. dollars (1.35123 U.S. dollars as of April 30, 1999).

Revenue 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.

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 not exceeding net realizable value. Interest on these instruments varies and is market-related.

Investments

The resources of the Trust are invested pending their use. The Trust invests in debt securities, either directly or by participation in an investment pool. Investments are valued at their market value on the last business day of the accounting period. The valuation of purchases and sales is made on the trade date basis. Investment income comprises gains and losses realized during the year from the sale of investments, unrealized gains and losses on investments, and 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 basket. Regular portfolio rebalancing to ensure that the currency composition of the investment portfolio matches, as closely as possible, the currency composition of the SDR basket, further minimizes risk.

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 on 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 the activities of the Trust and related accounts are incurred and borne by the General Department of the IMF.

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, in debt securities, are as follows:

Maturity as at April 30	2000	1999
	<i>In thousands of SDRs</i>	
Less than 1 year	1,017	107,035
1–3 years	217,907	—
3–5 years	1,791	—
Over 5 years	420	—
Total	<u>221,135</u>	<u>107,035</u>

4. Transfers receivable and payable

The HIPC subaccount has transfers payable to the PRGF-HIPC subaccount arising from past disbursements to the Umbrella Account under the HIPC initiative in the amount of SDR 200.7 million, including interest (there was no transfer payable at April 30, 1999). Interest payable between subaccounts is eliminated on combination. At April 30, 2000, there was a transfer due from the General Resources Account amounting to SDR 10.8 million (SDR 13.3 million at April 30, 1999).

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, 2000 and April 30, 1999 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:

Periods of Repayment, Financial Year Ending April 30	2000	1999
	<i>In thousands of SDRs</i>	
2001	—	—
2002	14,607	14,607
2003	—	—
2004	—	—
2005 and beyond	308,568	27,000
Total	<u>323,175</u>	<u>41,607</u>

6. Separate Balance Sheets and Income Statements and Changes in Resources

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

Combining Balance Sheets as at April 30, 2000 and 1999

(In thousands of SDRs)

	2000						1999		
	PRGF-HIPC Trust Account (formerly ESAF-HIPC Trust Account)			Umbrella Account for HIPC Operations	Post-SCA-2 Administered Account ¹	Combined Total	PRGF-HIPC Trust Account	Umbrella Account for HIPC Operations	Combined Total
	PRGF-HIPC	PRGF	HIPC						
Assets									
Cash and cash equivalents	387,825	58	212,853	600,736	157,131	254,214	55,640	14,444	70,084
Investments	213,883	7,252	—	221,135	—	—	63,657	43,378	107,035
Transfers receivable	10,757	—	—	10,757	—	—	20,377	—	20,377
Transfers to and from subaccounts	200,705	—	(200,705)	—	—	—	—	—	—
Interest receivable	1,650	—	587	2,237	3,694	2,837	1,933	939	2,872
Total Assets	814,820	7,310	12,735	834,865	160,825	257,051	141,607	58,761	200,368
Liabilities and Resources									
Borrowings	323,175	—	—	323,175	—	—	41,607	—	41,607
Other liabilities	13	—	—	13	—	—	—	—	—
Interest payable	626	—	—	626	—	—	349	—	349
Total Liabilities	323,814	—	—	323,814	—	—	41,956	—	41,956
Resources	491,006	7,310	12,735	511,051	160,825	257,051	99,651	58,761	158,412
Total Liabilities and Resources	814,820	7,310	12,735	834,865	160,825	257,051	141,607	58,761	200,368

¹ The Post-SCA-2 Administered Account was established on December 8, 1999.

Note 6 (continued)

**Combining Income Statements and Changes in Resources
for the Years Ended April 30, 2000 and 1999**

(In thousands of SDRs)

	2000						1999					
	PRGF-HIPC Trust Account (formerly ESAF-HIPC Trust Account)						Umbrella Account for HIPC Operations	Post-SCA-2 Administered Account ¹	Combined Total	PRGF-HIPC Trust Account	Umbrella Account for HIPC Operations	Combined Total
	PRGF-HIPC	PRGF	HIPC	HIPC	Combined	Combined						
Balance, beginning of the year	171,156	3,775	(75,280)	99,651	58,761	158,412	—	44,374	51,613	95,987		
Investment income	14,664	190	3,575	11,734 ²	5,386	21,492	4,372	3,632	2,469	6,101		
Interest expense	(1,078)	—	(6,695)	(1,078) ²	—	(1,078)	—	(642)	—	(642)		
Other expenses	(40)	—	—	(40)	—	(40)	—	—	—	—		
Operational income/(loss)	13,546	190	(3,120)	10,616	5,386	20,374	4,372	2,990	2,469	5,459		
Contributions received	177,867	3,345	231,121	412,333	139,986	552,319	—	19,108	21,249	40,357		
Grants	—	—	(139,986)	(139,986)	(43,308)	(139,986)	—	(21,249)	—	(21,249)		
Disbursements	—	—	—	—	(43,308)	(43,308)	—	—	(16,570)	(16,570)		
Transfers	191,413	3,535	88,015	282,963	102,064	389,399	4,372	849	7,148	7,997		
Net changes in resources	128,437	—	—	128,437	—	381,116	252,679	54,428	—	54,428		
Balance, end of the year	319,850	3,535	88,015	411,400	102,064	770,515	257,051	55,277	7,148	62,425		
	491,006	7,310	12,735	511,051	160,825	928,927	257,051	99,651	58,761	158,412		

¹The Post-SCA-2 Administered Account was established on December 8, 1999; the figures presented are for the period December 8, 1999 through April 30, 2000.²Interest payable between subaccounts amounting to SDR 6.7 million has been eliminated in the combined totals.

Post SCA-2 Administered Account

Holdings, Interest, and Transfers as at April 30, 2000

(In thousands of SDRs)

Member	Transfers from SCA-2	Interest Earned	Transfers to Member	Transfers to PRGF-HIPC Trust	Balance as at April 30, 2000
Algeria	7,569	121	—	—	7,690
Argentina	19,605	285	—	—	19,890
Austria	9,563	152	—	—	9,715
Brazil	9,979	159	—	—	10,138
Brunei Darussalam	52	—	—	—	52
Croatia, Republic of	519	8	—	—	527
Czech Republic	5,664	47	—	(5,664)	47
Dominican Republic	905	10	—	—	915
Egypt	1,724	27	—	—	1,751
Estonia, Republic of	137	2	—	—	139
Fiji	194	3	—	—	197
Finland	5,812	93	—	—	5,905
Gabon	431	7	—	—	438
Hungary	9,237	148	—	—	9,385
India	31,370	390	—	(31,370)	390
Indonesia	4,850	78	—	—	4,928
Italy	42,407	680	—	—	43,087
Jordan	1,027	13	—	—	1,040
Kuwait	4,197	65	—	—	4,262
Latvia, Republic of	269	4	—	—	273
Malaysia	7,368	114	—	—	7,482
Mauritius	40	—	—	(40)	—
Morocco	2,187	35	—	—	2,222
New Zealand	1,199	19	—	—	1,218
Oman	1,057	17	—	—	1,074
Pakistan	4,659	75	—	—	4,734
Peru	6,144	34	(34)	(6,144)	—
Poland, Republic of	7,074	113	—	—	7,187
Russian Federation	10,086	161	—	—	10,247
Saudi Arabia	16,710	268	—	—	16,978
Singapore	4,046	65	—	—	4,111
Spain	26,000	348	—	—	26,348
Sri Lanka	789	12	—	(789)	12
Sweden	10,595	170	—	—	10,765
Thailand	6,128	98	—	—	6,226
Tonga	26	—	—	—	26
Trinidad & Tobago	2,216	17	—	—	2,233
Tunisia	2,362	38	—	—	2,400
United Arab Emirates	5,141	72	—	—	5,213
Vanuatu	44	—	—	—	44
Venezuela	26,815	416	—	—	27,231
Vietnam	523	8	—	—	531
	<u>296,720</u>	<u>4,372</u>	<u>(34)</u>	<u>(44,007)</u>	<u>257,051</u>

PRGF-HIPC Trust Account*(formerly ESAF-HIPC Trust Account)***Contributions and Transfers
as at April 30, 2000 and 1999***(In thousands of SDRs)*

	Subaccount			Combined
	PRGF-HIPC	PRGF	HIPC	
Cumulative up to April 30, 1999				
Belize	20	—	—	20
Finland	2,251	—	—	2,251
Japan	46,313	—	—	46,313
Netherlands	—	3,600	—	3,600
Nigeria	1,102	—	—	1,102
	49,686	3,600	—	53,286
Transfers from SDA	102,130	—	—	102,130
Transfers from GRA	13,286	—	—	13,286
	115,416	—	—	115,416
	165,102	3,600	—	168,702
Year ended April 30, 2000				
Australia	—	—	9,189	9,189
Bangladesh	1,163	—	—	1,163
Barbados	250	—	—	250
Belize	20	—	—	20
Cambodia	27	—	—	27
Canada	32,929	—	—	32,929
China	13,132	—	—	13,132
Cyprus	544	—	—	544
Denmark	6,120	—	—	6,120
France	38,696	—	—	38,696
Greece	2,200	—	—	2,200
Iceland	93	—	—	93
Ireland	3,937	—	—	3,937
Israel	1,189	—	—	1,189
Jamaica	1,800	—	—	1,800
Japan	20,245	—	—	20,245
Korea	10,625	—	—	10,625
Luxembourg	488	—	—	488
Malta	706	—	—	706
Mauritius	40	—	—	40
Netherlands	—	3,345	—	3,345
Norway	7,252	—	—	7,252
Philippines	4,500	—	—	4,500
Portugal	4,430	—	—	4,430
Samoa	3	—	—	3
San Marino, Republic of	32	—	—	32
Slovak Republic	2,669	—	—	2,669
Slovenia, Republic of	311	—	—	311
South Africa	895	—	—	895
Swaziland	20	—	—	20
United Kingdom	23,551	—	—	23,551
United States	—	—	221,932	221,932
	177,867	3,345	231,121	412,333
Transfers from SDA	69,267	—	—	69,267
Transfers from GRA	59,170	—	—	59,170
	128,437	—	—	128,437
Cumulative up to April 30, 2000	306,304	3,345	231,121	540,770

PRGF-HIPC Trust Account*(formerly ESAF-HIPC Trust Account)***Borrowings
as at April 30, 2000 and 1999***(In thousands of SDRs)*

Date of Arrangement	Maturity ¹	Interest Rate (in percent)	Amount	
			2000	1999
PRGF-HIPC sub-account				
<i>SDR-denominated</i>				
April 30, 1997	April 29, 2002	2.0	14,607	14,607
May 30, 1997	May 29, 2007	0.5	1,000	1,000
May 30, 1998	May 29, 2007	0.5	1,000	1,000
June 29, 1998	June 28, 2008	2.0	15,000	15,000
November 20, 1998	November 19, 2008	2.0	10,000	10,000
May 30, 1999	May 29, 2007	0.5	1,000	—
August 24, 1999	August 23, 2009	2.0	5,000	—
August 30, 1999	August 29, 2009	2.0	10,000	—
October 4, 1999	October 3, 2004	0.5	15,000	—
January 31, 2000	January 30, 2010	1.5	6,144	—
February 24, 2000	February 23, 2020	0.0	5,664	—
March 31, 2000	December 30, 2018	0.0	31,370	—
April 24, 2000	December 23, 2018	0.0	789	—
			<u>116,574</u>	<u>41,607</u>
<i>Currency-denominated</i>				
February 11, 2000	February 10, 2010	0.0	<u>206,601</u> ²	—
Total			<u><u>323,175</u></u>	<u><u>41,607</u></u>

¹The principal amounts of all the borrowings are payable in one installment at their maturity dates.

²The principal amount of the borrowing is for Euro 300 million.

Umbrella Account for HIPC Operations as at April 30, 2000 and 1999

Grants, Interest, and Disbursements

(In thousands of SDRs)

	Opening Balance	Grants from PRGF-HIPC Trust Account	Interest Earned	Disbursements	Balance
Cumulative up to April 30, 1999					
Bolivia	—	21,249	460	6,804	14,905
Uganda	—	51,514	2,108	9,766	43,856
	<u>—</u>	<u>72,763</u>	<u>2,568</u>	<u>16,570</u>	<u>58,761</u>
Year ended April 30, 2000					
Bolivia	14,905	—	424	7,423	7,906
Guyana	—	25,561	716	7,415	18,862
Mozambique	—	95,483	2,758	14,818	83,423
Tanzania	—	13,342	33	—	13,375
Uganda	43,856	5,600	1,455	13,652	37,259
Cumulative up to April 30, 2000	<u>58,761</u>	<u>139,986</u>	<u>5,386</u>	<u>43,308</u>	<u>160,825</u>

Other Administered Accounts
Balance Sheets
as at April 30, 2000 and 1999

	Administered Account Japan		Administered Account for Selected Fund Activities—Japan		Framework Administered Account for Technical Assistance Activities		Administered Account for Rwanda		Trust Fund		Supplementary Financing Facility Subsidy Account	
	2000	1999	2000	1999	2000	1999	2000	1999	2000	1999	2000	1999
Assets	← (In thousands of U.S. dollars) → (In thousands of SDRs) →											
Cash and cash equivalents	107,405	101,898	18,854	25,997	4,201	4,798	288	480	—	—	2,319	2,239
Loans receivable	—	—	—	—	—	—	—	—	88,904	89,345	—	—
Interest receivable	34	—	—	—	—	—	3	4	—	—	24	20
Total Assets	107,439	101,898	18,854	25,997	4,201	4,798	291	484	88,904	89,345	2,343	2,259
Resources												
Total Resources	107,439	101,898	18,854	25,997	4,201	4,798	291	484	88,904	89,345	2,343	2,259

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

/s/ Eduard Brau
Treasurer

/s/ Horst Köhler
Managing Director

Other Administered Accounts

Income Statements and Changes in Resources
for the Years Ended April 30, 2000 and 1999

	Administered Account Japan		Administered Account for Selected Activities—Japan		Framework Administered Account for Technical Assistance Activities		Administered Account for Rwanda		Trust Fund		Supplementary Financing Facility Subsidy Account	
	2000	1999	2000	1999	2000	1999	2000	1999	2000	1999	2000	1999
Balance, beginning of the year	101,898	96,783	25,997	20,634	4,798	3,389	484	796	89,345	89,784	2,259	2,406
Income earned on investments	5,541	5,115	1,142	1,359	186	233	13	24	—	—	84	92
Interest on loans	—	—	—	—	—	—	—	—	447	448	—	—
Deferred income, net of settlements (Note 4)	—	—	—	—	—	—	—	—	(447)	(448)	—	—
Operational Income	5,541	5,115	1,142	1,359	186	233	13	24	—	—	84	92
Contributions received	—	—	14,042	24,988	3,240	4,712	—	—	—	—	—	—
Payments to beneficiaries	—	—	(22,327)	(20,984)	(4,023)	(3,536)	(206)	(336)	—	—	—	—
Transfers to the Special Disbursement Account (Note 5)	5,541	5,115	(7,143)	5,363	(597)	1,409	(193)	(312)	—	—	84	92
Net changes in resources	5,541	5,115	(7,143)	5,363	(597)	1,409	(193)	(312)	(441)	(439)	—	(239)
Balance, end of the year	107,439	101,898	18,854	25,997	4,201	4,798	291	484	88,904	89,345	2,343	2,259

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

Other Administered Accounts

Notes to the Financial Statements as at April 30, 2000 and 1999

1. Nature of Operations

Administered Accounts Established at the Request of Members

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. The establishment of a subaccount requires the approval of the Executive Board.

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.

Administered Account for Rwanda

At the request of the Netherlands, Sweden, and the United States ("the donor countries"), the IMF established an

account on October 27, 1995 to administer resources contributed by the donor countries to provide grants to Rwanda. These grants are to be used for reimbursing the service charge and reducing, to the equivalent of a rate of 2 of 1 percent a year, the rate of the quarterly charges payable by Rwanda on its use of the IMF's financial resources under the Compensatory and Contingency Financing Facility (CCFF).

Trust Fund

The Trust Fund, for which the IMF is trustee, 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. The resources of the Trust Fund are held separately from the assets of all other accounts of, or administered by, the IMF and cannot be used to discharge liabilities or to meet losses incurred in the administration of other IMF accounts.

Supplementary Financing Facility Subsidy Account

The Supplementary Financing Facility Subsidy Account ("the Subsidy Account"), which is administered by the IMF, was established in December 1980 to assist low-income developing country members to meet the cost 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 ineligible to receive previously approved subsidy payments until 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 resources of the Subsidy Account are held separately from the assets of all other accounts of, or administered by, the IMF and cannot be used to discharge liabilities or to meet losses incurred in the administration of other IMF accounts.

2. Summary of Significant Accounting Practices

Basis of Presentation

The financial statements are prepared in accordance with International Accounting Standards (IAS), which are issued by the International Accounting Standards Committee. Certain specific accounting principles and disclosure practices are explained further below in line with IAS requirements.

Unit of Account

Administered Account Japan, Administered Account for Selected Fund Activities—Japan, and Framework Administered Account for Technical Assistance Activities

The 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. Con-

tributions denominated in other currencies are converted into U.S. dollars upon receipt of the funds.

Administered Account for Rwanda, Trust Fund, and Supplementary Financing Facility Subsidy Account

The financial statements are expressed in terms of SDRs. The value of the SDR is based on the proportional amounts of the currencies of the five members having the largest exports of goods and services during the five-year period ending one year before the date of the review of these proportional amounts. 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 basket of these currencies. The IMF reviews the SDR valuation basket every five years. The currencies in the basket as of April 30, 2000 and 1999 and their amounts were as follows:

Currency	Amount
Euro (Germany)	0.228
Euro (France)	0.1239
Japanese yen	27.2
Pound sterling	0.105
U.S. dollar	0.5821

As of April 30, 2000, one SDR was equal to 1.31921 U.S. dollars (1.35123 U.S. dollars as of April 30, 1999).

Transfers to and disbursements from the Administered Account for Rwanda are made in U.S. dollars or in other freely usable currencies. 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 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 denominated in SDRs or other currencies and are carried at cost not exceeding net realizable value. Interest on these instruments varies and is market-related.

Loans

Loans in the Trust Fund are valued at historical cost. Allowances for loan losses would be established if and when the Trust expects to incur a loss; no losses have been incurred in the past, and it is the current expectation that no losses will be incurred in the future.

An overdue member would have to become current in the IMF and in the Trust Fund before access to credit could be restored and consequently no loss is expected on the loans. The member's resources or other resources would be used to reimburse the Trust Fund.

Deferred Income

The recognition of interest income and special charges on the Trust Fund loans outstanding to members with obligations overdue six months or more is being deferred and is recognized as income only when paid, unless the member has remained current in settling charges when due (see Note 4).

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 on 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 Costs

The expenses of conducting the activities of the Administered Accounts Established at the Request of Members and the Trust Fund are incurred and borne by the General Department of the IMF. Following the termination of the Trust Fund as of April 30, 1981, residual administrative costs have been absorbed by the General Resources Account 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 IMF from these accounts. For financial years 2000 and 1999, the administrative costs for the Administered Account for Selected Fund Activities—Japan amounted to U.S. dollars 2.4 million and U.S. dollars 2.2 million, respectively, and, for the Framework Administered Account for Technical Assistance Activities, U.S. dollars 0.45 million and U.S. dollars 0.38 million, respectively.

Cumulative Contributions and Disbursements

The cumulative contributions and disbursements from these administered accounts are as follows:

Account	April 30, 2000		April 30, 1999	
	Cumulative Contributions	Cumulative Disbursements ¹	Cumulative Contributions	Cumulative Disbursements ¹
<i>In millions of U.S. dollars</i>				
Administered Account Japan	135.2	72.5	135.2	72.5
Administered Account for Selected Fund Activities—Japan	138.5	125.7	124.4	103.3
Technical Assistance	128.6	116.5	116.3	95.7
Scholarships	6.6	6.1	5.9	5.6
Office of Asia and Pacific	3.3	3.1	2.2	2.0
Framework Administered Account for Technical Assistance Activities	15.0	11.5	11.8	7.5
Subaccount for Japan				
Advanced Scholarship Program	5.7	4.0	4.3	2.7
Rwanda—Macroeconomic Management Capacity Subaccount	1.5	1.6	1.5	1.5
Australia—IMF Scholarship Program for Asia Subaccount	0.8	0.9	0.7	0.5
Switzerland Technical Assistance Subaccount	5.8	4.3	4.6	2.3
French Technical Assistance Subaccount	0.54	0.31	0.26	0.22
Denmark Technical Assistance Subaccount	0.47	0.45	0.47	0.19
Australia Technical Assistance Subaccount	0.15			
<i>In millions of SDRs</i>				
Administered Account for Rwanda	1.5	1.4	1.5	1.2

¹Disbursements have been made from resources contributed to these accounts, as well as from interest earned on these resources.

Comparatives

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

3. Loans

Loans were made from the Trust Fund to members that qualified for assistance in accordance with the provisions of the Trust Fund instrument. The final Trust Fund loan installment was due on March 31, 1991. Interest on the outstanding loan balances is charged at the rate of \emptyset of 1 percent a year, although special charges have been levied on overdue payments of interest and principal since February 1986. Since May 1, 1993, special charges on overdue obligations to the Trust Fund have been suspended for members who are more than six months overdue.

4. Overdue Obligations

At April 30, 2000 and 1999, three members with obligations to the Trust Fund were six months or more overdue in discharging their obligations to the Trust Fund. The recognition of interest income on the loans outstanding to these members and of special charges due from them is being deferred. At April 30, 2000, total deferred income amounted to SDR 26.8 million (SDR 26.4 million at April 30, 1999). Overdue loan repayments and interest and special charges due from these members were as follows:

	Loans		Interest and Special Charges	
	2000	1999	2000	1999
<i>In millions of SDRs</i>				
Total overdue	88.9	89.3	26.7	26.3
Overdue six months or more	88.9	89.3	26.5	26.0
Overdue three years or more	88.9	89.3	25.4	24.9

The type and duration of the arrears of these members at April 30, 2000 were as follows:

Member	Loans	Interest and Special Charges	Total	Longest Overdue Obligation
Liberia	23.2	6.9	30.1	February 1985
Somalia	6.5	1.3	7.8	July 1987
Sudan	59.2	18.5	77.7	June 1985
Total	88.9	26.7	115.6	

5. Transfer of Resources

The resources of the Trust Fund held on April 30, 1981 or received thereafter have been used to pay interest and principal when due on loan obligations and to make transfers to the Special Disbursement Account, since the activities of the Trust are limited to the conclusion of its affairs.

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, 2000 and 1999, 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.

6. 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 for Rwanda

The account can be terminated at any time by the IMF or by unanimous agreement of the donor countries. The account shall, in any case, be terminated by the IMF when Rwanda's financial obligations to the IMF under the CCFF have been fully discharged or when the resources of the account have been exhausted, whichever is earlier. Any balance in the account at termination shall be transferred to the donor countries, in proportion to their contribution, or to Rwanda, if so instructed.