



International Monetary Fund

FINANCIAL STATEMENTS

Quarter Ended

July 31, 2000

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FINANCIAL STATEMENTS OF THE INTERNATIONAL MONETARY FUND

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PART ONE

**Financial Statements
of the
International Monetary Fund**

I. General Department

II. SDR Department

**I. Financial Statements
of the
General Department**

General Department

Balance Sheet

as at July 31, 2000

(In thousands of SDRs)

Assets		Liabilities and Resources	
Credit outstanding	42,745,219	Liabilities:	
Usable currencies	107,313,849	Remuneration payable	443,478
Other currencies	<u>55,552,474</u>	Other liabilities	176,196
Total currencies (Notes 3 and 4)	<u>205,611,542</u>	Special Contingent Accounts (Note 10)	<u>1,142,519</u>
SDR holdings	2,458,266	Total Liabilities	<u>1,762,193</u>
Gold holdings (Note 5)	5,851,771	Members' Resources:	
Receivables (Note 6)	648,044	Quotas, represented by:	
Other assets (Notes 7 and 14)	591,450	Reserve tranche positions (Notes 2 and 4)	47,384,691
Assets of the Special Disbursement Account		Subscription payments: Usable	107,313,849
Investments (Note 8)	2,280,220	Other	<u>55,552,860</u>
Structural Adjustment Facility loans (Note 3)	483,581	Total quotas	<u>210,251,400</u>
Total Assets	<u>217,924,874</u>	Reserves of the General Resources Account	3,147,480
		Accumulated resources of the Special Disbursement Account	2,763,801
		Total Liabilities and Resources	<u>217,924,874</u>

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

/s/ Eduard Brau
Treasurer

/s/ Horst Köhler
Managing Director

General Department
Income Statement
for the Three Months Ended July 31, 2000

(In thousands of SDRs)

Operational Income	
Interest and charges (Note 6)	565,140
Interest on SDR holdings	27,287
Other charges and income	6,121
	<hr/>
	598,548
	<hr/>
Operational Expenses	
Remuneration and financing costs (Note 9)	443,512
Allocations to the first Special Contingent Account	23,500
	<hr/>
	467,012
	<hr/>
Administrative expenses net of gain on pension and other employee benefits (Notes 13 and 14)	89,090
	<hr/>
Net Income of the General Resources Account	42,446
	<hr/> <hr/>
Income of the Special Disbursement Account	
Income earned on investments	23,918
Interest on loans	434
	<hr/>
Net Income of the Special Disbursement Account	24,352
	<hr/> <hr/>

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

General Department
Statement of Changes in Resources
for the Three Months Ended July 31, 2000
(In thousands of SDRs)

	<u>Quotas</u>	<u>Reserves of the GRA</u>		<u>Total</u>	<u>Special</u>
		<u>Special</u>	<u>General</u>	<u>Reserve</u>	<u>Disbursement</u>
		<u>Reserve</u>	<u>Reserve</u>		<u>Account</u>
					<u>Accumulated</u>
					<u>Resources</u>
Balance at April 30, 2000	210,251,400	2,178,382	926,652	3,105,034	2,767,727
Net income of General Resources Account		42,446	--	42,446	
Net income of the Special Disbursement Account					24,352
Transfers from Trust Fund					76
Transfers from SFF Subsidy Account					104
Net Transfers to the PRGF Trust					(16,458)
Transfers to the PRGF - HIPC Trust					(12,000)
Balance at July 31, 2000	<u>210,251,400</u>	<u>2,220,828</u>	<u>926,652</u>	<u>3,147,480</u>	<u>2,763,801</u>

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

General Department
Statement of Cash Flows
for the Three Months Ended July 31, 2000

(In thousands of SDRs)

Usable currencies and SDRs from operating activities

Net income of the General Resources Account	42,446
Net income of the Special Disbursement Account	24,352
Adjustments to reconcile net operational income to usable resources generated by operations	
Changes in receivables and other assets	13,063
Changes in remuneration payable and other liabilities	(21,766)
Allocation to SCA-1	23,500
Net usable currencies provided by operating activities	81,595

Usable currencies and SDRs from investment activities

Acquisitions of investments by the Special Disbursement Account	(24,131)
Net usable currencies and SDRs used in investment activities	(24,131)

**Usable currencies and SDRs generated/(absorbed) in
providing credit to members**

Purchases	(920,340)
Repurchases	2,046,813
Repayments of Structural Adjustment Facility loans	28,057
Net usable currencies and SDRs generated in provision of credit to members	1,154,530

Usable currencies and SDRs from financing activities

Changes in composition of usable currencies	364,227
Transfers to the PRGF Trust and PRGF-HIPC Trust	(28,278)
Net usable currencies and SDRs provided by financing activities	335,949

<i>Net increase in usable currencies and SDRs</i>	1,547,943
<i>Usable currencies and SDRs, beginning of period</i>	108,224,172
Usable currencies and SDRs, end of period	109,772,115

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

General Department

Notes to the Financial Statements

as at July 31, 2000

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 July 31, 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 and repayment of IMF credit, collection of charges on use of credit, payment of remuneration on creditor positions, borrowings, and payment of interest and repayment of borrowings.

Special Disbursement Account

The assets and resources of the SDA are held separately from other accounts of the General Department. Resources of the SDA include transfers received from the Trust Fund and profits from the sale 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 extended 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 SDA, 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 Trust), which is administered separately by the IMF as trustee.

General Department

Notes to the Financial Statements

as at July 31, 2000

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 July 31, 2000 and their amounts were as follows:

July 31, 2000 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 July 31, 2000, one SDR was equal to 1.31335 U.S. dollars.

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

General Department

Notes to the Financial Statements

as at July 31, 2000

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 Account

Debtor and creditor members share equally the financial consequences of overdue obligations under a mechanism referred to as burden sharing. Under this mechanism, an amount equal to unpaid and deferred charges is generated by adjustments to the rates of charge and remuneration. The proceeds from subsequent settlements of overdue charges are distributed to members that paid additional charges or received reduced remuneration to the extent that the deferred charges that are being settled were subject to burden sharing adjustments. In view of the protracted overdue repurchase obligations, the IMF also accumulates precautionary balances in the first Special Contingent Account (SCA-1).

Currencies

Currencies consist of members' currencies and securities held by the IMF. Each member has the option to substitute nonnegotiable 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 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

General Department

Notes to the Financial Statements

as at July 31, 2000

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 currency/SDR exchange rate determined for each currency. Securities are not marketable, but can be converted into cash on demand. Each member is obligated to maintain, in terms of the SDR, the value of the balances of its currency held by the IMF in the GRA. This requirement is referred to as the maintenance-of-value obligation. Whenever the IMF revalues its holdings of a member's currency, a receivable or a payable is established for the amount required to maintain the SDR value of the IMF's holdings of that currency. The currency balances in the balance sheet 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.

SDR Interest Rate

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 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 members 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.

General Department

Notes to the Financial Statements

as at July 31, 2000

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

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.

General Department

Notes to the Financial Statements

as at July 31, 2000

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. The IMF has decided that for financial year 2001, net operational income generated from the use of resources under the Supplemental Reserve Facility (SRF) and the Contingent Credit Lines (CCL) after meeting the expenses of conducting the PRGF Trust would be transferred to the General Reserve.

Charges

The IMF levies periodic charges on members' use of IMF credit. For financial year 2001, the rate of charge has been set at 115.9 percent of the SDR interest rate. The basic rate of charge is 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. A surcharge progressing from 300 to 500 basis points above the rate of charge applies to use of credit under the SRF and CCL. Special charges are levied on members' currency holdings that are not repurchased when due and on overdue charges. Special charges do not apply to obligations 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.

General Department

Notes to the Financial Statements

as at July 31, 2000

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 is an amount equal to 75 percent of the member's quota on April 1, 1978, plus the sum of subsequent increases in the member's quota. For a member that joined the Fund after April 1, 1978, the norm is equal to the average of the norm of all other members on the date that the member joined the Fund and the sum of subsequent increases in the member's quota. The norm, which varies for each member, was on average 96.2 percent of quota at July 31, 2000. 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.

The pension plans are funded by payments from the staff and the IMF, taking into account the recommendations of independent actuaries. Assets of the plans are held in separate trustee-managed funds and are measured at fair market value. 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.

3. Credit Outstanding

Changes in the outstanding use of IMF credit under the various facilities of the GRA during the three months ended July 31, 2000 were as follows:

General Department

Notes to the Financial Statements

as at July 31, 2000

	April 30, 2000	Purchases	Repurchases	July 31, 2000
	<i>In millions of SDRs</i>			
Regular facilities	20,935	530	1,285	20,180
Extended Fund Facility	16,361	349	446	16,264
Systemic Transformation Facility	2,718	--	222	2,496
Enlarged Access	730	--	73	657
Compensatory and Contingency Financing Facility	3,032	--	13	3,019
Supplementary Financing Facility	<u>137</u>	<u>--</u>	<u>8</u>	<u>129</u>
Total credit outstanding	<u>43,913</u>	<u>879</u>	<u>2,047</u>	<u>42,745</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 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 July 31, 2000. This amount is included in receivables in the balance sheet.

As of July 31, 2000, SDA loans and interest receivable computed at 0.5 percent per annum, consisted of the following:

	<i>In millions of SDRs</i>
Structural Adjustment Facility loans	484
Interest accrued	7
Less: interest deferred	<u>(7)</u>
	<u>484</u>

General Department

Notes to the Financial Statements

as at July 31, 2000

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	4,932	51
2002	8,959	91
2003	9,836	62
2004	6,781	51
2005 and beyond	11,340	77
Overdue	<u>897</u>	<u>152</u>
Total	<u>42,745</u>	<u>484</u>

As of July 31, 2000, use of credit in the GRA by the largest users was as follows:

	<i>In millions of SDRs and percent of total GRA credit</i>	
Largest user of credit	9,665	22.6%
Three largest users of credit	22,135	51.7%
Five largest users of credit	27,319	63.8%

Overdue Obligations

At July 31, 2000, 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, GRA charges, SAF loan repayments, and SAF interest that are six or more months overdue to the General Department were as follows:

General Department

Notes to the Financial Statements

as at July 31, 2000

	Repurchases and SAF Loans	Charges and SAF Interest
<i>In millions of SDRs</i>		
Total overdue	1,100	1,000
Overdue for six months or more	1,100	977
Overdue for three years or more	1,065	865

The type and duration of these arrears as of July 31, 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	69	369	May 1991
Liberia	201	224	425	April 1985
Somalia	106	84	190	July 1987
Sudan	437	603	1,040	July 1985
Yugoslavia, Federal Republic of (Serbia/Montenegro)	56	20	76	September 1992
Total	<u>1,100</u>	<u>1,000</u>	<u>2,100</u>	

4. Currencies

Changes in the IMF's holdings of members' currencies for the three months ended July 31, 2000 were as follows:

	April 30, 2000	Net Change	July 31, 2000
<i>In millions of SDRs</i>			
Members' quotas	210,251	--	210,251
Members' outstanding use of IMF Credit in the GRA	43,913	(1,168)	42,745
Members' reserve tranche positions in the GRA	(48,872)	1,487	(47,385)
Administrative currency balances	(3)	4	1
Currencies	<u>205,289</u>	<u>323</u>	<u>205,612</u>

General Department

Notes to the Financial Statements

as at July 31, 2000

Receivables and payables arising from valuation adjustments at July 31, 2000, amounted to SDR 6,782 million and SDR 1,896 million, respectively. Settlements of these receivables or payables are required to be made promptly after the end of each financial year.

Other currency holdings, other than those resulting from the use of credit or usable currencies, amounted to SDR 55,552 million; of this amount SDR 35,424 million represents currencies of members that use IMF credit.

5. Gold Holdings

During the financial year ended April 30, 2000, the IMF sold 12,944,253 fine ounces of gold to members with repurchase obligations falling due to the IMF. 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 sub-account of the PRGF-HIPC Trust to finance the HIPC initiative. The remaining five-fourteenths of the investment income will be retained in the SDA until a further decision on its use is adopted.

At July 31, 2000, the IMF held 3,217,341 kilograms of gold, equal to 103,439,916 fine ounces of gold, at designated depositories. As of July 31, 2000, the value of the IMF's holdings of gold calculated at the market price was SDR 21.8 billion.

6. Periodic Charges

As of July 31, 2000, the total holdings on which the IMF levies charges amounted to SDR 42,801 million. Charges and other receivables due to the IMF as of July 31, 2000 were as follows:

	<i>In millions of SDRs</i>
Periodic charges due	1,572
Less: deferred income	<u>(1,006)</u>
	566
Other receivables	<u>82</u>
Receivables	<u><u>648</u></u>

General Department

Notes to the Financial Statements

as at July 31, 2000

Periodic charges for the three months ended July 31, 2000 consisted of the following:

	<i>In millions of SDRs</i>
Periodic charges due	559
Add: adjustments for deferred charges, and SCA-1, net of refunds	19
Less: income deferred, net of settlements	<u>(13)</u>
Total periodic charges	<u>565</u>

7. Fixed Assets

Other assets include capital assets which at July 31, 2000 amounted to SDR 221 million and consisted of:

	<i>In millions of SDRs</i>
Land and buildings	302
Equipment	<u>40</u>
Total fixed assets	342
Less: accumulated depreciation	<u>(121)</u>
Net fixed assets	<u>221</u>

8. Investments in the Special Disbursement Account

The maturity profile of the investments is summarized below:

Maturity from July 31, 2000

	<i>In millions of SDRs</i>
Less than 1 year	72
1 – 3 years	2,123
3 – 5 years	80
Over 5 years	<u>5</u>
Total	<u>2,280</u>

General Department

Notes to the Financial Statements

as at July 31, 2000

The investments consisted of the following:

	<i>In millions of SDRs</i>
Medium-term investments	1,524
Debt securities	752
Fixed deposits	<u>4</u>
Total	<u>2,280</u>

9. Remuneration

At July 31, 2000, total creditor positions on which the IMF paid remuneration amounted to SDR 40,874 million. Remuneration for the three months ended July 31, 2000 consisted of the following:

	<i>In millions of SDRs</i>
Remuneration	461
Less: adjustments for deferred charges, net of refunds and SCA-1	<u>(18)</u>
	<u>443</u>

10. Deferred Income and the First Special Contingent Account

Deferred income at July 31, 2000 amounted to SDR 1,006 million.

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 July 31, 2000, the balances held in the SCA-1 amounted to SDR 1,143 million.

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 818 million at July 31, 2000. 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.

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

General Department

Notes to the Financial Statements

as at July 31, 2000

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 participants representing 80 percent of the total credit arrangement.

12. Arrangements and Commitments in the General Department

An arrangement gives a member the assurance that the institution stands ready to provide SDRs or usable currencies during a specified period and up to a specified amount, in accordance with the terms of the decision. At July 31, 2000, the undrawn balances under the 26 arrangements that were in effect in the GRA amounted to SDR 24,374 million.

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 three months ended July 31, 2000 were as follows:

	<i>In millions of SDRs</i>
Personnel	83
Travel	16
Other	21
Less: reimbursements for the administration of the SDR Department	<u>(1)</u>
Total administrative expenses, net of reimbursements	<u>119</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

General Department

Notes to the Financial Statements

as at July 31, 2000

Trust. Following the establishment of the SRF and CCL and the consequent increase in net operational income, the Executive Board decided to forgo reimbursement of the expenses incurred in administering the PRGF Trust for financial year 2001 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.

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 Benefits 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 the 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 post-retirement benefits. The pension and other post-retirement employee benefits obligations are valued by independent actuaries every year using the Projected Unit Credit Method.

The amounts recognized in the income statement for the three months ended July 31, 2000 are as follows:

	SRP	SRBP	RSBIA	Other	Total
	<i>In millions of SDRs</i>				
Service cost	11	6	1	3	21
Interest cost	27	9	4	5	45
Expected return on plan assets	<u>(74)</u>	<u>--</u>	<u>(4)</u>	<u>--</u>	<u>(78)</u>
Net periodic (income) cost	(36)	15	1	8	(12)
Net actuarial (gain) / loss	<u>(10)</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(10)</u>
Total (benefit) cost	(46)	15	1	8	(22)

General Department

Notes to the Financial Statements

as at July 31, 2000

The latest actuarial valuations were carried out as at April 30, 2000 and are presented below:

Reconciliation of benefit obligation

	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	(348)	49	(1)	1	(299)
Benefits paid	<u>(55)</u>	<u>--</u>	<u>(5)</u>	<u>--</u>	<u>(60)</u>
Defined benefit obligation at					
April 30, 2000	1,394	464	185	241	2,284

Reconciliation of 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 in FY 2000	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	3,125	--	179	--	3,304

General Department

Notes to the Financial Statements

as at July 31, 2000

Funded status of these benefits

	SRP	SRBP	RSBIA	Other	Total
<i>In millions of SDRs</i>					
Assets in excess of (below) 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 assets over liabilities at April 30, 2000	913	(426)	(19)	(245)	223

Net actuarial gains in excess of 10 percent of the fair value of plan assets are 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:

	April 30, 2000			
	SRP	SRBP	RSBIA	Other
<i>In percent</i>				
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 2000	--	--	8.00	--
– to year 2008 and thereafter	--	--	5.50	--

General Department
Quotas, IMF's Holdings of Currencies, Reserve Tranche Positions,
and Members' Use of Resources
as at July 31, 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/ (D)
		Total	Percent of quota		Amount (A)	Percent of total	SDA 3/ (B)	Trust 4/ (C)	=	
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	--	60,902	69,727	69,727
Algeria	1,254,700	2,522,270	201.0	85,082	1,352,647	3.16	--	--	1,352,647	1,352,647
Angola	286,300	286,445	100.1	--	--	--	--	--	--	--
Antigua and Barbuda	13,500	13,499	100.0	1	--	--	--	--	--	--
Argentina	2,117,100	4,800,351	226.7	--	2,683,222	6.27	--	--	2,683,222	2,683,222
Armenia, Republic of	92,000	119,989	130.4	--	27,984	0.07	--	109,350	137,334	137,334
Australia	3,236,400	2,239,398	69.2	997,145	--	--	--	--	--	--
Austria	1,872,300	1,299,588	69.4	572,717	--	--	--	--	--	--
Azerbaijan	160,900	351,624	218.5	10	190,724	0.45	--	81,900	272,624	272,624
Bahamas, The	130,300	124,065	95.2	6,239	--	--	--	--	--	--
Bahrain	135,000	71,503	53.0	63,506	--	--	--	--	--	--
Bangladesh	533,300	631,244	118.4	186	98,125	0.23	--	100,438	198,563	198,563
Barbados	67,500	62,827	93.1	4,675	--	--	--	--	--	--
Belarus, Republic of	386,400	491,958	127.3	20	105,558	0.25	--	--	105,558	105,558
Belgium	4,605,200	3,203,489	69.6	1,401,715	--	--	--	--	--	--
Belize	18,800	14,562	77.5	4,239	--	--	--	--	--	--
Benin	61,900	59,721	96.5	2,188	--	--	6,078	61,820	67,898	67,898
Bhutan	6,300	5,280	83.8	1,020	--	--	--	--	--	--
Bolivia	171,500	162,638	94.8	8,875	--	--	907	176,793	177,700	177,700
Bosnia and Herzegovina	169,100	240,950	142.5	--	71,845	0.17	--	--	71,845	71,845
Botswana	63,000	44,578	70.8	18,424	--	--	--	--	--	--
Brazil	3,036,100	4,393,581	144.7	--	1,356,750	3.17	--	--	1,356,750	1,356,750
Brunei Darussalam	150,000	114,727	76.5	35,285	--	--	--	--	--	--
Bulgaria	640,200	1,568,382	245.0	32,707	960,883	2.25	--	--	960,883	960,883
Burkina Faso	60,200	52,991	88.0	7,221	--	--	13,904	76,332	90,236	90,236
Burundi	77,000	71,142	92.4	5,860	--	--	--	7,097	7,097	7,097
Cambodia	87,500	91,146	104.2	--	3,646	0.01	--	47,557	51,203	51,203
Cameroon	185,700	193,641	104.3	516	8,450	0.02	--	144,100	152,550	152,550
Canada	6,369,200	4,453,093	69.9	1,916,122	--	--	--	--	--	--
Cape Verde	9,600	9,598	100.0	2	--	--	--	--	--	--
Central African Republic	55,700	55,595	99.8	111	--	--	--	16,480	16,480	16,480
Chad	56,000	55,719	99.5	282	--	--	--	59,960	59,960	59,960
Chile	856,100	588,433	68.7	267,668	--	--	--	--	--	--
China	4,687,200	3,231,021	68.9	1,456,225	--	--	--	--	--	--
Colombia	774,000	488,204	63.1	285,803	--	--	--	--	--	--
Comoros	8,900	8,362	93.9	540	--	--	1,260	--	1,260	1,260
Congo, Democratic Republic of	291,000	448,109	154.0	--	157,109	0.37	142,910	--	300,019	300,019
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	--	--	--	--	--	--

General Department
Quotas, IMF's Holdings of Currencies, Reserve Tranche Positions,
and Members' Use of Resources
as at July 31, 2000

(In thousands of SDRs)

Member	General Resources Account				Use of Resources					
	IMF's holdings of currencies 1/			Reserve tranche position	GRA 2/		PRGF			Total 5/ (D)
	Quota	Total	Percent of quota		Amount (A)	Percent of total	SDA 3/ (B)	Trust 4/ (C)	=	
Côte d'Ivoire	325,200	324,953	99.9	248	--	--	--	439,479	439,479	
Croatia, Republic of	365,100	497,273	136.2	159	132,330	0.31	--	--	132,330	
Cyprus	139,600	104,243	74.7	35,359	--	--	--	--	--	
Czech Republic	819,300	819,280	100.0	21	--	--	--	--	--	
Denmark	1,642,800	1,139,510	69.4	503,291	--	--	--	--	--	
Djibouti	15,900	20,276	127.5	1,100	5,475	0.01	--	5,452	10,927	
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	370,149	122.4	17,153	85,000	0.20	--	--	85,000	
Egypt	943,700	823,646	87.3	120,075	--	--	--	--	--	
El Salvador	171,300	171,303	100.0	--	--	--	--	--	--	
Equatorial Guinea	32,600	32,609	100.0	--	--	--	3,721	1,063	4,784	
Eritrea	15,900	15,900	100.0	5	--	--	--	--	--	
Estonia, Republic of	65,200	80,695	123.8	6	15,500	0.04	--	--	15,500	
Ethiopia	133,700	126,611	94.7	7,099	--	--	34,594	29,490	64,084	
Fiji	70,300	55,358	78.7	14,947	--	--	--	--	--	
Finland	1,263,800	875,581	69.3	388,270	--	--	--	--	--	
France	10,738,500	7,444,427	69.3	3,294,184	--	--	--	--	--	
Gabon	154,300	213,006	138.0	127	58,832	0.14	--	--	58,832	
Gambia, The	31,100	29,618	95.2	1,485	--	--	--	10,831	10,831	
Georgia	150,300	196,319	130.6	10	46,019	0.11	--	172,050	218,069	
Germany	13,008,200	9,072,733	69.7	3,935,471	--	--	--	--	--	
Ghana	369,000	369,004	100.0	--	--	--	--	209,390	209,390	
Greece	823,000	566,827	68.9	256,175	--	--	--	--	--	
Grenada	11,700	11,701	100.0	--	--	--	--	--	--	
Guatemala	210,200	210,206	100.0	--	--	--	--	--	--	
Guinea	107,100	107,026	99.9	75	--	--	--	90,100	90,100	
Guinea-Bissau	14,200	17,750	125.0	0 6/	3,550	0.01	--	10,343	13,893	
Guyana	90,900	90,902	100.0	--	--	--	12,054	77,328	89,382	
Haiti	60,700	75,826	124.9	49	15,175	0.04	--	15,175	30,350	
Honduras	129,500	168,374	130.0	8,627	47,500	0.11	--	119,270	166,770	
Hungary	1,038,400	861,617	83.0	176,784	--	--	--	--	--	
Iceland	117,600	99,025	84.2	18,580	--	--	--	--	--	
India	4,158,200	3,669,605	88.2	488,607	--	--	--	--	--	
Indonesia	2,079,300	9,942,147	478.1	145,474	8,008,320	18.71	--	--	8,008,320	
Iran, Islamic Republic of	1,497,200	1,497,204	100.0	--	--	--	--	--	--	
Iraq	504,000	504,013	100.0	--	--	--	--	--	--	
Ireland	838,400	576,142	68.7	262,278	--	--	--	--	--	
Israel	928,200	862,695	92.9	65,511	--	--	--	--	--	
Italy	7,055,500	4,904,732	69.5	2,150,771	--	--	--	--	--	

General Department
Quotas, IMF's Holdings of Currencies, Reserve Tranche Positions,
and Members' Use of Resources
as at July 31, 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/ (D)
		Total	Percent of quota		Amount (A)	Percent of total	SDA 3/ (B)	Trust 4/		
								(C)	=	
Jamaica	273,500	327,102	119.6	--	53,552	0.13	--	--	--	53,552
Japan	13,312,800	9,314,363	70.0	3,998,635	--	--	--	--	--	--
Jordan	170,500	537,673	315.4	52	367,222	0.86	--	--	--	367,222
Kazakhstan, Republic of	365,700	365,700	100.0	5	--	--	--	--	--	--
Kenya	271,400	258,945	95.4	12,455	--	--	1,420	76,282	--	77,702
Kiribati	5,600	5,601	100.0	--	--	--	--	--	--	--
Korea	1,633,600	5,887,481	360.4	208,622	4,462,500	10.43	--	--	--	4,462,500
Kuwait	1,381,100	1,003,804	72.7	377,297	--	--	--	--	--	--
Kyrgyz Republic	88,800	106,269	119.7	5	17,469	0.04	--	122,354	--	139,823
Lao People's Democratic Republic	39,100	39,100	100.0	--	--	--	4,102	31,085	--	35,187
Latvia, Republic of	126,800	155,362	122.5	30	28,594	0.07	--	--	--	28,594
Lebanon	203,000	184,168	90.7	18,833	--	--	--	--	--	--
Lesotho	34,900	31,372	89.9	3,533	--	--	--	10,042	--	10,042
Liberia	71,300	272,738	382.5	28	201,457	0.47	--	--	--	224,594 5/
Libya	1,123,700	728,206	64.8	395,505	--	--	--	--	--	--
Lithuania, Republic of	144,200	300,730	208.6	16	156,544	0.37	--	--	--	156,544
Luxembourg	279,100	223,643	80.1	55,468	--	--	--	--	--	--
Macedonia, former Yugoslav Republic of	68,900	107,457	156.0	--	38,555	0.09	--	27,281	--	65,836
Madagascar	122,200	122,174	100.0	27	--	--	1,328	73,115	--	74,443
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	81.1	1,554	--	--	--	--	--	--
Mali	93,300	84,521	90.6	8,782	--	--	5,588	128,844	--	134,432
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	--	--	--	1,705	75,355	--	77,060
Mauritius	101,600	87,138	85.8	14,474	--	--	--	--	--	--
Mexico	2,585,800	5,016,736	194.0	292	2,431,223	5.68	--	--	--	2,431,223
Micronesia, Federated State	5,100	5,100	100.0	1	--	--	--	--	--	--
Moldova, Republic of	123,200	238,581	193.7	5	115,381	0.27	--	--	--	115,381
Mongolia	51,100	51,075	100.0	27	--	--	--	40,996	--	40,996
Morocco	588,200	517,761	88.0	70,441	--	--	--	--	--	--
Mozambique	113,600	113,600	100.0	7	--	--	--	170,685	--	170,685
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	3,631,156	70.3	1,531,242	--	--	--	--	--	--
New Zealand	894,600	629,137	70.3	265,478	--	--	--	--	--	--
Nicaragua	130,000	130,010	100.0	--	--	--	--	111,151	--	111,151
Niger	65,800	57,240	87.0	8,561	--	--	--	48,974	--	48,974

General Department
Quotas, IMF's Holdings of Currencies, Reserve Tranche Positions,
and Members' Use of Resources
as at July 31, 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/ (D)
		Total	Percent of quota		Amount (A)	Percent of total	SDA 3/ (B)	Trust 4/		
								(C)	=	
Nigeria	1,753,200	1,753,114	100.0	143	--	--	--	--	--	--
Norway	1,671,700	1,162,716	69.6	509,012	--	--	--	--	--	--
Oman	194,000	144,277	74.4	49,796	--	--	--	--	--	--
Pakistan	1,033,700	1,719,683	166.4	97	686,077	1.60	32,778	410,240	--	1,129,095
Palau	3,100	3,100	100.0	1	--	--	--	--	--	--
Panama	206,600	282,364	136.7	11,860	87,613	0.20	--	--	--	87,613
Papua New Guinea	131,600	145,400	110.5	56	13,855	0.03	--	--	--	13,855
Paraguay	99,900	78,428	78.5	21,475	--	--	--	--	--	--
Peru	638,400	1,120,276	175.5	--	481,843	1.13	--	--	--	481,843
Philippines	879,900	2,117,503	240.7	87,104	1,324,693	3.10	--	--	--	1,324,693
Poland, Republic of	1,369,000	1,196,744	87.4	172,256	--	--	--	--	--	--
Portugal	867,400	603,369	69.6	264,039	--	--	--	--	--	--
Qatar	263,800	219,073	83.0	44,727	--	--	--	--	--	--
Romania	1,030,200	1,418,127	137.7	--	387,922	0.91	--	--	--	387,922
Russian Federation	5,945,400	15,609,120	262.5	926	9,664,582	22.58	--	--	--	9,664,582
Rwanda	80,100	94,993	118.6	--	14,875	0.03	1,752	33,320	--	49,947
St. Kitts and Nevis	8,900	10,445	117.4	82	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	--	--	--	--	951	--	951
Saudi Arabia	6,985,500	5,998,021	85.9	987,483	--	--	--	--	--	--
Senegal	161,800	160,415	99.1	1,386	--	--	1,383	203,011	--	204,394
Seychelles	8,800	8,800	100.0	--	--	--	--	--	--	--
Sierra Leone	103,700	130,820	126.2	24	27,135	0.06	21,616	83,642	--	132,393
Singapore	862,500	598,085	69.3	264,419	--	--	--	--	--	--
Slovak Republic	357,500	432,580	121.0	--	75,075	0.18	--	--	--	75,075
Slovenia, Republic of	231,700	161,922	69.9	69,779	--	--	--	--	--	--
Solomon Islands	10,400	9,867	94.9	543	--	--	--	--	--	--
Somalia	44,200	140,907	318.8	--	96,701	0.23	8,840	--	--	112,004 5/
South Africa	1,868,500	1,868,344	100.0	179	--	--	--	--	--	--
Spain	3,048,900	2,099,580	68.9	949,337	--	--	--	--	--	--
Sri Lanka	413,400	365,690	88.5	47,710	--	--	4,462	145,600	--	150,062
Sudan	169,700	606,572	357.4	11	436,852	1.03	--	--	--	496,079 5/
Suriname	92,100	85,976	93.4	6,125	--	--	--	--	--	--
Swaziland	50,700	44,154	87.1	6,552	--	--	--	--	--	--
Sweden	2,395,500	1,679,834	70.1	715,668	--	--	--	--	--	--
Switzerland	3,458,500	2,425,772	70.1	1,032,768	--	--	--	--	--	--
Syrian Arab Republic	293,600	293,603	100.0	5	--	--	--	--	--	--

General Department
Quotas, IMF's Holdings of Currencies, Reserve Tranche Positions,
and Members' Use of Resources
as at July 31, 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	Percent of quota		Amount (A)	Percent of total	SDA 3/ (B)	Trust 4/ (C)	Total 5/ (D)
Tajikistan, Republic of	87,000	109,500	125.9	2	22,500	0.05	--	60,280	82,780
Tanzania	198,900	188,932	95.0	9,975	--	--	--	236,900	236,900
Thailand	1,081,900	3,581,897	331.1	20	2,500,000	5.84	--	--	2,500,000
Togo	73,400	73,146	99.7	254	--	--	384	56,670	57,054
Tonga	6,900	5,202	75.4	1,700	--	--	--	--	--
Trinidad and Tobago	335,600	335,586	100.0	16	--	--	--	--	--
Tunisia	286,500	304,033	106.1	20,167	37,695	0.09	--	--	37,695
Turkey	964,000	1,887,263	195.8	112,775	1,036,035	2.42	--	--	1,036,035
Turkmenistan, Republic of	75,200	75,200	100.0	5	--	--	--	--	--
Uganda	180,500	180,507	100.0	--	--	--	--	249,465	249,465
Ukraine	1,372,000	3,061,583	223.1	3	1,689,583	3.95	--	--	1,689,583
United Arab Emirates	611,700	422,421	69.1	189,279	--	--	--	--	--
United Kingdom	10,738,500	7,504,925	69.9	3,233,624	--	--	--	--	--
United States	37,149,300	25,661,548	69.1	11,484,669	--	--	--	--	--
Uruguay	306,500	385,032	125.6	35,675	114,200	0.27	--	--	114,200
Uzbekistan, Republic of	275,600	393,603	142.8	5	118,003	0.28	--	--	118,003
Vanuatu	17,000	14,506	85.3	2,496	--	--	--	--	--
Venezuela	2,659,100	2,627,111	98.8	321,900	289,909	0.68	--	--	289,909
Vietnam	329,100	344,200	104.6	5	15,100	0.04	--	235,560	250,660
Yemen, Republic of	243,500	365,865	150.3	13	122,375	0.29	--	150,000	272,375
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	491,182	139.0	283	138,065	0.24	--	105,710	243,775
Total	210,251,400	205,611,542		47,384,691	42,800,858 2/	100.00	483,652	5,765,753	49,139,091

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

2/ Includes 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 IMF membership. Total credits due from members excluding the amount due from the Federal Republic of Yugoslavia (Serbia/Montenegro) amounted to SDR 42,745 million.

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

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

5/ Includes outstanding Trust Fund loans to Liberia (SDR 23 million), Somalia (SDR 6 million), and Sudan (SDR 59 million).

6/ Less than SDR 500.

General Department
Financial Resources and Liquidity Position
in the General Resources Account
as at July 31, 2000

(In thousands of SDRs)

Resources	
Currencies	205,611,542
SDR holdings	2,458,266
Gold holdings	5,851,771
Sundry assets, net of sundry liabilities ^{1/}	590,852
Total resources	<u>214,512,431</u>
Less: Non-Usable Resources ^{2/}	<u>104,740,315</u>
Equals: Usable Resources ^{3/}	<u>109,772,116</u>
Resources Committed and Working Balances	
Undrawn balances under arrangements ^{4/}	16,873,682
Minimum working balances ^{4/}	<u>15,120,910</u>
Resources committed and working balances	<u>31,994,592</u>
Net Uncommitted Usable Resources ^{5/}	<u><u>77,777,524</u></u>
Liquid Liabilities ^{6/}	
Reserve tranche positions	<u><u>47,384,691</u></u>
Liquidity Ratio ^{7/}	164.1%
Memorandum Item	
Resources available under borrowing arrangements	34,000,000

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

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

^{3/} Usable 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.

^{4/} Amounts 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.

^{5/} Net 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.

^{6/} Liquid liabilities consist of (1) members' reserve tranche positions, and (2) the amount of any outstanding borrowing by the IMF under the GAB or NAB. Both reserve tranche positions and outstanding lending under the GAB and NAB (together called members' reserve positions in the IMF) are part of members' international reserves. The IMF cannot challenge a request by a member to draw on its reserve position and the IMF must therefore at all times be in a position to meet such requests.

^{7/} The liquidity ratio is a measure of the IMF's liquidity position, represented by the ratio of its net uncommitted usable resources to its liquid liabilities.

**General Department
Status of Arrangements
as at July 31, 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
Panama	June 30, 2000	March 29, 2002	64,000	64,000
Papua New Guinea	March 29, 2000	May 28, 2001	85,540	75,540
Philippines	April 1, 1998	December 31, 2000	1,020,790	475,130
Romania	August 5, 1999	February 28, 2001	400,000	260,250
Russian Federation	July 28, 1999	December 27, 2000	3,300,000	2,828,571
Turkey	December 22, 1999	December 21, 2002	2,892,000	2,226,840
Uruguay	May 31, 2000	March 31, 2002	150,000	150,000
Zimbabwe	August 2, 1999	October 1, 2000	141,360	116,620
Total Stand-By Arrangements			42,920,430	16,693,271
Extended Arrangements				
Bulgaria	September 25, 1998	September 24, 2001	627,620	209,220
Colombia	December 20, 1999	December 19, 2002	1,957,000	1,957,000
Indonesia	February 4, 2000	December 31, 2002	3,638,000	3,096,500
Jordan	April 15, 1999	April 14, 2002	127,880	91,340
Kazakhstan, Republic of	December 13, 1999	December 12, 2002	329,100	329,100
Pakistan	October 20, 1997	October 19, 2000	454,920	341,180
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			9,543,370	7,681,040
Total General Resources Account			52,463,800	24,374,311

**II. Financial Statements
of the
SDR Department**

SDR Department

Balance Sheet

as at July 31, 2000

(In thousands of SDRs)

Assets		Liabilities	
Charges receivable	240,531	Interest payable	241,054
Overdue assessments and charges (Note 3)	109,483		
Participants with holdings below allocations (Note 2)		Participants with holdings above allocations (Note 2)	
Allocations	12,256,045	SDR holdings	15,284,482
Less : SDR holdings	3,221,864	Less: allocations	9,177,285
Allocations in excess of holdings	<u>9,034,181</u>	Holdings in excess of allocations	<u>6,107,197</u>
		Holdings by the General Resources Account	2,458,266
		Holdings of SDRs by prescribed holders	<u>577,678</u>
Total Assets	<u>9,384,195</u> =====	Total Liabilities	<u>9,384,195</u> =====

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

/s/ Eduard Brau
Treasurer

/s/ Horst K`hler
Managing Director

SDR Department
Income Statement
for the Three Months Ended July 31, 2000
(In thousands of SDRs)

Revenue	
Net charges from participants with holdings below allocations	104,268
Assessment on SDR allocations	875
	<hr/> 105,143
Expenses	
Interest on SDR holdings	
Net interest to participants with holdings above allocations	69,683
General Resources Account	27,287
Prescribed holders	7,298
	<hr/> 104,268
Administrative expenses	875
	<hr/> 105,143
Net Income	-- =====

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

SDR Department

Statement of Cash Flows for the Three Months Ended July 31, 2000

(In thousands of SDRs)

Cash flows from operating activities

Receipts of SDRs

Transfers among Participants and Prescribed holders	2,179,568
Transfers from Participants to the General Resources Account	1,386,223
Transfers from the General Resources Account to Participants and Prescribed holders	<u>1,651,849</u>
Total Receipts of SDRs	<u>5,217,640</u> =====

Uses of SDRs

Transfers among Participants and Prescribed holders	2,109,289
Transfers from Participants to the General Resources Account	1,358,925
Transfers from the General Resources Account to Participants and Prescribed holders	1,651,849
Charges paid in the SDR Department	93,695
Other	<u>3,882</u>
Total Uses of SDRs	<u>5,217,640</u> =====

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

SDR Department

Notes to the Financial Statements

as at July 31, 2000

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 July 31, 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 July 31, 2000, 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.

SDR Department

Notes to the Financial Statements

as at July 31, 2000

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 July 31, 2000 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 July 31, 2000, one SDR was equal to 1.31335 U.S. dollars.

SDR Department

Notes to the Financial Statements

as at July 31, 2000

Allocations and Holdings

At July 31, 2000, 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 July 31, 2000 were as follows:

	<u>Total</u>	<u>Above Allocations</u>	<u>Below Allocations</u>
	<i>In millions of SDRs</i>		
Holdings of SDRs by participants	18,506.3	15,284.5	3,221.8
Cumulative allocations	21,433.3	<u>9,177.3</u>	<u>12,256.0</u>
Net SDR positions		<u>6,107.2</u>	<u>(9,034.2)</u>
		=====	=====

A summary of SDR holdings is provided below:

	<i>In millions of SDRs</i>
Participants	18,506.3
General Resources Account	2,458.3
Prescribed holders	577.7
	<u>21,542.3</u>
Less: Overdue charges receivable	109.0
Total holdings	<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.

SDR Department

Notes to the Financial Statements

as at July 31, 2000

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 July 31, 2000, assessments and charges amounting to SDR 109.5 million were overdue to the SDR Department. At July 31, 2000, 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 July 31, 2000, and, consequently, it is not a participant in the SDR Department.

SDR Department

Notes to the Financial Statements

as at July 31, 2000

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:

In millions of SDRs

Total	109.5
Overdue for six months or more	102.0
Overdue for three years or more	68.2

The amount and duration of arrears as of July 31, 2000 were as follows:

	Total	Longest Overdue Obligation
<i>In millions of SDRs</i>		
Afghanistan, Islamic State of	5.1	February 1996
Congo, Democratic Republic of	12.6	April 1992
Iraq	42.1	November 1990
Liberia	19.8	April 1986
Somalia	7.9	February 1991
Sudan	0.1	April 1991
Yugoslavia, Federal Republic of (Serbia/Montenegro)	21.9	November 1992
Total	<u>109.5</u>	

SDR Department
Statement of Changes in SDR Holdings
for the Three Months Ended July 31, 2000

(In thousands of SDRs)

	Participants	General Resources Account	Prescribed Holders	Total
Total holdings, April 30, 2000	18,141,335	2,723,892	673,181	21,538,408
Receipts of SDRs				
Transfers among Participants and Prescribed holders				
Transactions by agreement	1,819,140	--	14,104	1,833,244
Operations				
Settlement of financial obligations	13,306	--	29,973	43,279
IMF-related operations				
SAF and PRGF loans	11,725	--	--	11,725
SAF repayments and interest	--	--	773	773
PRGF contributions and payments	26,145	--	36,646	62,791
PRGF repayments and interest	--	--	82,258	82,258
PRGF-HIPC contributions and payments	15	--	74,005	74,020
SCA-2 refunds	1,199	--	--	1,199
Net interest on SDRs	63,427	--	6,852	70,279
Transfers from Participants to the General Resources Account				
Repurchases	--	743,564	--	743,564
Charges	--	615,361	--	615,361
Interest on SDRs	--	27,298	--	27,298
Transfers from the General Resources Account to Participants and Prescribed holders				
Purchases	905,120	--	--	905,120
In exchange for currencies of other members				
Acquisitions to pay charges	290,254	--	--	290,254
Remuneration	450,884	--	--	450,884
Other				
Refunds and adjustments	5,591	--	--	5,591
Total receipts	3,586,806	1,386,223	244,611	5,217,640

SDR Department

Statement of Changes in SDR Holdings for the Three Months Ended July 31, 2000

(In thousands of SDRs)

	Participants	General Resources Account	Prescribed Holders	Total
Uses of SDRs				
Transfers among Participants and Prescribed holders				
Transactions by agreement	1,613,543	--	219,701	1,833,244
Operations				
Settlement of financial obligations	29,973	--	13,306	43,279
IMF-related operations				
SAF and PRGF loans	--	--	11,725	11,725
SAF repayments and interest	773	--	--	773
PRGF contributions and payments	36,646	--	26,145	62,791
PRGF repayments and interest	82,258	--	--	82,258
PRGF-HIPC contributions and payments	5,982	--	68,038	74,020
SCA-2 refunds	--	--	1,199	1,199
Transfers from Participants to the General Resources Account				
Repurchases	743,564	--	--	743,564
Charges	615,361	--	--	615,361
Transfers from the General Resources Account to Participants and Prescribed holders				
Purchases	--	905,120	--	905,120
In exchange for currencies of other members				
Acquisitions to pay charges	--	290,254	--	290,254
Remuneration	--	450,884	--	450,884
Other				
Refunds and adjustments	--	5,591	--	5,591
Charges paid in the SDR department				
Net charges due	97,577	--	--	97,577
Charges not paid when due	(4,533)	--	--	(4,533)
Settlement of unpaid charges	651	--	--	651
Total uses	<u>3,221,795</u>	<u>1,651,849</u>	<u>340,114</u>	<u>5,213,758</u>
Total holdings, July 31, 2000	<u><u>18,506,346</u></u>	<u><u>2,458,266</u></u>	<u><u>577,678</u></u>	<u><u>21,542,290</u></u>

SDR Department Allocations and Holdings of Participants

as at July 31, 2000
(In thousands of SDRs)

PARTICIPANT	NET CUMULATIVE ALLOCATIONS	HOLDINGS		
		TOTAL	PERCENT OF CUMULATIVE ALLOCATIONS	(+) ABOVE (-) BELOW ALLOCATIONS
Afghanistan, Islamic State of	26,703	--	--	(26,703)
Albania	--	61,528	--	61,528
Algeria	128,640	2,205	1.7	(126,435)
Angola	--	130	--	130
Antigua and Barbuda	--	5	--	5
Argentina	318,370	225,650	70.9	(92,720)
Armenia, Republic of	--	19,802	--	19,802
Australia	470,545	63,075	13.4	(407,470)
Austria	179,045	109,529	61.2	(69,516)
Azerbaijan	--	6,242	--	6,242
Bahamas, The	10,230	189	1.8	(10,041)
Bahrain	6,200	1,143	18.4	(5,057)
Bangladesh	47,120	1,730	3.7	(45,390)
Barbados	8,039	84	1.1	(7,955)
Belarus, Republic of	--	1,460	--	1,460
Belgium	485,246	219,157	45.2	(266,089)
Belize	--	1,097	--	1,097
Benin	9,409	266	2.8	(9,143)
Bhutan	--	153	--	153
Bolivia	26,703	27,282	102.2	579
Bosnia and Herzegovina	20,481	1,483	7.2	(18,999)
Botswana	4,359	28,936	663.8	24,577
Brazil	358,670	21,730	6.1	(336,940)
Brunei Darussalam	--	4,341	--	4,341
Bulgaria	--	37,086	--	37,086
Burkina Faso	9,409	431	4.6	(8,978)
Burundi	13,697	173	1.3	(13,524)
Cambodia	15,417	1,409	9.1	(14,008)
Cameroon	24,463	410	1.7	(24,053)
Canada	779,290	413,204	53.0	(366,086)
Cape Verde	620	51	8.3	(569)
Central African Republic	9,325	111	1.2	(9,214)
Chad	9,409	113	1.2	(9,296)
Chile	121,924	16,294	13.4	(105,630)
China	236,800	577,399	243.8	340,599
Colombia	114,271	100,684	88.1	(13,587)
Comoros	716	33	4.6	(683)
Congo, Democratic Republic of	86,309	--	--	(86,309)
Congo, Republic of	9,719	212	2.2	(9,507)
Costa Rica	23,726	596	2.5	(23,130)

SDR Department Allocations and Holdings of Participants

as at July 31, 2000
(In thousands of SDRs)

PARTICIPANT	NET CUMULATIVE ALLOCATIONS	TOTAL	HOLDINGS	
			PERCENT OF CUMULATIVE ALLOCATIONS	(+) ABOVE (-) BELOW ALLOCATIONS
Côte d'Ivoire	37,828	1,798	4.8	(36,030)
Croatia, Republic of	44,205	125,676	284.3	81,471
Cyprus	19,438	568	2.9	(18,870)
Czech Republic	--	152	--	152
Denmark	178,864	179,853	100.6	989
Djibouti	1,178	455	38.6	(723)
Dominica	592	1	0.1	(592)
Dominican Republic	31,585	1,176	3.7	(30,409)
Ecuador	32,929	1,507	4.6	(31,422)
Egypt	135,924	28,704	21.1	(107,220)
El Salvador	24,985	24,985	100.0	--
Equatorial Guinea	5,812	222	3.8	(5,590)
Eritrea	--	--	--	--
Estonia, Republic of	--	13	--	13
Ethiopia	11,160	133	1.2	(11,027)
Fiji	6,958	4,270	61.4	(2,688)
Finland	142,690	178,803	125.3	36,113
France	1,079,870	262,845	24.3	(817,025)
Gabon	14,091	974	6.9	(13,117)
Gambia, The	5,121	254	5.0	(4,867)
Georgia	--	1,110	--	1,110
Germany	1,210,760	1,341,808	110.8	131,048
Ghana	62,983	10,754	17.1	(52,229)
Greece	103,544	6,606	6.4	(96,938)
Grenada	930	--	--	(930)
Guatemala	27,678	7,974	28.8	(19,704)
Guinea	17,604	278	1.6	(17,326)
Guinea-Bissau	1,212	154	12.7	(1,058)
Guyana	14,530	735	5.1	(13,795)
Haiti	13,697	421	3.1	(13,276)
Honduras	19,057	959	5.0	(18,098)
Hungary	--	5,923	--	5,923
Iceland	16,409	128	0.8	(16,281)
India	681,170	6,330	0.9	(674,840)
Indonesia	238,956	107,663	45.1	(131,293)
Iran, Islamic Republic of	244,056	247,786	101.5	3,730
Iraq	68,464	--	--	(68,464)
Ireland	87,263	33,174	38.0	(54,089)
Israel	106,360	1,032	1.0	(105,328)
Italy	702,400	163,316	23.3	(539,084)

SDR Department Allocations and Holdings of Participants

as at July 31, 2000
(In thousands of SDRs)

PARTICIPANT	NET CUMULATIVE ALLOCATIONS	TOTAL	HOLDINGS	
			PERCENT OF CUMULATIVE ALLOCATIONS	(+) ABOVE (-) BELOW ALLOCATIONS
Jamaica	40,613	1,277	3.1	(39,336)
Japan	891,690	1,831,603	205.4	939,913
Jordan	16,887	5,147	30.5	(11,740)
Kazakhstan, Republic of	--	24	--	24
Kenya	36,990	629	1.7	(36,361)
Kiribati	--	9	--	9
Korea	72,911	63,383	86.9	(9,528)
Kuwait	26,744	61,015	228.1	34,271
Kyrgyz Republic	--	1,868	--	1,868
Lao People's Democratic Republic	9,409	1,002	10.6	(8,407)
Latvia, Republic of	--	416	--	416
Lebanon	4,393	17,537	399.2	13,144
Lesotho	3,739	530	14.2	(3,209)
Liberia	21,007	--	--	(21,007)
Libya	58,771	396,357	674.4	337,586
Lithuania, Republic of	--	1,911	--	1,911
Luxembourg	16,955	2,434	14.4	(14,521)
Macedonia, former Yugoslav Republic of	8,379	2,580	30.8	(5,799)
Madagascar	19,270	276	1.4	(18,994)
Malawi	10,975	2,025	18.4	(8,950)
Malaysia	139,048	69,960	50.3	(69,088)
Maldives	282	172	61.1	(110)
Mali	15,912	170	1.1	(15,742)
Malta	11,288	23,415	207.4	12,127
Marshall Islands	--	--	--	--
Mauritania	9,719	232	2.4	(9,487)
Mauritius	15,744	16,243	103.2	499
Mexico	290,020	746,536	257.4	456,516
Micronesia, Federated States of	--	1,081	--	1,081
Moldova, Republic of	--	334	--	334
Mongolia	--	109	--	109
Morocco	85,689	57,241	66.8	(28,448)
Mozambique	--	48	--	48
Myanmar	43,474	601	1.4	(42,873)
Namibia	--	16	--	16
Nepal	8,105	119	1.5	(7,986)
Netherlands	530,340	626,228	118.1	95,888
New Zealand	141,322	8,403	5.9	(132,919)
Nicaragua	19,483	242	1.2	(19,241)
Niger	9,409	111	1.2	(9,298)

SDR Department Allocations and Holdings of Participants

as at July 31, 2000

(In thousands of SDRs)

PARTICIPANT	NET CUMULATIVE ALLOCATIONS	TOTAL	HOLDINGS	
			PERCENT OF CUMULATIVE ALLOCATIONS	(+) ABOVE (-) BELOW ALLOCATIONS
Nigeria	157,155	1,833	1.2	(155,322)
Norway	167,770	231,203	137.8	63,433
Oman	6,262	2,155	34.4	(4,107)
Pakistan	169,989	11,897	7.0	(158,092)
Palau	--	--	--	--
Panama	26,322	3,057	11.6	(23,265)
Papua New Guinea	9,300	9,837	105.8	537
Paraguay	13,697	76,665	559.7	62,968
Peru	91,319	8,097	8.9	(83,222)
Philippines	116,595	21,287	18.3	(95,308)
Poland, Republic of	--	10,628	--	10,628
Portugal	53,320	36,451	68.4	(16,869)
Qatar	12,822	14,915	116.3	2,094
Romania	75,950	5,905	7.8	(70,045)
Russian Federation	--	8	--	8
Rwanda	13,697	4,669	34.1	(9,028)
St. Kitts and Nevis	--	1	--	1
St. Lucia	742	1,516	204.5	775
St. Vincent and the Grenadines	354	62	17.6	(291)
Samoa	1,142	2,263	198.2	1,121
San Marino, Republic of	--	115	--	115
São Tomé & Príncipe	620	--	--	(620)
Saudi Arabia	195,527	127,009	65.0	(68,518)
Senegal	24,462	569	2.3	(23,893)
Seychelles	406	18	4.5	(388)
Sierra Leone	17,455	4,612	26.4	(12,843)
Singapore	16,475	97,178	589.8	80,703
Slovak Republic	--	149	--	149
Slovenia, Republic of	25,431	2,020	7.9	(23,411)
Solomon Islands	654	8	1.2	(647)
Somalia	13,697	--	--	(13,697)
South Africa	220,360	216,417	98.2	(3,943)
Spain	298,805	206,273	69.0	(92,532)
Sri Lanka	70,868	1,592	2.2	(69,276)
Sudan	52,192	581	1.1	(51,611)
Suriname	7,750	1,897	24.5	(5,853)
Swaziland	6,432	2,430	37.8	(4,002)
Sweden	246,525	169,146	68.6	(77,379)
Switzerland	--	152,123	--	152,123
Syrian Arab Republic	36,564	410	1.1	(36,154)

SDR Department Allocations and Holdings of Participants

as at July 31, 2000
(In thousands of SDRs)

PARTICIPANT	NET CUMULATIVE ALLOCATIONS	TOTAL	HOLDINGS	
			PERCENT OF CUMULATIVE ALLOCATIONS	(+) ABOVE (-) BELOW ALLOCATIONS
Tajikistan, Republic of	--	2,196	--	2,196
Tanzania	31,372	425	1.4	(30,947)
Thailand	84,652	131,306	155.1	46,654
Togo	10,975	250	2.3	(10,725)
Tonga	--	62	--	62
Trinidad and Tobago	46,231	617	1.3	(45,614)
Tunisia	34,243	21,772	63.6	(12,472)
Turkey	112,307	13,594	12.1	(98,713)
Turkmenistan, Republic of	--	--	--	--
Uganda	29,396	1,985	6.8	(27,411)
Ukraine	--	42,901	--	42,901
United Arab Emirates	38,737	3,888	10.0	(34,848)
United Kingdom	1,913,070	276,892	14.5	(1,636,178)
United States	4,899,530	7,810,152	159.4	2,910,622
Uruguay	49,977	2,224	4.4	(47,753)
Uzbekistan, Republic of	--	89	--	89
Vanuatu	--	647	--	647
Venezuela	316,890	31,219	9.9	(285,671)
Vietnam	47,658	879	1.8	(46,779)
Yemen, Republic of	28,743	104,210	362.6	75,467
Yugoslavia, Federal Republic of (Serbia/Montenegro)	56,665	--	--	(56,665)
Zambia	68,298	765	1.1	(67,533)
Zimbabwe	10,200	32	0.3	(10,168)
ABOVE ALLOCATIONS	9,177,285	15,284,482	166.5	6,107,197
BELOW ALLOCATIONS	12,256,045	3,221,864	26.3	(9,034,181)
TOTAL PARTICIPANTS	21,433,330	18,506,346		
GENERAL RESOURCES ACCOUNT		2,458,266		
PRESCRIBED HOLDERS		577,678		
OVERDUE CHARGES	108,960			
	21,542,290	21,542,290		

PART TWO

Financial Statements
of the
Accounts Administered
by the
International Monetary Fund

**I. Financial Statements
of the
Poverty Reduction and Growth
Facility Trust**

Poverty Reduction Growth Facility Trust

Combined Balance Sheets as at July 31, 2000

(In thousands of SDRs)

Assets	
Cash and cash equivalents	989,480
Investments (Note 3)	3,817,226
Loans receivable (Note 4)	5,765,751
Interest receivable	10,708
	<hr/>
Total Assets	10,583,165
	=====
Resources and Liabilities	
Borrowings (Note 5)	6,163,250
Interest payable	48,222
Other liabilities	198
	<hr/>
Total Liabilities	6,211,670
	<hr/>
Resources	4,371,495
	<hr/>
Total Resources and Liabilities	10,583,165
	=====

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

/s/ Eduard Brau
Treasurer

/s/ Horst Köhler
Managing Director

Poverty Reduction Growth Facility Trust

Combined Income Statements and Changes in Resources for the Three Months Ended July 31, 2000

(In thousands of SDRs)

Balance, beginning of the year	<u>4,305,726</u>
Investment income	51,304
Interest on loans	7,213
Interest expense	(57,317)
Other expense	(25)
	<hr/>
Operational income (loss)	1,175
Contributions (Note 6)	48,136
	<hr/>
	49,311
Transfers from the Special Disbursement Account	16,458
	<hr/>
Net changes in resources	65,769
	<hr/>
Balance, July 31, 2000	<u>4,371,495</u> =====

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

Poverty Reduction Growth Facility Trust

Notes to the Financial Statements

as at July 31, 2000

1. Nature of Operations

The name of the Enhanced Structural Adjustment Facility 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 July 31, 2000, loans totaling SDR 5,765.8 million were outstanding.

Reserve Account

The Reserve Account consists 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 borrowing 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, 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.

Poverty Reduction Growth Facility Trust

Notes to the Financial Statements

as at July 31, 2000

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 loans.

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 July 31, 2000 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 July 31, 2000, one SDR was equal to 1.31335 U.S. dollars.

Poverty Reduction Growth Facility Trust

Notes to the Financial Statements

as at July 31, 2000

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.

Poverty Reduction Growth Facility Trust

Notes to the Financial Statements

as at July 31, 2000

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.

3. Investments

The maturities of the investments are as follows:

<u>Maturity from July 31, 2000</u>	
<i>(in thousands of SDRs)</i>	
Less than 1 year	540,304
1 - 3 years	3,047,570
3 - 5 years	197,600
Over 5 years	31,752
	<hr/>
Total	3,817,226
	<hr/> <hr/>

4. Loans

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 ½ of 1 percent a year. Scheduled repayments of loans by borrowers are summarized below:

Poverty Reduction Growth Facility Trust

Notes to the Financial Statements

as at July 31, 2000

Periods of Repayment, as of July 31, 2000	Loan Account
<hr/>	
<i>in thousands of SDRs</i>	
2001	393,167
2002	680,726
2003	722,241
2004	834,998
2005	876,190
2006 and beyond	<u>2,258,429</u>
Total	<u>5,765,751</u> =====

5. Borrowings

The Trust borrows for the Loan Account and for the Subsidy Account on such terms and conditions as agreed between the Trust and the lenders.

The following summarizes the borrowing agreements concluded as of July 31, 2000:

	Amount Agreed	Amount Undrawn
<hr/>		
<i>in thousands of SDRs</i>		
Loan Account	10,974,471	3,611,561
Subsidy Account	243,481	5,331

Poverty Reduction Growth Facility Trust

Notes to the Financial Statements

as at July 31, 2000

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 July 31, 2000 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, as at July 31, 2000	Loan Account	Subsidy Account
<i>in thousands of SDRs</i>		
2001	324,678	10,000
2002	494,968	10,000
2003	524,090	1,365
2004	704,176	--
2005	862,815	90,751
2006 and beyond	<u>3,134,373</u>	<u>6,034</u>
Total	<u>6,045,100</u> =====	<u>118,150</u> =====

As of July 31, 2000, use of credit in the Trust by the largest users was as follows:

in millions of SDRs and percent of total Trust credit

Largest user of credit	0.67	11.6%
Three largest users of credit	1.52	26.5%
Five largest users of credit	1.78	35.1%

Poverty Reduction Growth Facility Trust

Notes to the Financial Statements

as at July 31, 2000

6. Contributions

The Trustee accepts contributions for the Subsidy Account on such terms and conditions as agreed between the Trust and the contributor. At July 31, 2000, cumulative contributions received, including transfers from the Special Disbursement Account, amounted to SDR 2,213.5 million.

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 July 31, 2000, undrawn balances under 30 loan arrangements amounted to SDR 1,903.0 million.

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. As of July 31, 2000, 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. The amounts transferred as of July 31, 2000 were, SDR 12 million.

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. At July 31, 2000, SDR 43.5 million had been transferred for this purpose.

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

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

Note 9 Poverty Reduction Growth Facility Trust

Notes to the Financial Statements

**as at July 31, 2000
Combined Balance Sheets**

(In thousands of SDRs)

	Loan Account	Reserve Account	Subsidy Account	Combined
Assets				
Cash and cash equivalents	--	439,564	549,916	989,480
Investments (Note 3)	326,852	2,122,237	1,368,137	3,817,226
Loans receivable (Note 4)	5,765,751	--	--	5,765,751
Accrued account transfers	(5,865)	47,503	(41,638)	--
Interest receivable	6,071	3,161	1,476	10,708
	<u>6,092,809</u>	<u>2,612,465</u>	<u>1,877,891</u>	<u>10,583,165</u>
	=====	=====	=====	=====
Resources and Liabilities				
Borrowing (Note 5)	6,045,100	--	118,150	6,163,250
Interest payable	47,709	--	513	48,222
Other liabilities	--	108	90	198
	<u>6,092,809</u>	<u>108</u>	<u>118,753</u>	<u>6,211,670</u>
Resources	<u>--</u>	<u>2,612,357</u>	<u>1,759,138</u>	<u>4,371,495</u>
Total Resources and Liabilities	<u>6,092,809</u>	<u>2,612,465</u>	<u>1,877,891</u>	<u>10,583,165</u>
	=====	=====	=====	=====

Note 9

Poverty Reduction Growth Facility Trust

Notes to the Financial Statements

for the Three Months Ended July 31, 2000

Combined Income Statements of Changes in Resources

(In thousands of SDRs)

	Loan Account	Reserve Account	Subsidy Account	Combined
Balance, beginning of the year	--	2,558,354	1,747,372	4,305,726
Investment income	(58)	27,586	23,776	51,304
Interest on loans	7,213	--	--	7,213
Interest expense	(56,956)	--	(361)	(57,317)
Other expenses	(51)	26	--	(25)
Operational income (loss)	(49,852)	27,612	23,415	1,175
Contributions (Note 6)	--	--	48,136	48,136
	(49,852)	27,612	71,551	49,311
Transfers from the Special Disbursement Account	--	16,458	--	16,458
Transfers between:				
Reserve and Subsidy Accounts	--	1,283	(1,283)	--
Loan and Reserve Accounts	(8,650)	8,650	--	--
Loan and Subsidy Accounts	58,502	--	(58,502)	--
Net changes in resources	--	54,003	11,766	65,769
Balance, July 31, 2000	--	2,612,357	1,759,138	4,371,495

Poverty Reduction Growth Facility Trust

Schedule of Outstanding Loans as at July 31, 2000

(In thousands of SDRs)

Member	PRGF Loan Account		Structural Adjustment Facility 1/	
	Balance	Percent	Balance	Percent
Albania	60,902	1.06	--	--
Armenia, Republic of	109,350	1.90	--	--
Azerbaijan	81,900	1.42	--	--
Bangladesh	100,438	1.74	--	--
Benin	61,820	1.07	6,078	1.26
Bolivia	176,793	3.07	907	0.19
Burkina Faso	76,332	1.32	13,904	2.87
Burundi	7,097	0.12	--	--
Cambodia	47,557	0.82	--	--
Cameroon	144,100	2.50	--	--
Central African Republic	16,480	0.29	--	--
Chad	59,960	1.04	--	--
Comoros	--	--	1,260	0.26
Congo, Democratic Republic of	--	--	142,910	29.55
Congo, Republic of	13,896	0.24	--	--
Cote d'Ivoire	439,479	7.62	--	--
Djibouti	5,452	0.09	--	--
Equatorial Guinea	1,063	0.02	3,721	0.77
Ethiopia	29,490	0.51	34,594	7.15
Gambia, The	10,831	0.19	--	--
Georgia	172,050	2.98	--	--
Ghana	209,390	3.63	--	--
Guinea	90,100	1.56	--	--
Guinea-Bissau	10,343	0.18	--	--
Guyana	77,328	1.34	12,054	2.49
Haiti	15,175	0.26	--	--
Honduras	119,270	2.07	--	--
Kenya	76,282	1.32	1,420	0.29
Kyrgyz Republic	122,354	2.12	--	--
Lao People's Democratic Republic	31,085	0.54	4,102	0.85
Lesotho	10,042	0.17	--	--
Macedonia, former Yugoslav Republic of	27,281	0.47	--	--
Madagascar	73,115	1.27	1,328	0.27
Malawi	58,772	1.02	1,116	0.23
Mali	128,844	2.23	5,588	1.16

Poverty Reduction Growth Facility Trust

Schedule of Outstanding Loans as at July 31, 2000

(In thousands of SDRs)

Member	PRGF Loan Account		Structural Adjustment Facility 1/	
	Balance	Percent	Balance	Percent
Mauritania	75,355	1.31	1,705	0.35
Mongolia	40,996	0.71	--	--
Mozambique	170,685	2.96	--	--
Nepal	11,190	0.19	--	--
Nicaragua	111,151	1.93	--	--
Niger	48,974	0.85	--	--
Pakistan	410,240	7.12	32,778	6.78
Rwanda	33,320	0.58	1,752	0.36
Sao Tome & Principe	951	0.02	--	--
Senegal	203,011	3.52	1,383	0.29
Sierra Leone	83,642	1.45	21,616	4.47
Somalia	--	--	8,840	1.83
Sri Lanka	145,600	2.53	4,462	0.92
Tajikistan, Republic of	60,280	1.05	--	--
Tanzania	236,900	4.11	--	--
Togo	56,670	0.98	384	0.08
Uganda	249,465	4.33	--	--
Vietnam	235,560	4.09	--	--
Yemen, Republic of	150,000	2.60	--	--
Zambia	671,682	11.65	181,750	37.58
Zimbabwe	105,710	1.83	--	--
Total loans outstanding	5,765,751	100.00	483,652	100.00

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

Poverty Reduction Growth Facility Trust

Contributions to and Resources of the Subsidy Account as at July 31, 2000

(In thousands of SDRs)

Contributor 1/	Amount
Direct contributions to the Subsidy Account	
Argentina	15,867
Australia	3,446
Bangladesh	284
Canada	150,498
China	5,700
Czech Republic	7,000
Denmark	38,299
Egypt	7,000
Finland	22,684
Germany	124,638
Iceland	2,600
India	4,946
Ireland	3,325
Italy	135,230
Japan	468,365
Korea	29,866
Luxembourg	5,200
Morocco	5,003
Netherlands	77,769
Norway	28,074
PRGF Reserve Account	--
Sweden	110,887
Switzerland	24,720
Turkey	2,000
United Kingdom	285,182
United States	118,893
Total direct contributions to the Subsidy Account	1,677,476
Net income transferred from Administered Accounts	
Austria	35,436
Belgium	67,693
Botswana	878
Chile	2,910
Greece	23,518
Indonesia	3,132
Iran, Islamic Republic of	724
Portugal	1,752
Total net income transferred from Administered Accounts	136,043
Total contributions received	1,813,519

Poverty Reduction Growth Facility Trust

Contributions to and Resources of the Subsidy Account as at July 31, 2000

(In thousands of SDRs)

Contributor 1/	Amount
Transfers from Special Disbursement Account	<u>400,000</u>
Total contributions received and transfers from Special Disbursement Account	2,213,519
Cumulative net income of the Subsidy Account	613,941
Resources disbursed to subsidize Trust lending	<u>(1,068,322)</u>
Total resources of the Subsidy Account	<u>1,759,138</u> =====

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

Poverty Reduction Growth Facility Trust

Schedule of Borrowing Agreements as at July 31, 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	226,634
France	0.50	2/	800,000	800,000	465,917
Germany	Variable	3/	700,000	700,000	477,092
Italy	Variable	3/	370,000	370,000	284,256
Japan	Variable	3/	2,200,000	2,200,000	1,646,101
Korea	Variable	3/	65,000	65,000	43,023
Norway	Variable	3/	90,000	90,000	61,332
Spain	Variable	3/	220,000	216,429	95,985
Switzerland	--		200,000	200,000	--
Total prior to enlargement of PRGF			4,945,000	4,941,429	3,300,340
For enlargement of PRGF					
Belgium	Variable	3/	200,000	11,083	11,083
Canada	Variable	3/	400,000	171,407	171,407
China	Variable	3/	100,000	89,505	89,505
Egypt	Variable	3/	100,000	71,247	71,247
France	Variable	3/	1,100,000	457,699	457,699
Germany	Variable	3/	700,000	325,884	325,884
Italy	Variable	3/	460,000	133,589	133,589
Japan	Variable	3/	2,150,000	907,338	907,338
Korea	Variable	3/	27,700	12,718	12,718
Netherlands	Variable	3/	350,000	--	--
Norway	Variable	3/	60,000	53,432	53,432
OPEC Fund for International Development	Variable	3/	38,071	25,385	25,385
Spain	0.50		192,000	42,563	42,563
Switzerland	Variable	3/	151,700	116,058	116,058
Total for enlargement of PRGF			6,029,471	2,417,908	2,417,908
Resources held pending repayment					
		6/	--	--	326,852
Total--Loan Account			10,974,471	7,359,337	6,045,100

Poverty Reduction Growth Facility Trust

Schedule of Borrowing Agreements as at July 31, 2000

(In thousands of SDRs)

Member	Interest Rate (in percent)	Amount of Agreement	Amount Drawn	Outstanding Balance
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		243,481	238,150	118,150

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

2/ The agreement with France made before the enlargement of PRGF (SDR 800 million) provides that the interest rate shall be 0.5 percent on the first SDR 700 million drawn, and 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.

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

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

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

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

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

8/ The 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 Growth Facility Trust

Status of Loan Arrangements ^{1/} as at July 31, 2000

(In thousands of SDRs)

Member	Date of Arrangement	Expiration	Amount Agreed	Undrawn Balance
Albania	May. 13, 1998	May. 12, 2001	45,040	9,410
Benin	Jul. 17, 2000	Jul. 16, 2003	27,000	20,200
Bolivia	Sep. 18, 1998	Sep. 17, 2001	100,960	56,097
Burkina Faso	Sep. 10, 1999	Sep. 9, 2002	39,120	27,940
Cambodia	Oct. 22, 1999	Oct. 21, 2002	58,500	50,143
Cameroon	Aug. 20, 1997	Aug. 19, 2000	162,120	18,020
Central African Republic	Jul. 20, 1998	Jul. 19, 2001	49,440	32,960
Chad	Jan. 7, 2000	Jan. 7, 2003	36,400	26,000
Cote d'Ivoire	Mar. 17, 1998	Mar. 16, 2001	285,840	161,976
Djibouti	Oct. 18, 1999	Oct. 17, 2002	19,082	13,630
Gambia, The	Jun. 29, 1998	Jun. 28, 2001	20,610	10,305
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	64,600
Kyrgyz Republic	Jun. 26, 1998	Jun. 25, 2001	73,380	38,230
Madagascar	Nov. 27, 1996	Nov. 30, 2000	81,360	9,480
Mali	Aug. 6, 1999	Aug. 5, 2002	46,650	39,900
Mauritania	Jul. 21, 1999	Jul. 20, 2002	42,490	30,350
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
Sao Tome & Principe	Apr. 28, 2000	Apr. 28, 2003	6,657	5,706
Senegal	Apr. 20, 1998	Apr. 19, 2001	107,010	42,804
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. 28, 2003	254,450	244,450
			<u>3,482,829</u>	<u>1,903,004</u>
			=====	=====

^{1/} The Saudi Fund for Development may also provide resources to support arrangements under the PRGF through loans to qualifying members in association with loans under the PRGF. As at July 31, 2000, SDR 49.5 million of such associated loans had been disbursed.

**II. Financial Statements
of the
Poverty Reduction and Growth
Facility Administered Accounts**

Poverty Reduction and Growth Facility Administered Accounts

Balance Sheets as at July 31, 2000

(In thousands of SDRs)
(Note 1)

	Austria	Belgium	Botswana	Greece
Assets				
Cash and cash equivalents	--	185,581	--	--
Investments (Note 3)	50,000	--	6,894	28,000
Advance payments to the PRGF Subsidy Account	269	--	12	51
Interest receivable	--	731	--	--
	<u>50,269</u>	<u>186,312</u>	<u>6,906</u>	<u>28,051</u>
Total Assets	<u>50,269</u>	<u>186,312</u>	<u>6,906</u>	<u>28,051</u>
Resources and Liabilities				
Deposits (Note 4)	50,000	180,000	6,894	28,000
Interest payable	266	132	12	49
Other liabilities	3	--	--	2
	<u>50,269</u>	<u>180,132</u>	<u>6,906</u>	<u>28,051</u>
Total Liabilities	<u>50,269</u>	<u>180,132</u>	<u>6,906</u>	<u>28,051</u>
Resources	--	6,180	--	--
	<u>50,269</u>	<u>186,312</u>	<u>6,906</u>	<u>28,051</u>
Total Resources and Liabilities	<u>50,269</u>	<u>186,312</u>	<u>6,906</u>	<u>28,051</u>
	Indonesia	Iran, I. R. of	Portugal	
Assets				
Cash and cash equivalents	25,000	--	--	
Investments (Note 3)	--	5,000	12,708	
Advance payments to the PRGF Subsidy Account	44	4	14	
Interest receivable	98	--	--	
	<u>25,142</u>	<u>5,004</u>	<u>12,722</u>	
Total Assets	<u>25,142</u>	<u>5,004</u>	<u>12,722</u>	
Resources and Liabilities				
Deposits (Note 4)	25,000	5,000	12,708	
Interest payable	141	4	13	
Other liabilities	1	--	1	
	<u>25,142</u>	<u>5,004</u>	<u>12,722</u>	
Total Liabilities	<u>25,142</u>	<u>5,004</u>	<u>12,722</u>	
Resources	--	--	--	
	<u>25,142</u>	<u>5,004</u>	<u>12,722</u>	
Total Resources and Liabilities	<u>25,142</u>	<u>5,004</u>	<u>12,722</u>	

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

/s/ Eduard Brau
Treasurer

/s/ Horst Köhler
Managing Director

Poverty Reduction and Growth Facility Administered Accounts

Income Statements and Changes in Resources for the Three Months Ended July 31, 2000

(In thousands of SDRs)
(Note 1)

	Austria	Belgium	Botswana	Greece
Balance, beginning of the year	--	2,331	--	361
Investment income	536	2,050	74	825
Other expenses	(2)	--	--	(1)
Interest expense on deposits	(63)	(227)	(34)	(35)
Net income	471	1,823	40	789
Transfers to the PRGF Trust Subsidy Account	(471)	2,026	(40)	(1,150)
Net changes in resources	--	3,849	--	(361)
Balance, July 31, 2000	--	6,180	--	--
	=====	=====	=====	=====

	Indonesia	Iran, I. R. of	Portugal
Balance, beginning of the year	117	26	11
Investment income	644	54	136
Other expenses	--	--	--
Interest expense on deposits	(120)	(6)	(16)
Net income	524	48	120
Transfers to the PRGF Trust Subsidy Account	(641)	(74)	(131)
Net changes in resources	(117)	(26)	(11)
Balance, July 31, 2000	--	--	--
	=====	=====	=====

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

Poverty Reduction Growth Facility Administered Accounts

Notes to the Financial Statements

as at July 31, 2000

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 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 finance 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.

Poverty Reduction Growth Facility Administered Accounts

Notes to the Financial Statements

as at July 31, 2000

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 July 31, 2000 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 July 31, 2000, one SDR was equal to 1.31335 U.S. dollars.

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.

Poverty Reduction Growth Facility Administered Accounts

Notes to the Financial Statements

as at July 31, 2000

Investments

The resources of the Administered Accounts are invested pending their use. Investments are made in debt securities 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.

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 will be included in the determination of net income.

Transfers to PRGF Subsidy Account

The difference between the interest earned by the IMF on the invested amount and the interest payable on the deposit 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.

Poverty Reduction Growth Facility Administered Accounts

Notes to the Financial Statements

as at July 31, 2000

3. Investments

The maturities of the administered accounts investments are as follows:

Maturity from July 31, 2000	
<i>(in thousands of SDRs)</i>	
Less than 1 year	7,182
1 -3 years	91,315
3 - 5 years	3,078
Over 5 years	1,026
Total	<u>102,601</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 $\frac{1}{2}$ of 1 percent a year. The first deposit from Austria had 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 $\frac{1}{2}$ 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 to be invested by the IMF and the IMF pays the National Bank of Belgium interest on each deposit at an annual rate of $\frac{1}{2}$ 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.

Poverty Reduction Growth Facility Administered Accounts

Notes to the Financial Statements

as at July 31, 2000

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 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 $\frac{1}{2}$ 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 $\frac{1}{2}$ 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 $\frac{1}{2}$ of 1 percent a year.

Poverty Reduction Growth Facility Administered Accounts

Notes to the Financial Statements

as at July 31, 2000

5. *Associated Loans*

The SFD has provided resources to support arrangements under the PRGF through loans in association with loans 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 ½ of 1 percent a year.

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

Receipts of Resources

Cumulative transfers from the Saudi Fund for Development	49,500
Cumulative repayments of associated loans	16,700
Cumulative receipts of interest on associated loans	1,591
Accrued interest on associated loans	14
	<hr/>
	67,805
	=====

Uses of Resources

Associated loans	49,500
Cumulative repayments to the Saudi Fund for Development	16,700
Cumulative payments of interest on transfers	1,591
Accrued interest on transfers	14
	<hr/>
	67,805
	=====

**III. Financial Statements
of the
PRGF-HIPC Trust**

PRGF-HIPC Trust and Related Accounts

Combined Balance Sheet as at July 31, 2000

(In thousands of SDRs)

Assets	
Cash and cash equivalents	1,050,104
Investments (Note 3)	224,513
Interest receivable	6,155
	<hr/>
Total Assets	1,280,772
	<hr/> <hr/>
 Resources and Liabilities	
Borrowings (Note 5)	355,652
Other liabilities	13
Interest payable	664
	<hr/>
Total Liabilities	356,329
	<hr/>
Resources	924,443
	<hr/>
Total Resources and Liabilities	1,280,772
	<hr/> <hr/>

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 Statement and Changes in Resources for the Three Months Ended July 31, 2000

(In thousands of SDRs)

Balance, April 30, 2000	928,928
Investment income	13,643
Interest expense	(377)
Other expenses	(36)
	13,230
Net income	13,230
Contributions received	90,301
Grants	(26,362)
Disbursements	(24,366)
	52,803
Transfers	(57,288)
	(4,485)
Net changes in resources	(4,485)
Balance, July 31, 2000	924,443

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

PRGF-HIPC Trust and Related Accounts

Notes to the Financial Statements

as at July 31, 2000

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

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

The resources of the PRGF-HIPC Trust Account consist of grant contributions, borrowings, loans, 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 sub-account holds resources that could finance either HIPC operations or interim PRGF subsidy operations; the PRGF sub-account holds resources earmarked for interim PRGF subsidy operations, while the HIPC sub-account hold resources earmarked for HIPC operations. PRGF-HIPC sub-account resources used to finance HIPC operations through the HIPC sub-account are repayable to the PRGF-HIPC sub-account and bear interest at a rate equal to the average return on investments in the Special Disbursement Account.

PRGF-HIPC Trust and Related Accounts

Notes to the Financial Statements

as at July 31, 2000

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 sub-accounts for each eligible member upon the approval of disbursements under the PRGF-HIPC Trust.

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

The resources held in a sub-account 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.

PRGF-HIPC Trust and Related Accounts

Notes to the Financial Statements

as at July 31, 2000

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 July 31, 2000 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 July 31, 2000, one SDR was equal to 1.31335 U.S. dollars.

PRGF-HIPC Trust and Related Accounts

Notes to the Financial Statements

as at July 31, 2000

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 and fixed term deposits, 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

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.

PRGF-HIPC Trust and Related Accounts

Notes to the Financial Statements

as at July 31, 2000

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.

3. Investments

The maturities of the investments are as follows:

Maturity from July 31, 2000	<i>(in thousands of SDRs)</i>
Less than 1 year	16,412
1 - 3 years	200,064
3 - 5 years	6,668
Over 5 years	1,369
Total	224,513

4. Transfers receivable and payable

The HIPC sub-account has transfers payable to the PRGF-HIPC sub-account arising from past disbursements to the Umbrella Account under the HIPC initiative in the amount of SDR 203.6 million, including interest. Interest payable between sub-accounts is eliminated on combination.

PRGF-HIPC Trust and Related Accounts

Notes to the Financial Statements

as at July 31, 2000

5. Borrowings

The Trust borrows on such terms and conditions as agreed between the Trust and the lenders. Interest rates on borrowings at July 31, 2000 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	<i>(in thousands of SDRs)</i>
2001	--
2002	14,607
2003	--
2004	--
2005	15,000
2006 and beyond	326,045
Total	355,652

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

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

PRGF-HIPC Trust and Related Accounts

Notes to the Financial Statements as at July 31, 2000

Combined Balance Sheets

(In thousands of SDRs)

	PRGF-HIPC Trust Account sub-account			Combined	Umbrella Account for HIPC Operations	Post SCA-2 Administered Account	Combined Total
	PRGF-HIPC	PRGF	HIPC				
Assets							
Cash and cash equivalents	505,908	59	192,544	698,511	163,829	187,764	1,050,104
Investments	217,183	7,330	--	224,513	--	--	224,513
Transfers to and from sub-accounts	203,601	--	(203,601)	--	--	--	--
Interest receivable	2,250	--	806	3,056	619	2,480	6,155
Total Assets	<u>928,942</u>	<u>7,389</u>	<u>(10,251)</u>	<u>926,080</u>	<u>164,448</u>	<u>190,244</u>	<u>1,280,772</u>
Resources and Liabilities							
Borrowings	355,652	--	--	355,652	--	--	355,652
Other liabilities	13	--	--	13	--	--	13
Interest payable	664	--	--	664	--	--	664
Total Liabilities	<u>356,329</u>	<u>--</u>	<u>--</u>	<u>356,329</u>	<u>--</u>	<u>--</u>	<u>356,329</u>
Resources	<u>572,613</u>	<u>7,389</u>	<u>(10,251)</u>	<u>569,751</u>	<u>164,448</u>	<u>190,244</u>	<u>924,443</u>
Total Resources and Liabilities	<u>928,942</u>	<u>7,389</u>	<u>(10,251)</u>	<u>926,080</u>	<u>164,448</u>	<u>190,244</u>	<u>1,280,772</u>

PRGF-HIPC Trust and Related Accounts

**Notes to the Financial Statements
for the Three Months Ended July 31, 2000**

Combined Income Statements and Changes in Resources

(In thousands of SDRs)

	PRGF-HIPC Trust Account				Umbrella Account for HIPC Operations	Post SCA-2 Administered Account	Combined Total
	sub-account						
	PRGF-HIPC	PRGF	HIPC	Combined			
Balance, April 30, 2000	491,006	7,310	12,735	511,051	160,825	257,052	928,928
Investment income	9,991	79	2,362	9,536	1,627	2,480	13,643
Interest expense	(377)	--	(2,896)	(377)	--	--	(377)
Other expenses	(36)	--	--	(36)	--	--	(36)
Net income/(loss)	9,578	79	(534)	9,123	1,627	2,480	13,230
Contributions received	60,029	--	3,910	63,939	26,362	--	90,301
Grants	--	--	(26,362)	(26,362)	--	--	(26,362)
Disbursements	--	--	--	--	(24,366)	--	(24,366)
	69,607	79	(22,986)	46,700	3,623	2,480	52,803
Transfers	12,000	--	--	12,000	--	(69,288)	(57,288)
Net changes in resources	81,607	79	(22,986)	58,700	3,623	(66,808)	(4,485)
Balance, July 31, 2000	572,613	7,389	(10,251)	569,751	164,448	190,244	924,443

Post-SCA-2 Administered Account

Holdings, Interest and Transfers

as at July 31, 2000

(In thousands of SDRs)

Member	Transfers from SCA-2	Interest earned	Transfers to member	Transfers to PRGF-HIPC Trust	Balance as at July 31, 2000
Algeria	7,569	207	--	--	7,776
Argentina	19,605	507	--	--	20,112
Austria	9,563	260	--	--	9,823
Brazil	9,979	272	--	--	10,251
Brunei Darussalam	52	1	--	--	53
Croatia, Republic of	519	14	--	--	533
Czech Republic	5,664	47	(47)	(5,664)	--
Dominican Republic	905	20	--	--	925
Egypt	1,724	37	--	(1,724)	37
Estonia, Republic of	137	4	--	--	141
Fiji	194	5	--	--	199
Finland	5,812	159	--	--	5,971
Gabon	431	12	--	--	443
Hungary	9,237	252	--	--	9,489
India	31,370	390	--	(31,760)	--
Indonesia	4,850	124	--	(4,850)	124
Italy	42,407	901	--	(42,407)	901
Jordan	1,027	24	--	--	1,051
Kuwait	4,197	108	--	(4,197)	108
Latvia, Republic of	269	7	--	--	276
Malaysia	7,368	197	--	--	7,565
Mauritius	40	--	--	(40)	--
Morocco	2,187	49	--	(2,187)	49
New Zealand	1,199	19	--	(1,218)	--
Oman	1,057	29	--	--	1,086
Pakistan	4,659	105	--	(4,659)	105
Peru	6,144	34	(34)	(6,144)	--
Poland, Republic of	7,074	150	--	(7,074)	150
Russian Federation	10,086	275	--	--	10,361
Saudi Arabia	16,710	457	--	--	17,167

Post-SCA-2 Administered Account**Holdings, Interest and Transfers****as at July 31, 2000***(In thousands of SDRs)*

Member	Transfers from SCA-2	Interest earned	Transfers to member	Transfers to PRGF-HIPC Trust	Balance as at July 31, 2000
Singapore	4,046	110	--	--	4,156
Spain	26,000	641	--	--	26,641
Sri Lanka	789	12	--	(801)	--
Sweden	10,595	290	--	--	10,885
Thailand	6,128	167	--	--	6,295
Tonga	26	1	--	--	27
Trinidad & Tobago	2,216	42	--	--	2,258
Tunisia	2,362	65	--	--	2,427
United Arab Emirates	5,141	129	--	--	5,270
Vanuatu	44	1	--	--	45
Venezuela	26,815	719	--	--	27,534
Vietnam	523	10	--	(523)	10
	<u>296,720</u>	<u>6,853</u>	<u>(81)</u>	<u>(113,248)</u>	<u>190,244</u>
	=====	=====	=====	=====	=====

PRGF-HIPC Trust Account

Contributions and Transfers

as at July 31, 2000

(In thousands of SDRs)

	sub-account			Combined
	PRGF-HIPC	PRGF	HIPC	
<i>Cumulative up to ended April 30, 2000</i>				
Australia	--	--	9,189	9,189
Bangladesh	1,163	--	--	1,163
Barbados	250	--	--	250
Belize	40	--	--	40
Cambodia	27	--	--	27
Canada	32,929	--	--	32,929
China	13,132	--	--	13,132
Cyprus	544	--	--	544
Denmark	6,120	--	--	6,120
Finland	2,251	--	--	2,251
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	66,558	--	--	66,558
Korea	10,625	--	--	10,625
Luxembourg	488	--	--	488
Malta	706	--	--	706
Mauritius	40	--	--	40
Netherlands	--	6,945	--	6,945
Nigeria	1,102	--	--	1,102
Norway	7,251	--	--	7,251
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
	<u>227,552</u>	<u>6,945</u>	<u>231,121</u>	<u>465,618</u>

PRGF-HIPC Trust Account**Contributions and Transfers****as at July 31, 2000***(In thousands of SDRs)*

	sub-account			Combined
	PRGF-HIPC	PRGF	HIPC	
Transfers from SDA	171,397	--	--	171,397
Transfers from GRA	72,456	--	--	72,456
	<u>243,853</u>	<u>--</u>	<u>--</u>	<u>243,853</u>
	<u>471,405</u>	<u>6,945</u>	<u>231,121</u>	<u>709,471</u>
<i>Period ended July 31, 2000</i>				
Australia	--	--	3,910	3,910
India	390	--	--	390
Italy	42,408	--	--	42,408
Mexico	8,000	--	--	8,000
New Zealand	1,158	--	--	1,158
Poland, Republic of	877	--	--	877
South Africa	4,000	--	--	4,000
Sri Lanka	12	--	--	12
Switzerland	3,184	--	--	3,184
	<u>60,029</u>	<u>--</u>	<u>3,910</u>	<u>63,939</u>
Transfers from SDA	12,000	--	--	12,000
Transfers from GRA	--	--	--	--
	<u>12,000</u>	<u>--</u>	<u>--</u>	<u>12,000</u>
	<u>72,029</u>	<u>--</u>	<u>3,910</u>	<u>75,939</u>

PRGF-HIPC Trust Account

Borrowings

as at July 31, 2000

(In thousands of SDRs)

Date of Arrangement	Maturity ¹	Interest rate (in percent)	Amount
<i>PRGF-HIPC sub-account</i>			
April 30, 1997	April 29, 2002	2.0	14,607
May 30, 1997	May 29, 2007	0.5	1,000
May 30, 1998	May 29, 2007	0.5	1,000
June 29, 1998	June 28, 2008	2.0	15,000
November 20, 1998	November 19, 2008	2.0	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 30, 2018	0.0	789
May 17, 2000	May 16, 2010	0.5	982
May 24, 2000	December 30, 2018	0.0	523
May 27, 2000	December 30, 2018	0.0	750
May 30, 2000	May 29, 2007	0.5	1,000
June 12, 2000	June 11, 2020	0.0	7,074
June 16, 2000	December 30, 2018	0.0	1,724
June 22, 2000	June 21, 2020	0.0	2,187
June 22, 2000	June 21, 2020	0.0	4,659
July 18, 2000	December 30, 2018	0.0	4,850
July 25, 2000	December 30, 2018	0.0	4,197
			144,520
Borrowings held in currency			
February 11, 2000	February 10, 2010	0.0	211,132 (EUR 300 m)
Total			355,652

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

Umbrella Account for HIPC Operations

Grants, Interest and Disbursements

as at July 31, 2000

(In thousands of SDRs)

	Opening balance	Grants from PRGF-HIPC Trust Account	Interest earned	Disbursements	Balance
<i>Cumulative up to April 30, 2000</i>					
Bolivia	--	21,249	885	14,228	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	--	57,114	3,563	23,418	37,259
	-----	-----	-----	-----	-----
	--	212,749	7,955	59,879	160,825
	=====	=====	=====	=====	=====
<i>Period ended July 31, 2000</i>					
Benin	--	3,700	5	601	3,104
Bolivia	7,906	--	77	2,296	5,687
Burkina Faso	--	16,300	39	--	16,339
Guyana	18,862	--	205	1,289	17,778
Mauritania	--	3,762	2	2,208	1,556
Mozambique	83,423	--	801	7,360	76,864
Tanzania	13,375	--	112	5,008	8,479
Uganda	37,259	2,600	386	5,604	34,641
	-----	-----	-----	-----	-----
	160,825	26,362	1,627	24,366	164,448
	=====	=====	=====	=====	=====

**IV. Financial Statements
of
Administered Accounts Established
at the
Request of Members**

Other Administered Accounts

Balance Sheets as at July 31, 2000

	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
	<i>(In thousands of U.S. dollars)</i>			<i>(In thousands of SDRs)</i>		
Assets						
Cash and cash equivalents	109,164	14,832	4,674	256	--	2,239
Loans receivable	--	--	--	--	88,828	--
Interest receivable	--	--	--	3	--	26
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Assets	109,164	14,832	4,674	259	88,828	2,265
	=====	=====	=====	=====	=====	=====
Resources						
Total Resources	109,164	14,832	4,674	259	88,828	2,265
	=====	=====	=====	=====	=====	=====

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 Three Months Ended July 31, 2000

	Administered Account for Selected 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
	<i>(In thousands of U.S. dollars)</i>			<i>(In thousands of SDRs)</i>		
Balance, beginning of the year	107,439	18,854	4,201	291	88,904	2,343
Income earned on investments	1,725	266	61	3	--	26
Interest on loans	--	--	--	--	26,958	--
Deferred income, net of settlements (Note 4)	--	--	--	--	(26,958)	--
Operational Income	1,725	266	61	3	--	26
Contributions received	--	634	1,590	--	--	--
Payments to beneficiaries	--	(4,922)	(1,178)	(35)	--	--
	1,725	(4,022)	473	(32)	--	26
Transfers to the Special Disbursement Account (Note 5)	--	--	--	--	(76)	(104)
Net changes in resources	1,725	(4,022)	473	(32)	(76)	(78)
Balance, July 31, 2000	109,164	14,832	4,674	259	88,828	2,265
	=====	=====	=====	=====	=====	=====

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

Other Administered Accounts

Notes to the Financial Statements

as at July 31, 2000

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.

Other Administered Accounts

Notes to the Financial Statements

as at July 31, 2000

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.

Other Administered Accounts

Notes to the Financial Statements

as at July 31, 2000

Denmark Technical Assistance Subaccount

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

Australia Technical Assistance Subaccount

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

The Netherlands Technical Assistance Subaccount

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

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 ½ 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.

Other Administered Accounts

Notes to the Financial Statements

as at July 31, 2000

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

Other Administered Accounts

Notes to the Financial Statements

as at July 31, 2000

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 July 31, 2000 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 July 31, 2000, one SDR was equal to 1.31335 U.S. dollars.

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.

Other Administered Accounts

Notes to the Financial Statements

as at July 31, 2000

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 Fund 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 Fund from these accounts. As at July 31, 2000, the administrative costs for the Administered Account for Selected Fund Activities – Japan amounted to \$0.55 million, and, for the Framework Administered Account for Technical Assistance Activities, \$0.13 million.

Other Administered Accounts

Notes to the Financial Statements

as at July 31, 2000

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

Account	July 31, 2000	
	Cumulative Contributions	Cumulative Disbursements ¹
	<i>(In millions of U.S. dollars)</i>	
<i>Administered Account Japan</i>	135.2	72.5
<i>Administered Account for Selected Fund Activities - Japan</i>	139.1	130.6
Technical Assistance	128.6	121.3
Scholarships	6.6	6.2
Office of Asia and Pacific	3.9	3.1
<i>Framework Administered Account for Technical assistance Activities</i>	16.6	12.7
Subaccount for Japan Advanced Scholarship Program	5.7	4.4
Rwanda - Macroeconomic Management Capacity Subaccount	1.5	1.6
Australia - IMF Scholarship Program for Asia Subaccount	1.3	1.1
Switzerland Technical Assistance Subaccount	6.8	4.9
French Technical Assistance Subaccount	0.54	0.32
Denmark Technical Assistance Subaccount	0.47	0.45
Australia Technical Assistance Subaccount	0.27	0.00
	<i>(In millions of SDRs)</i>	
<i>Administered Account for Rwanda</i>	1.5	1.4

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

Other Administered Accounts

Notes to the Financial Statements

as at July 31, 2000

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 ½ 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 July 31, 2000, 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 July 31, 2000, total deferred income amounted to SDR 27 million. Overdue loan repayments and interest and special charges due from these members were as follows:

	Loans	Interest and Special Charges
	<i>In millions of SDRs</i>	
Total overdue	88.8	26.9
Overdue six months or more	88.8	26.7
Overdue three years or more	88.8	25.6

The type and duration of the arrears of these members at July 31, 2000 were as follows:

Other Administered Accounts

Notes to the Financial Statements

as at July 31, 2000

Member	Loans	Interest and Special Charges	Total	Longest Overdue Obligation
<i>In millions of SDRs</i>				
Liberia	23.1	7.0	30.1	February 1985
Somalia	6.5	1.4	7.9	July 1987
Sudan	<u>59.2</u>	<u>18.6</u>	<u>77.8</u>	June 1985
Total	<u>88.8</u>	<u>27.0</u>	<u>115.8</u>	

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 July 31, 2000, 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.

Other Administered Accounts

Notes to the Financial Statements

as at July 31, 2000

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.