

INTERNATIONAL MONETARY FUND

**Framework Administered Account for Selected Fund Activities: European Commission
Subaccount for Selected Fund Activities**

Prepared by the Legal and Finance Departments, and the Office of Technical Assistance
Management

Approved by
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1. In March 2009, the Fund established a new Framework Administered Account to administer external financial resources for selected Fund Activities (the “SFA Instrument”).¹ The financing of activities under the terms of the SFA Instrument is implemented through the establishment and operation of a subaccount within the SFA. The European Commission Subaccount will be the ninth subaccount to be established under the SFA. This paper requests Executive Board approval to establish the European Commission Subaccount for Selected Fund Activities (the “Subaccount”) under the terms of the SFA instrument.

2. The Fund, represented by the Managing Director, has reached understandings with the European Commission (EC), to finance capacity building (technical assistance and training) and related activities. On the basis of these understandings, the Managing Director and EC President Barroso signed a framework agreement on January 12, 2009. The provisions of the framework agreement serve as the essential terms and conditions of the Subaccount with respect to the nature, design, and implementation of the activities to be financed and the method by which the costs of the activities will be financed from the Subaccount. In particular:

a. The resources of the Subaccount will be used to finance projects that seek to enhance the capacity of Fund members to formulate and implement policies in the

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

macroeconomic, fiscal, monetary, financial and related statistical fields, including training programs and projects that strengthen the legal and administrative framework in these core areas.

b. The EC and the Fund shall reach understandings upon operational features related to the capacity building activities agreed to be financed from the Subaccount, consistent with the understandings that have been reached between the EC and the Fund under the framework agreement.

c. Resources will be placed in the Subaccount by the EC on understandings to be reached by the Fund and the EC as reflected in EC Standard Contribution Agreements (SCAs), relating to specific activities to be undertaken.

3. The essential terms and conditions of the Subaccount are consistent with the terms and conditions of the SFA Instrument, and the activities to be financed from the Subaccount are consistent with the purposes of the Fund. Accordingly, it is proposed that the Executive Board approve the establishment of the Subaccount.

Attachment

List of Subaccounts established under the Framework Administered Account for Selected Fund Activities:

1. “Central America, Panama, and the Dominican Republic Technical Assistance Center (CAPTAC-DR) Subaccount” (<http://www.imf.org/external/np/pp/eng/2009/032709a.pdf>).
2. “Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) Subaccount” (<http://www.imf.org/external/np/pp/eng/2009/032709.pdf>).
3. “East Africa Regional Technical Assistance Center (AFRITAC East) Subaccount” (<http://www.imf.org/external/np/pp/eng/2009/091509A.pdf>).
4. “West Africa Regional Technical Assistance Center (AFRITAC West) Subaccount” (<http://www.imf.org/external/np/pp/eng/2009/091509b.pdf>).